

COMPLIANCE REVIEW REPORT

California Conservation Corps

Compliance Review Unit
State Personnel Board
August 6, 2018

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INTRODUCTION

Established by the California Constitution, the State Personnel Board (the SPB or Board) is charged with enforcing and administering the civil service statutes, prescribing probationary periods and classifications, adopting regulations, and reviewing disciplinary actions and merit-related appeals. The SPB oversees the merit-based recruitment and selection process for the hiring of over 200,000 state employees. These employees provide critical services to the people of California, including but not limited to, protecting life and property, managing emergency operations, providing education, promoting the public health, and preserving the environment. The SPB provides direction to departments through the Board's decisions, rules, policies, and consultation.

Pursuant to Government Code section 18661, the SPB's Compliance Review Unit (CRU) conducts compliance reviews of appointing authorities' personnel practices in five areas: examinations, appointments, equal employment opportunity (EEO), personal services contracts (PSC's), and mandated training, to ensure compliance with civil service laws and board regulations. The purpose of these reviews is to ensure state agencies comply with merit related laws, rules, and policies and to identify and share best practices identified during the reviews.

Effective July 1, 2012, the Governor's Reorganization Plan Number One (GRP1) of 2011 consolidated all of the functions of the Department of Personnel Administration and the merit-related operational functions of the State Personnel Board (SPB) into the California Department of Human Resources (CalHR).

Pursuant to Government Code section 18502(c), CalHR and SPB may "delegate, share, or transfer between them responsibilities for programs within their respective jurisdictions pursuant to an agreement." CalHR and SPB, by mutual agreement, expanded the scope of program areas to be audited to include more operational practices that have been delegated to departments and for which CalHR provides policy direction. Many of these delegated practices are cost drivers to the state and not monitored on a consistent, statewide basis.

As such, SPB also conducts compliance reviews of appointing authorities' personnel practices to ensure that state departments are appropriately managing the following non-merit-related personnel functions: compensation and pay, leave, and policy and processes. These reviews will help to avoid and prevent potential costly litigation related to improper personnel practices and deter waste, fraud, and abuse.

The SPB conducts these reviews on a three-year cycle.

The CRU may also conduct special investigations in response to a specific request or when the SPB obtains information suggesting a potential merit-related violation.

EXECUTIVE SUMMARY

The CRU conducted a routine compliance review of the California Conservation Corps (CCC) personnel practices in the areas of examinations, appointments, EEO, mandated training, compensation and pay, leave, and policy and processes¹. The following table summarizes the compliance review findings.

Area	Finding
Examinations	Examinations Complied with Civil Service Laws and Board Rules
Appointments	Probationary Evaluations Were Not Provided for All Appointments Reviewed
Equal Employment Opportunity	Equal Employment Opportunity Program Complied with Civil Service Laws and Board Rules
Mandated Training	Mandated Training Complied with Civil Service Laws and Board Rules
Compensation and Pay	Incorrect Application of Salary Determination Laws, Board Rules, and/or CalHR Policies and Guidelines
Compensation and Pay	Alternate Range Movements Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Compensation and Pay	Exception to Salary Authorization Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Compensation and Pay	Arduous Pay Authorization Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Compensation and Pay	Payroll Errors When Issuing Out-of-Class Pay
Leave	Administrative Time Off Authorization Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Leave	Incorrectly Posting Leave Usage and or Leave Credit
Leave	Leave Reduction Plans Were Not Provided to All Employees Whose Leave Balances Exceeded Established Limits

¹ Timeframes of the compliance review varied depending on the area of review. Please refer to each section for specific compliance review timeframes.

Area	Finding
Leave	715 Transactions Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Policy	Nepotism Policy Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Policy	Workers' Compensation Process Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Policy	Performance Appraisal Process Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines

A color-coded system is used to identify the severity of the violations as follows:

- Red = Very Serious
- Orange = Serious
- Yellow = Non-serious or Technical
- Green = In Compliance

BACKGROUND

The CCC is a state agency that puts together young adults and the environment, to the benefit of both. The CCC develops young adults into productive, responsible citizens through a year or more of hard work and service that protects and restores California's natural resources, responds to natural and manmade disasters, and overall makes California an even better place to live.

The CCC, modeled after the original Civilian Conservation Corps of the 1930s, is the oldest and largest conservation corps now in operation. Created by Governor Edmund G. Brown Jr. in 1976, more than 120,000 young adults have been a part of the CCC since that time.

SCOPE AND METHODOLOGY

The scope of the compliance review was limited to reviewing the CCC examinations, appointments, EEO program, mandated training, compensation and pay, leave, and policy and processes² when applicable. The primary objective of the review was to determine if CCC personnel practices, policies, and procedures complied with state civil service laws and board regulations, bargaining unit agreements, CalHR policies and

² Timeframes of the compliance review varied depending on the area of review. Please refer to each section for specific compliance review timeframes.

guidelines, CalHR delegation agreements, and to recommend corrective action where deficiencies were identified.

A cross-section of the CCC's examinations were selected for review to ensure that samples of various examination types, classifications, and levels were reviewed. The CRU examined the documentation that the CCC provided, which included examination plans, examination bulletins, job analyses, and scoring results. The CCC did not conduct any permanent withhold actions during the compliance review period.

A cross-section of the CCC's appointments were selected to ensure that samples of various appointment types, classifications, and levels were reviewed. The CRU examined the documentation that the CCC provided, which included notice of personnel action (NOPA) forms, request for personnel actions (RPA's), vacancy postings, application screening criteria, hiring interview rating criteria, certification lists, transfer movement worksheets, employment history records, correspondence, and probation reports. The CCC did not conduct any unlawful appointment investigations during the compliance review period. Additionally, the CCC did not make any additional appointments during the compliance review period.

The CCC's appointments were also selected for review to ensure the CCC applied salary regulations accurately and correctly processed employee's compensation and pay. The CRU examined the documentation that the CCC provided, which included employee's employment and pay history and any other relevant documentation such as certifications, degrees, and/or the appointee's application. Additionally, the CRU reviewed specific documentation for the following personnel functions related to compensation and pay: alternate range change, arduous pay, and out of class pay. During the compliance review period, the CCC did not issue or authorize hiring above minimum (HAM) requests, bilingual pay, red circle rates, or any other monthly pay differential.

The review of the CCC's EEO program included examining written EEO policies and procedures; the EEO Officer's role, duties, and reporting relationship; the internal discrimination complaint process; the upward mobility program; the reasonable accommodation program; the discrimination complaint process; and the Disability Advisory Committee (DAC).

The CCC did not execute any PSC's during the compliance review period.

The CCC's mandated training program was reviewed to ensure all employees required to file statements of economic interest were provided ethics training, and that all

supervisors and managers were provided supervisory and sexual harassment prevention training within statutory timelines.

The CRU also identified the CCC employees whose current annual leave, or vacation leave credits, exceeded established limits. The CRU reviewed a cross-section of these identified employees to ensure that employees who have significant “over-the-cap” leave balances have a leave reduction plan in place. Additionally, the CRU asked the CCC to provide a copy of their leave reduction policy.

The CRU reviewed the CCC’s Leave Activity and Correction certification forms to verify that the CCC created a monthly internal audit process to verify all leave input into any leave accounting system was keyed accurately and timely. The CRU selected a small cross-section of the CCC’s units in order to ensure they maintained accurate and timely leave accounting records. Part of this review also examined a cross-section of the CCC’s employee’s employment and pay history, state service records, and leave accrual histories to ensure employees with non-qualifying pay periods did not receive vacation/sick leave and/or annual leave accruals or state service credit. Additionally, the CRU reviewed a selection of CCC employees who used Administrative Time Off (ATO) in order to ensure that ATO was appropriately administered. The CCC did not track any temporary intermittent employees by actual time worked during the compliance review period.

Moreover, the CRU reviewed the CCC’s policies and processes concerning nepotism, workers’ compensation, and performance appraisals. The review was limited to whether the CCC’s policies and processes adhered to procedural requirements.

On June 12, 2018, an exit conference was held with the CCC to explain and discuss the CRU’s initial findings and recommendations. The CRU received and carefully reviewed the CCC’s written response on July 10, 2018, which is attached to this final compliance review report.

FINDINGS AND RECOMMENDATIONS

Examinations

Examinations to establish an eligible list must be competitive and of such character as fairly to test and determine the qualifications, fitness, and ability of competitors to perform the duties of the class of position for which he or she seeks appointment. (Gov. Code, § 18930.) Examinations may be assembled or unassembled, written or oral, or in the form of a demonstration of skills, or any combination of those tests. (*Ibid.*) The

Board establishes minimum qualifications for determining the fitness and qualifications of employees for each class of position and for applicants for examinations. (Gov. Code, § 18931.) Within a reasonable time before the scheduled date for the examination, the designated appointing power shall announce or advertise the examination for the establishment of eligible lists. (Gov. Code, § 18933, subd. (a).) the advertisement shall contain such information as the date and place of the examination and the nature of the minimum qualifications. (*Ibid.*) Every applicant for examination shall file an application in the office of the department or a designated appointing power as directed by the examination announcement. (Gov. Code, § 18934.) Generally, the final earned rating of each person competing in any examination is to be determined by the weighted average of the earned ratings on all phases of the examination. (Gov. Code, § 18936.) Each competitor shall be notified in writing of the results of the examination when the employment list resulting from the examination is established. (Gov. Code, § 18938.5.)

During the period under review, September 1, 2016 through May 31, 2017, the CCC conducted eight examinations. The CRU reviewed six of those examinations, which are listed below:

Classification	Exam Type	Exam Components	Final File Date	No. of Apps
Career Executive Assignment (CEA) A, Communications Director	CEA	Statement of Qualifications ³	10/13/16	18
CEA A, Energy Region Deputy	CEA	SOQ	9/12/16	5
CEA A, Region Deputy	CEA	SOQ	2/21/17	12
Fish Habitat Assistant	Open	Education and Experience ⁴	2/3/17	1

³ In a statement of qualifications (SOQ's) examination, applicants submit a written summary of their qualifications and experience related to a published list of desired qualifications. Raters typically subject matter experts evaluate the responses according to a predetermined rating scale designed to assess their ability to perform a job classification, assign scores and rank the competitors in a list.

⁴ In an education and experience examination, one or more raters reviews the applicants' Standard 678 application forms, and scores and ranks them according to a predetermined rating scale that may include years of relevant higher education, professional licenses or certifications, and/or years of relevant work experience.

Classification	Exam Type	Exam Components	Final File Date	No. of Apps
Conservationist I (Energy)	Open Non-Promotional	Training and Experience (T&E) ⁵	Continuous	10
Conservation Supervisor, CCC	Open Non-Promotional	Qualification Appraisal Panel ⁶	3/17/17	28

FINDING NO. 1 – Examinations Complied with Civil Service Laws and Board Rules

The CRU reviewed and four open and two open non-promotional examinations which the CCC administered in order to create eligible lists from which to make appointments. The CCC published and distributed examination bulletins containing the required information for all examinations. Applications received by the CCC were accepted prior to the final filing date. Applicants were notified about the next phase of the examination process. After all phases of the examination process were completed, the score of each competitor was computed, and a list of eligible candidates was established. The examination results listed the names of all successful competitors arranged in order of the score received by rank. The CRU found no deficiencies in the examinations that the CCC conducted during the compliance review period.

Appointments

In all cases not excepted or exempted by Article VII of the California Constitution, the appointing power must fill positions by appointment, including cases of transfers, reinstatements, promotions, and demotions in strict accordance with the Civil Service Act and Board rules. (Gov. Code, § 19050.) Appointments made from eligible lists, by way of transfer, or by way of reinstatement, must be made on the basis of merit and fitness, which requires consideration of each individual's job-related qualifications for a position, including his or her knowledge, skills, abilities, experience, and physical and mental fitness. (Cal. Code Regs., tit. 2, § 250, subd. (a).)

⁵ The training and experience (T&E) examination is administered either online or in writing, and asks the applicant to answer multiple-choice questions about his or her level of training and/or experience performing certain tasks typically performed by those in this classification. Responses yield point values.

⁶ The qualification appraisal panel (QAP) interview is the oral component of an examination whereby competitors appear before a panel of two or more evaluators. Candidates are rated and ranked against one another based on an assessment of their ability to perform in a job classification.

During the period under review, September 1, 2016 through May 31, 2017, the CCC made 74 appointments. The CRU reviewed 26 of those appointments, which are listed below:

Classification	Appointment Type	Tenure	Time Base	No. of Appts
CEA A, Communications Director	CEA	Non-Tenure	Full Time	1
CEA A, Energy Region Deputy	CEA	Non-Tenure	Full Time	1
Associate Information Systems Analyst (Specialist)	Certification List	Permanent	Full Time	1
Conservationist I, CCC	Certification List	Limited Term	Full Time	2
Conservationist II, CCC	Certification List	Permanent	Full Time	1
Departmental Construction & Maintenance Supervisor	Certification List	Permanent	Full Time	1
Fish Habitat Assistant	Certification List	Limited Term	Full Time	2
Senior Personnel Specialist	Certification List	Permanent	Full Time	1
Staff Services Analyst (General)	Certification List	Limited Term	Full Time	2
Staff Services Manager III	Certification List	Permanent	Full Time	1
Supervising Cook I	Certification List	Permanent	Full Time	1
Accounting Officer (Specialist)	Mandatory Reinstatement	Permanent	Full Time	1
Conservation I, CCC	Mandatory Reinstatement	Permanent	Full Time	2
Conservation II, CCC	Mandatory Reinstatement	Permanent	Full Time	1
Office Technician (Typing)	Mandatory Reinstatement	Permanent	Full Time	1
Conservationist II, CCC	Permissive Reinstatement	Limited Term	Full Time	1
Supervising Cook I	Permissive Reinstatement	Permanent	Full Time	1
Associate Governmental Program Analyst	Training & Development	Permanent	Full Time	1
Conservationist I, CCC	Transfer	Permanent	Full Time	3
Staff Services Manager I	Transfer	Permanent	Full Time	1

FINDING NO. 2 – Probationary Evaluations Were Not Provided for All Appointments Reviewed

Summary: The CCC did not prepare, complete, and/or retain three probationary reports of performance for one of the 26 appointments reviewed by the CRU, as reflected in the table below.

Classification	Appointment Type	No. of Appointments Missing Probation Reports	No. of Uncompleted Probation Reports
Associate Information Systems Analyst	Certification List	1	3
Total		1	3

Criteria: The service of a probationary period is required when an employee enters in the state civil service by permanent appointment from an employment list. (Gov. Code, § 19171.) During the probationary period, the appointing power shall evaluate the work and efficiency of a probationer in the manner and at such periods as CalHR may require. (Gov. Code § 19172.) CalHR's regulatory scheme provides that "a report of the probationer's performance shall be made to the employee at sufficiently frequent intervals to keep the employee adequately informed of progress on the job." (Cal. Code Regs., tit. 2, § 599.795.) Specifically, a written appraisal of performance shall be made to the department within 10 days after the end of each one-third portion of the probationary period. (*Ibid.*) The Board's record retention rules require that appointing powers retain all probationary reports. (Cal. Code Regs., tit. 2, § 26, subd. (a)(3).)

Severity: Serious. The probationary period is the final step in the selection process to ensure that the individual selected can successfully perform the full scope of their job duties. Failing to use the probationary period to assist an employee in improving his or her performance or terminating the appointment upon determination that the appointment is not a good job/person match is unfair to the employee and serves to erode the quality of state government.

Cause: Supervisor turnover in a high functioning unit.

Action: The CCC provided a copy of its probation reports process, which sets forth the procedures in place to monitor and ensure probation reports are completed in a timely manner; and to escalate to management when a supervisor does not provide timely reviews to their respective employees. It is further recommended that the CCC comply submit documentation to the CRU when all supervisors and personnel have been trained.

Equal Employment Opportunity

Each state agency is responsible for an effective EEO program. (Gov. Code, § 19790.) The appointing power for each state agency has the major responsibility for monitoring the effectiveness of its EEO program. (Gov. Code, § 19794.) To that end, the appointing power must issue a policy statement committed to EEO; issue procedures for filing, processing, and resolving discrimination complaints; issue procedures for providing equal upward mobility and promotional opportunities; and cooperate with the California Department of Human Resources by providing access to all required files, documents and data. (*Ibid.*) In addition, the appointing power must appoint, at the managerial level, an EEO Officer, who shall report directly to, and be under the supervision of, the director of the department to develop, implement, coordinate, and monitor the department's EEO program. (Gov. Code, § 19795.)

Because the EEO Officer investigates and ensures proper handling of discrimination, sexual harassment and other employee complaints, the position requires separation from the regular chain of command, as well as regular and unencumbered access to the head of the organization.

Each state agency must establish a separate committee of employees who are individuals with a disability, or who have an interest in disability issues, to advise the head of the agency on issues of concern to employees with disabilities. (Gov. Code, § 19795, subd. (b)(1).) The department must invite all employees to serve on the committee and take appropriate steps to ensure that the final committee is comprised of members who have disabilities or who have an interest in disability issues. (Gov. Code, § 19795, subd. (b)(2).)

FINDING NO. 3 – Equal Employment Opportunity Program Complied with Civil Service Laws and Board Rules

After reviewing the policies, procedures, and programs necessary for compliance with the EEO program's role and responsibilities according to statutory and regulatory guidelines, the CRU determined that the CCC EEO program provided employees with information and guidance on the EEO process including instructions on how to file discrimination claims. Furthermore, the EEO program outlines the roles and responsibilities of the EEO Officer, who is at a managerial level, reports directly to the Director of the CCC. On addition, the CCC has an established DAC which reports to the Director on issues affecting people with disabilities. The CCC also provided evidence of its efforts to promote EEO in its hiring of persons with disabilities, and to offer upward

mobility opportunities for its entry-level staff. Accordingly, the CCC EEO program complied with civil service laws and board rules.

Mandated Training

Each member, officer, or designated employee of a state agency who is required to file a statement of economic interest (referred to as “filers”) because of the position he or she holds with the agency is required to take an orientation course on the relevant ethics statutes and regulations that govern the official conduct of state officials. (Gov. Code, §§ 11146 & 11146.1.) State agencies are required to offer filers the orientation course on a semi-annual basis. (Gov. Code, § 11146.1.) New filers must be trained within six months of appointment and at least once during each consecutive period of two calendar years, commencing on the first odd-numbered year thereafter. (Gov. Code, § 11146.3.)

Upon the initial appointment of any employee designated in a supervisory position, the employee shall be provided a minimum of 80 hours of training, as prescribed by the CalHR. (Gov. Code, § 19995.4, subd. (b).) The training addresses such topics as the role of the supervisor, techniques of supervision, performance standards, and sexual harassment and abusive conduct prevention. (Gov. Code, § 12950.1, subds. (a), (b), & (c), & §19995.4, subd. (b).)

Additionally, the training must be successfully completed within the term of the employee’s probationary period or within six months of the initial appointment, unless it is demonstrated that to do so creates additional costs or that the training cannot be completed during this time period due to limited availability of supervisory training courses. (Gov. Code, § 19995.4, subd. (c).) As to the sexual harassment and abusive-conduct prevention component, the training must thereafter be provided to supervisors once every two years. (Gov. Code, § 12950.1.)

Within 12 months of the initial appointment of an employee to a management or career executive assignment (CEA) position, the employee shall be provided leadership training and development, as prescribed by CalHR. (Gov. Code, § 19995.4, subds. (d) & (e).) For management employees the training must be a minimum of 40 hours and for CEAs the training must be a minimum of 20 hours. (*Ibid.*) Thereafter, for both categories of appointment, the employee must be provided a minimum of 20 hours of leadership training on a biannual basis. (*Ibid.*)

The Board may conduct reviews of any appointing power’s personnel practices to ensure compliance with civil service laws and Board regulations. (Gov. Code, § 18661,

subd. (a).) In particular, the Board may audit personnel practices related to such matters as selection and examination procedures, appointments, promotions, the management of probationary periods, and any other area related to the operation of the merit principle in state civil service. (*Ibid.*) Accordingly, the CRU reviews documents and records related to training that appointing powers are required by the afore-cited laws to provide its employees.

In reviewing the CCC's mandated training program that was in effect during the compliance review period, The CRU has determined the following:

FINDING NO. 4 – Mandated Training Complied with Civil Service Laws and Board Rules

The CCC did provided ethics training to its 50 new filers within six months of appointment and semiannual training to its 28 existing filers during the two-year calendar year period commencing in 2015. The CCC also provided supervisory training to all 12 new supervisors within 12 months of appointment. In addition, the CCC provided sexual harassment training to its 51 new supervisors within six months of appointment and 28 existing supervisors every two years. Thus, the CCC complied with mandated training requirements within statutory timelines.

Compensation and Pay

Salary Determination

The pay plan for state civil service consists of salary ranges and steps established by CalHR (Cal. Code Regs., tit. 2, § 599.666). Several salary rules dictate how departments calculate and determine an employee's salary rate⁷ upon appointment depending on the appointment type, and the employee's state employment pay history and tenure.

During the period under review, September 1, 2016 through May 31, 2017, the CCC made 74 appointments. The CRU reviewed nine of those appointments to determine if the CCC applied salary regulations accurately and correctly processed employees' compensation transactions. These appointments are listed below:

⁷ "Rate" is any one of the salary rates in the resolution by CalHR which establishes the salary ranges and steps of the Pay Plan (CA CCR Section 599.666).

Classification	Appointment Type	Tenure	Time Base	Salary (Monthly Rate)
Associate Information Systems Analyst	Certification List	Permanent	Full Time	\$4,829
Senior Personnel Specialist	Certification List	Permanent	Full Time	\$4,599
Staff Services Analyst (SSA)	Certification List	Limited Term	Full Time	\$3,690
SSA	Certification List	Limited Term	Full Time	\$3,824
Staff Services Manager III (SSM III)	Certification List	Permanent	Full Time	\$8,289
Conservationist I, CCC	Transfer	Permanent	Full Time	\$4,021
Conservationist I, Energy	Transfer	Permanent	Full Time	\$3,920
Supervising Cook I	Transfer	Permanent	Full Time	\$3,433
Conservationist II, CCC	Mandatory Reinstatement	Permanent	Full Time	\$4,851

The CRU found no deficiencies in six out of nine salary determinations that the CCC made during the compliance review period. The CCC appropriately calculated and processed the salaries for each appointment and correctly determined employees' anniversary dates ensuring that subsequent merit salary adjustments will satisfy civil service laws, board rules and CalHR policies and guidelines.

However, the CCC incorrectly applied compensation laws, rules and/or CalHR policies and guidelines for three salary determinations reviewed.

FINDING NO. 5 – Incorrect Application of Compensation Laws, Board Rules, and/or CalHR Policies and Guidelines

Summary: The CRU found the following errors in the CCC's salary determination of employee compensation:

Classification	Description of Findings	Criteria
Conservationist I, CCC	Incorrect salary determination for an A02 transfer appointment. An employee should have received 3.6% and an accelerated MSA when transferring from the Caltrans Equipment Operator I position.	599.674a and 599.683b

Conservationist II, CCC	Incorrect MSA transaction calculation for a mandatory reinstatement resulting in an erroneous MSA date. An employee's MSA was extended two months when reinstating to their former position from a limited term position.	599.682
Supervising Cook I	Incorrect salary determination for an A02 permissive reinstatement. An employee should have received any general salary increase(s) when returning to state service from a permanent separation.	599.677

Severity: Very Serious. The CCC failed to comply with the state civil service pay plan by incorrectly applying compensation laws and rules in accordance with CalHR's policies and guidelines and resulted in the civil service employees receiving incorrect and/or inappropriate pay amounts.

Cause: Training issue in regards to Salary Determination and unclear application/direction regarding MSA dates when employees transfer from permanent to seasonal (with a salary range) positions.

Action: The SPB has directed the CCC to request a written determination from the CalHR's Personal Benefits Section (PSB) for the application of MSA's when staff leave a permanent position for a 6 month seasonal position and then return to a permanent position. All personnel responsible for salary determinations will be sent to SCO training as a refresher as classes become available. All appointments will now require a supervisor's review and sign off prior to final processing. It is further recommended that the CCC comply submit documentation to the CRU when all supervisors and personnel have been trained.

Alternate Range Movement Salary Determination (within same classification)

If an employee qualifies under established criteria and moves from one alternate range to another alternate range of a class, the employee shall receive an increase or a decrease equivalent to the total of the range differential between the maximum salary rates of the alternate ranges (Cal. Code Regs., tit. 2, § 599.681). However, in many instances, CalHR provides salary rules departments must use when employees move between alternate ranges. They are described in the alternate range criteria (CalHR Pay Scales). When no salary rule or method is cited in the alternate range criteria, departments must default to rule 599.681.

During the period under review, June 1, 2016 through February 28, 2017, the CCC made five alternate range movements within a classification⁸. The CRU reviewed four of those alternate range movements listed below to determine if the CCC applied salary regulations accurately and correctly processed each employee's compensation:

Classification	Prior Range	Current Range	Time Base	Salary
Conservationist I, CCC	Range A	Range B	Full Time	\$3,452
Conservationist I, CCC	Range A	Range B	Full Time	\$3,556
Conservationist I, CCC	Range A	Range B	Full Time	\$3,556
Conservationist I, CCC	Range A	Range B	Full Time	\$3,556

FINDING NO. 6 – Alternate Range Movements Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines

The CRU found that the four alternate range movements the CCC made during the compliance review period, satisfied civil service laws, board rules and CalHR policies and guidelines.

Exceptions to Salary

California Code of Regulations sections 599.674 and 599.676 allow employees to receive a salary rate up to one step (5%) above the salary rate they last received. In those instances when these rules do not provide employees with the equivalent rate last received (1) upon transfer to a deep class or (2) in their former class, then under the authority of Government Code section 19836, an exception to these salary rules may be made. Exceptions to these rules should be applied uniformly for all employees. (Classification and Pay Guide Section 285).

For those affected employees incurring salary loss upon transfer to a deep class, CalHR recommends placing the employee on a T&D Assignment for a period of time sufficient to meet the higher alternate range criteria. Upon successful completion of the T&D assignment, the employee may be transferred to the transferable range, and then moved to the next higher alternate range effective the same day. If this does not provide the employee their current salary, departments may process an exception so the employee does not incur a salary loss (*Ibid.*).

⁸ 335 transactions.

According to PML 2007-026, “All departments have delegated authority to approve an exception to the salary rules under the following circumstances: when there is a salary loss upon transfer to a deep class; or when there is a reappointment or reinstatement without a break in service.”

During the period under review, September 1, 2016 through May 31, 2017, the CCC authorized one salary exception request. The CRU reviewed one authorized salary exception request, listed below, to determine if the CCC correctly verified, approved and documented the salary exception authorization process:

Classification	Prior Classification	T&D Assignment	Approved Salary
Associate Governmental Program Analyst	Conservationist II, CCC	Yes	\$4,621

FINDING NO. 7 – Exception to Salary Authorization Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines

The CRU found no deficiency in the exception to salary that the CCC made during the compliance review period.

Arduous Pay

Effective July 1, 1994, appointing authorities were provided the discretion to provide additional compensation for employees exempt from the Fair Labor Standards Act (FLSA) who perform arduous work that exceeds the normal demands of state service employment (CalHR’s Human Resource Manual Section 1702). The work must be extraordinarily demanding, time consuming, and significantly exceed employees’ normal workweek. The employee cannot be entitled to receive any other sort of compensation such as overtime. Eligible employees are FLSA-exempt employees who do not receive compensation in recognition of hours worked in excess of 40 hours per week. The duration of the arduous period must be at least two weeks or more (*Ibid.*).

Excluded and represented employees who are FLSA-exempt and assigned to Work Week Group E are eligible to receive up to four (4) months of pay per fiscal year, or per event for emergencies, if the following conditions are met⁹:

⁹ Applicable Memorandum of Understandings or Bargaining Unit Agreements detail other specific criteria.

- There is a nonnegotiable deadline or extreme urgency;
- Work exceeds normal work hours and normal productivity;
- Work is unavoidable;
- Work involves extremely heavy workload;
- Employee is eligible for no other compensation, and
- The circumstances that support this pay differential are documented.

Departments have delegated authority to approve arduous pay for excluded employees who are FLSA-exempt, but CalHR approval is required for any arduous pay issued to represented employees.

Although departments have delegated authority to approve arduous pay¹⁰, they are required to fill out CalHR Form 777, documenting the circumstances, assessment and rationale behind all arduous pay approvals. A new Form 777 should be filled out for every employee receiving the pay differential, every time an employee is approved to receive a new pay differential, and every time an employee wants to extend their arduous pay. Extensions are only granted in rare circumstances. Departments must keep the Form 777 on file and retain the form for five years after the approval date (*Ibid.*).

During the period under review, June 1, 2016 through February 28, 2017, the CCC issued Arduous Pay to three employees. The CRU reviewed three arduous pay authorizations, listed below, to ensure compliance with applicable CalHR policies and guidelines:

Classification	Bargaining Unit	Work Week Group	Time Base	Total Compensation	Number of Months/Weeks Received
Conservation Supervisor, CCC	S07	E	Full Time	\$1,200	3 Weeks
Staff Services Manager I	S01	E	Full Time	\$600	1 Month
Staff Services Manager II	M01	E	Full Time	\$1,800	1 Months, 2 Weeks

¹⁰ Pay Letter 94-32 established Pay Differential 62 regarding arduous pay for Bargaining Units 1, 7, 9, 17, 19, and 21, and Excluded employees.

FINDING NO. 8 – Arduous Pay Authorization Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines

The CRU found that the three arduous pay authorizations that the CCC made during the compliance review period, satisfied civil service laws, board rules and CalHR policies and guidelines.

Out-of-Class Assignments (OOC) and Pay

For excluded¹¹ and most rank and file employees, out-of-class is defined as performing, more than 50 percent of the time, the full range of duties and responsibilities allocated to an existing class and not allocated to the class in which the person has a current, legal appointment. (Cal. Code Regs., tit. 2, § 599.810.)

According to CalHR's Classification and Pay Guide, OOC assignments should only be used as a last resort to accommodate temporary staffing needs. All civil service alternatives should be explored first before using OOC assignments. However, certain MOU provisions and CalHR Rule 599.810 allow for short-term OOC assignments to meet temporary staffing needs. Should OOC work become necessary, the assignment would be made pursuant to the applicable MOU provision or CalHR regulation. Before assigning the OOC work, the department should have a plan to correct the situation before the 120-day time period expires per section 375.

During the period under review, June 1, 2016 through February 28, 2017, the CCC issued out-of-class pay¹² to ten employees. The CRU reviewed six of these out-of-class assignments to ensure compliance with applicable CalHR policies and guidelines which are listed below:

Classification	Bargaining Unit	Out-of-Class Classification	Time Frame
Accounting Administrator I (Supervisor)	S01	Accounting Administrator II	7/22/16 – 10/31/16
Conservationist I, CCC	R07	Administrative Officer	6/7/16 – 10/4/16
Conservationist I, CCC	R07	Conservation Supervisor, CCC	1/1/17 – 4/1/17
Conservationist I, CCC	R07	Conservation Supervisor, CCC	9/16/16 – 12/30/16

¹¹ "Excluded employee" means an employee as defined in section 3572(b) of the Government Code (Ralph C. Dills Act) except those excluded employees who are designated managerial pursuant to section 18801.1 of the Government Code.

¹² Excluding bilingual and arduous pay.

Conservationist I, CCC	R07	Conservationist II, CCC	5/16/16 – 9/1/16
Staff Services Manager II (Managerial)	M01	CEA A, Region Deputy	12/1/16 – 11/30/17

FINDING NO. 9 – Payroll Errors When Issuing of Out-of-Class Payments

Summary: The CRU found the following payroll errors in the CCC's issuing of out-of-class payments:

Classification	Out-of-Class Classification	Description of Finding(s)	Criteria
1. Conservationist I, CCC	Administrative Officer	The CCC failed to compensate an employee for two of 86 days worked performing duties in a higher level classification.	Pay Differential 92
2. Conservationist I, CCC	Conservationist II, CCC	The CCC inappropriately paid 10 days of OOC pay for an employee who was not entitled to OOC pay, incorrectly determined the amount of OOC pay issued, and failed to compensate for one day of work in a higher classification.	Pay Differential 92
3. Conservationist I, CCC	Conservation Supervisor, CCC	The CCC inappropriately paid 22 days of OOC pay to one employee who was not entitled to OOC pay, and incorrectly determined the amount of OOC pay issued.	Pay Differential 92

Severity: Very Serious. The CCC failed to comply with the state civil service pay plan by incorrectly applying compensation laws and rules in accordance with CalHR's policies and guidelines. This results in civil service employees receiving incorrect and/or inappropriate pay amounts.

Cause: Training issue in regards to calculations along with lack of secondary review.

Action: For future OOC assignments, the CCC will require a supervisor to review pay documents for pay determination. Additionally, an OOC log is maintained and all pay will be reviewed at the end of each OOC assignment. All personnel responsible for OOC payments will be sent to SCO training as a refresher to ensure accurate calculations and interpretation of bargaining language. It is further recommended that the CCC submit documentation to the CRU when all supervisors and personnel have been trained.

Leave

Administrative Time Off

Administrative Time Off (ATO) is a form of paid administrative leave status initiated by appointing authorities for a variety of reasons. ATO is used when an employee cannot come to work because of a pending investigation, fitness for duty evaluation, or when work facilities are unavailable. Additionally, ATO may be granted when employees need time off for any of the following: donating blood, extreme weather that makes getting to work impossible, and/or, when employees need time off to attend special events. Any ATO requests lasting over 30 days must be submitted and approved by CalHR. Approval will generally be given in 30 calendar day increments and any extension must be approved prior to the expiration of the 30 calendar days. Departments must properly document and track ATO for any length of time (PML, "Administrative Time Off (ATO) – Policy, Procedure and Documentation Requirements", 2012-008).

Employees may also be granted a paid leave of absence for ATO, up to five days by their appointing power when the employee works or resides in a county where a state of emergency has been proclaimed by the Governor. (Cal. Code Regs., tit. 2, § 599.785.5.)

During the period under review, March 1, 2016 through February 28, 2017, the CCC placed ten employees on ATO. The CRU reviewed six of these ATO appointments to ensure compliance with applicable laws, regulations and CalHR policy and guidelines, which are listed below:

Classification	Time Frame	No. of Days on ATO
Associate Governmental Program Analyst	12/9/16 – 12/19/16	7
Conservationist I, CCC	2/13/17	1

Classification	Time Frame	No. of Days on ATO
Conservationist I, CCC	11/14/16 – 12/8/16	19
Conservationist I, CCC	11/18/16 – 11/29/16	8
Conservationist I, CCC	12/1/16 – 12/30/16	22
Supervising Cook I	3/4/16 – 4/2/16	21

FINDING NO. 10 – Administrative Time Off Authorizations Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines

The CRU found no deficiencies in the six employees placed on ATO during the compliance review period. The CCC provided the proper documentation justifying the use of ATO and adhered to applicable laws, regulations and CalHR policy and guidelines.

Leave Auditing and Timekeeping

Departments must keep complete and accurate time and attendance records for each employee and officer employed within the agency over which it has jurisdiction (Cal. Code Regs., tit. 2, § 599.665).

Additionally, in accordance with CalHR Online Manual Section 2101, departments must create a monthly internal audit process to verify all leave input into any leave accounting system is keyed accurately and timely. If an employee's attendance record is determined to have errors or it is determined that the employee has insufficient balances for a leave type used, the attendance record must be amended. Attendance records shall be corrected by the pay period following the pay period in which the error occurred. Accurate and timely attendance reporting is required of all departments and is subject to audit.

During the period under review, December 1, 2016 through February 28, 2017, the CCC's pay periods and timesheets reviewed by the CRU are summarized as follows:

Timesheet Leave Period	Number of Units Reviewed	Number of Employees	Number of Timesheets Reviewed
December 2017	17	120	120
January 2017	6	48	48
February 2017	22	150	150

The CRU reviewed employee leave records from three different leave periods to ensure compliance with applicable laws, regulations and CalHR policy and guidelines. Based on our review, the CRU found no deficiencies. The CCC kept complete and accurate time and attendance records for each employee and officer employed within the department and utilized a monthly internal audit process to verify all leave input into any leave accounting system was keyed accurately and timely.

FINDING NO. 11 – Incorrectly Posted Leave Usage and/or Leave Credit

Summary: The CCC did not correctly enter three of 318 timesheets into the Leave Accounting System (LAS).

Criteria: In accordance with CalHR Online Manual Section 2101, departments must create a monthly internal audit process to verify all leave input into any leave accounting system is keyed accurately and timely. If an employee's attendance record is determined to have errors or it is determined that the employee has insufficient balances for a leave type used, the attendance record must be amended. Attendance records shall be corrected by the pay period following the pay period in which the error occurred. Accurate and timely attendance reporting is required of all departments and is subject to audit.

Severity: Technical. Without sufficient processes to verify the accuracy of leave accounting data entered, departments may make erroneous leave accounting transactions that remain undetected or are never identified. These errors put the department at risk of additional costs such as: the initiation of collection efforts on overpayment, the risk of litigation related to recovering inappropriately credited leave hours and funds, and/or the increase in the state's pension payments¹³.

Cause: CCC was behind in cross checking the leave postings or the error would have been caught in time.

Action: The CCC has a manual peer review process in place to audit and correct any errors in pay and/or leave accounting. The CCC is

¹³ State employees can convert sick leave to state service credit when they retire, ultimately increasing the State's pension payments.

catching up on the peer review of leave posting and will continue to complete the peer reviews and make appropriate updates as necessary. Therefore, no further action is required at this time.

Leave Reduction Efforts

Departments must comply with the regulations and CalHR policies that require a leave plan for every employee with vacation or annual leave hours over the maximum amount permitted (Cal. Code Regs., tit. 2, § 599.742.1 and applicable Bargaining Unit Agreements). Bargaining Unit Agreements and California Code of Regulations prescribe the maximum amount of vacation or annual leave permitted. For instance, according to California Code of Regulations, title 2, section 599.737, if a represented employee does not use all of the vacation to which he or she is entitled in a calendar year, “the employee may accumulate the unused portion, provided that on January 1st of a calendar year, the employee shall not have more than” the established limit as stipulated by the applicable bargaining unit agreement¹⁴. Likewise, if an excluded employee does not use all of the vacation to which he or she is entitled in a calendar year, the “employee may accumulate the unused portion of vacation credit, provided that on January 1st of a calendar year, the excluded employee shall not have more than 80 vacation days.” (Cal. Code Regs., tit. 2, § 599.738).

In accordance with CalHR Online Manual Section 2124, departments must create a leave reduction policy for their organization and monitor employees’ leave to ensure compliance with the departmental leave policy; and ensure employees who have significant “over-the-cap” leave balances have a leave reduction plan in place.

As of December 31, 2016, the CCC had 50 employees who exceeded established limits of vacation or annual leave. The CRU reviewed 12 of those employees’ leave reduction plans to ensure compliance with applicable laws, regulations and CalHR policy and guidelines.

FINDING NO. 12 – Leave Reduction Plans Were Not Provided to All Employees Whose Leave Balances Exceeded Established Limits

Summary: The CCC did not provide a departmental policy addressing leave reduction. Additionally, the CCC did not provide leave reduction

¹⁴ For represented employees, the established limit for annual or vacation leave accruals is 640 hours, however for bargaining units 06 there is no established limit and bargaining unit 5 the established limit is 816 hours.

plans for all 12 employees reviewed whose leave balances significantly exceeded established limits as listed below:

Classification	Collective Bargaining Identifier	Total Hours Over Established Limit	Leave Plan Reduction Provided
Accounting Administrator II	S01	203.500	No
CEA	M01	184.000	No
CEA	M01	214.000	No
Conservation Supervisor	S07	246.000	No
Conservation Supervisor	S07	541.000	No
Conservationist I	R07	304.000	No
Conservationist II	R07	545.000	No
Information Officer I (Specialist)	R01	804.500	No
Personnel Supervisor II	S01	470.000	No
Staff Services Manager I	S01	106.500	No
Staff Services Manager II	S01	490.125	No
Staff Services Manager II (Managerial)	M01	366.000	No
Total		4,474.625	

Criteria:

It is the intent of the state to allow employees to utilize credited vacation or annual leave each year for relaxation and recreation to ensure employees maintain the capacity to optimally perform their jobs. (Cal. Code Regs., tit. 2, § 599.742.1.) The employee shall also be notified by July 1 that if the employee fails to take off the required number of hours by January 1 for reasons other than those listed in sections 599.737 and 599.738 of these regulations the appointing power shall require the employee to take off the excess hours over the maximum permitted by the applicable regulation at the convenience of the agency during the following calendar year. (Cal. Code Regs., tit. 2, § 599.742.)

According to CalHR Online Manual Section 2124, “It is the policy of the state to foster and maintain a workforce that has the capacity to effectively produce quality services expected by both internal customers and the citizens of California. Therefore, appointing authorities and state managers and supervisors must create a leave reduction policy for the organization and monitor employees’ leave to ensure compliance with the departmental leave policy; and; ensure employees who have significant “over-the-cap” leave

balances have a leave reduction plan in place and are actively reducing hours.”

Severity: Technical. California state employees have accumulated significant leave hours creating an unfunded liability for departmental budgets. The value of this liability increases with each passing promotion and salary increase. Accordingly, leave balances exceeding established limits need to be addressed immediately.

Cause: The Department recognizes this finding. However, an annual notice was provided to all supervisors and managers with the expectation and direction to work with their respective employees to ensure they work towards reducing their leave balances. This letter is sent out every January. A subsequent memo with the updated policy will be forwarded to supervisors and managers in July. Because the Leave Reduction Policy was a newly enacted law, the CCC had not yet implemented the new procedure but had delivered a draft policy/procedure to the Executive team for approval. The policy/procedure has since been approved and updated communications are being distributed with a follow-up planned quarterly. While the department did not have a formal policy in place, the department has been continuously successful in reducing this state liability.

Action: The CCC has published and disseminated a departmental policy regarding excess vacation or annual leave. It is recommended that CCC continuously monitor excess leave balances and develop individualized plans for employees with significant leave balances.

State Service

An employee who has 11 or more working days of service in a monthly pay period shall be considered to have a complete month, a month of service, or continuous service¹⁵ (Cal. Code Regs., tit. 2, § 599.608).

Hourly or daily rate employees working at a department in which the full-time workweek is 40 hours who earn the equivalent of 160 hours of service in a monthly pay period or

¹⁵ Except as provided in sections 599.609 and 599.776.1(b) of these regulations, in the application of Government Code sections 19143, 19849.9, 19856.1, 19858.1, 19859, 19861, 19863.1, 19997.4 and sections 599.682, 599.683, 599.685, 599.687, 599.737, 599.738, 599.739, 599.740, 599.746, 599.747, 599.787, 599.791, 599.840 and 599.843 of these regulations.

accumulated pay periods shall be considered to have a complete month, a month of service, or continuous service (Cal. Code Regs., tit. 2, § 599.609).

For each additional qualifying monthly pay period as defined in California Code of Regulations section 599.608, the employee shall be allowed credit for vacation with pay on the first day of the following monthly pay period. When computing months of total state service to determine a change in the monthly credit for vacation with pay, only qualifying monthly pay periods of service before and after breaks in service shall be counted. Portions of non-qualifying monthly pay periods of service shall not be counted nor accumulated (Cal. Code Regs., tit. 2, § 599.739). On the first day following a qualifying monthly pay period, excluded employees¹⁶ shall be allowed credit for annual leave with pay (Cal. Code Regs., tit. 2, § 599.752).

Permanent Intermittent employees earn vacation according to the preceding schedule for each increment of 160 hours worked. Hours worked in excess of 160 hours in a monthly pay period are not counted or accumulated.

During the period under review, June 1, 2016 to February 28, 2017, the CCC processed one 715 transaction¹⁷. The CRU reviewed all 715 transactions to ensure compliance with applicable laws, regulations and CalHR policy and guidelines which is listed below:

Type of 715 Transaction	Time base	Number Reviewed
Qualifying Pay Period	Full Time	1

FINDING NO. 13 – 715 Transactions Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines

The CRU determined that the CCC ensured employees with non-qualifying pay periods did not receive vacation or sick leave, annual leave, and/or state service accruals. The CRU found no deficiencies in this area.

¹⁶ As identified in Government Code sections 19858.3(a), 19858.3(b), or 19858.3(c) as it applies to employees excluded from the definition of state employee under Government Code section 3513(c), and appointees of the Governor as designated by the Department and not subject to section 599.752.1.

¹⁷ 715 transaction code is used for: temporary leaves of 30 calendar days or less (per SPB Rule 361) resulting in a non-qualifying pay period; used for qualifying a pay period while on NDI; used for qualifying a pay period while employee is on dock and furlough.

Policy and Processes

Nepotism

It is the policy of the State of California to recruit, hire and assign all employees on the basis of merit and fitness in accordance with civil service statutes, rules and regulations. Nepotism is expressly prohibited in the state workplace because it is antithetical to California's merit based civil service. Nepotism is defined as the practice of an employee using his or her influence or power to aid or hinder another in the employment setting because of a personal relationship. Personal relationships for this purpose include but are not limited to, association by blood, adoption, marriage and/or cohabitation. In addition, there may be personal relationships beyond this general definition that could be subject to these policies. Overall, departmental nepotism policies should aim to prevent favoritism or bias based on a personal relationship when recruiting, hiring or assigning employees. Departments have the discretion, based on organizational structure and size, to develop nepotism policies as they see fit (CalHR Online Manual Section 1204).

FINDING NO. 14 – Nepotism Policy Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines

After reviewing the STO's nepotism policy in effect during the compliance review period, the CRU verified that the policy was disseminated to all staff and emphasized the STO's commitment to the state policy of recruiting, hiring and assigning employees on the basis of merit. Additionally, the STO's nepotism policy was comprised of specific and sufficient components intended to prevent favoritism, or bias, based on a personal relationship from unduly influencing employment decisions as outlined in CalHR's Online Manual Section 1204.

Workers' Compensation

Pursuant to California Code of Regulations section 9880, employers shall provide to every new employee at the time of hire or by the end of the first pay period, written notice concerning the rights, benefits, and obligations under workers' compensation law. This notice shall also contain a form that the employee can use to pre-designate their personal physician or medical group as defined by Labor Code section 4600. Additionally, employers shall also provide a claim form and notice of potential eligibility to their employee within one working day of notice or knowledge that the employee has suffered a work related injury or illness (Labor Code, § 5401).

According to Labor Code section 3363.5, public employers may choose to extend workers' compensation coverage to volunteers that perform services for the organization. Workers' compensation coverage is not mandatory for volunteers as it is for employees. This is specific to the legally uninsured state departments participating in the Master Agreement. Departments with an insurance policy for workers' compensation coverage should contact their State Compensation Insurance Fund (State Fund) office to discuss the status of volunteers (PML, "Workers' Compensation Coverage for Volunteers," 2015-009). Those departments that have volunteers should have notified or updated their existing notification to the State Compensation Insurance Fund (SCIF) by April 1, 2015 whether or not they have decided to extend workers' compensation coverage to volunteers. In this case, the CCC did not employ volunteers during the compliance review period.

FINDING NO. 15 – Workers' Compensation Process Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines

After reviewing the CCC's Workers' Compensation process that was in effect during the compliance review period, the CRU verified that the CCC provides notice to their employees to inform them of their rights and responsibilities under CA workers' compensation law. Furthermore, the CRU verified that when the CCC received workers' compensation claims, the CCC properly provided claim forms within one working day of notice or knowledge of injury.

Performance Appraisals

According to Government Code section 19992.2, departments must "prepare performance reports." Furthermore, California Code of Regulations, title 2, section 599.798, directs supervisors to conduct written performance appraisals and discuss overall work performance with permanent employees at least once in each twelve calendar months after the completion of the employee's probationary period.

The CRU selected seven permanent CCC employees to ensure that the department was conducting performance appraisals on an annual basis in accordance with applicable laws, regulations and CalHR policy and guidelines.

FINDING NO. 16 – Appraisal Process Complied with Civil Service Laws and Regulations and CalHR Policies and Guidelines

The CCC provided seven written performance appraisals for the permanent CCC employees selected for review. The CRU found no deficiencies in the performance appraisal process at the CCC for those employees selected.

DEPARTMENTAL RESPONSE

The CCC's departmental response is attached as Attachment 1.

SPB REPLY

It is further recommended that the CCC comply with the afore-stated recommendations and submit documentation to the CRU when all supervisors and personnel have been trained.



July 10, 2018

Ms. Suzanne M. Ambrose, Executive Officer
State Personnel Board
801 Capitol Mall, Suite 1200
Sacramento, CA 95814

Dear Ms. Ambrose,

The California Conservation Corps (CCC) is in receipt of, and appreciates the interactive opportunity to discuss, the draft State Personnel Board (SPB) Compliance Review Report. The Department recognizes the importance of evaluations to ensure personnel practices are properly applied and adhered to in accordance with civil service laws, rules and regulations.

The CCC acknowledges the findings in the June 2018 SPB Compliance Report. Detailed below are the compliance findings along with the CCC's cause and action that has been applied.

1. FINDING NO. 2 – Probationary Evaluations Were Not Provided for All Appointments Reviewed.

Department Response: One out of 26 employees was missing probation reports but instead received an Annual Appraisal and Development review. This was due to supervisory turnover in a high functioning unit. Human Resources will continue to provide monthly reports to managers and supervisors as outlined in our procedures, along with management escalation when a supervisor does not provide timely reviews to their respective employees. The department values supervisor feedback and interaction and continuously stresses the importance of mentoring and modeling solid leadership.

2. FINDING NO. 5 –Incorrect Application of Salary Determination Laws, Board Rules, and/or CalHR Policies and Guidelines.

Department Response: The CCC believes the application of MSA's, when staff go back and forth from a perm position, to a 6 month seasonal position, then back to the perm position and so on, are being appropriately applied according to the rule and to allow the employee the best benefit. SPB has directed the CCC to request clarification to CalHR/PSB for a written determination. This is currently in process. Additionally, when appointments/reinstatements are made, the salary determination rules are highly complex. All personnel responsible for completing salary determinations will be sent to the SCO training as a refresher and as classes are offered. Additionally, all appointments will now require a supervisor review and sign off prior to final processing.



FINDING NO. 9 – Payroll Errors When Issuing Out-of-Class Payments.

Department Response: The Department recognizes these findings and has issued corrected pay and/or initiated AR requests where applicable for all findings. While the department does not authorize many out-of-class assignments, future pay documents will be reviewed by a supervisor for pay determination. Additionally, an out-of-class log is kept and pay will be reviewed in its entirety at the end of each assignment by the supervisor and HR Chief. Training that was mentioned in finding No. 5 will also assist in addressing the determination of accurate calculations and interpretation of bargaining language.

FINDING NO. 12 – Incorrectly Posted Leave Usage and/or Leave Credit

Department Response: The Department recognizes this finding and made the corrections at the time of the audit. Unfortunately, when multiple, competing priorities are in play, the peer review of timesheets is delayed. While we are dedicated to accurate pay and leave accounting, the only way to assure this is via manual peer review. This peer review is taking place but in this case had not yet been completed. The department has completed an effort to catch up the peer review of leave posting and will continue to complete these reviews and make appropriate updates as necessary.

FINDING NO. 13 – Leave Reduction Plans Were Not Provided to All Employees Whose Leave Balances Exceeded Established Limits

Department Response: The Department recognizes this finding, however an annual notice was provided to all supervisors and managers with the expectation and direction to work with their respective employees to ensure they work towards reducing their leave balances. This letter was and is sent out every January. A subsequent memo with the updated policy will be forwarded to supervisors and managers in July. Because, the Leave Reduction Policy was a newly enacted law, the CCC had not yet implemented the new procedure but had delivered a draft policy/procedure to the Executive team for approval. The Policy/procedure has since been approved and updated communications are being distributed with a follow up planned quarterly. While the department did not have a formal policy in place, the department has been continuously successful in reducing this state liability.

Thank you again for the opportunity to discuss and respond to the Draft Compliance Review Report. If you have any questions, please contact Lynetta Moses, Chief Human Resources at (916) 341-3222 or by email at Lynetta.moses@ccc.ca.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Dawne Bortolazzo", is written over a circular blue ink stamp.

Dawne Bortolazzo, Deputy Director of Administration
California Conservation Corps