



# **COMPLIANCE REVIEW REPORT**

## **DEPARTMENT OF GENERAL SERVICES**

Compliance Review Unit  
State Personnel Board  
December 18, 2024

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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 are in compliance with merit related laws, rules, and policies and to identify and share best practices identified during the reviews.

Pursuant to Government Code section 18502, subdivision (c), the SPB and the California Department of Human Resources (CalHR) may "delegate, share, or transfer between them responsibilities for programs within their respective jurisdictions pursuant to an agreement." The SPB and the CalHR, 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 the CalHR provides policy direction. Many of these delegated practices are cost drivers to the state and were not being monitored on a statewide basis.

As such, the 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.

It should be noted that this report only contains findings from this hiring authority’s compliance review. Other issues found in SPB appeals and special investigations as well as audit and review findings by other agencies such as the CalHR and the California State Auditor are reported elsewhere.

### **EXECUTIVE SUMMARY**

The CRU conducted a routine compliance review of the Department of General Services’ (DGS) personnel practices in the areas of examinations, appointments, EEO, PSC’s, mandated training, compensation and pay, leave, and policy and processes. The following table summarizes the compliance review findings.

Area	Severity	Finding
Examinations	In Compliance	Examinations Complied with Civil Service Laws and Board Rules
Examinations	In Compliance	Permanent Withhold Actions Complied with Civil Service Laws and Board Rules
Appointments	Technical	Appointment Documentation Was Not Kept for the Appropriate Amount of Time <sup>1</sup>
Appointments	Serious	Probationary Evaluations Were Not Provided for All Appointments Reviewed <sup>2</sup>
Appointments	In Compliance	Unlawful Appointment Investigations Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines
Equal Employment Opportunity	Very Serious	Complainant Was Not Notified of the Reasons for Delays in Decision Within the Prescribed Time Period
Personal Services Contracts	In Compliance	Personal Services Contracts Complied with Procedural Requirements
Mandated Training	Very Serious	Ethics Training Was Not Provided for All Filers <sup>3</sup>
Mandated Training	Very Serious	Supervisory Training Was Not Provided for All Supervisors and CEAs

<sup>1</sup> Repeat finding. The June 27, 2022, Compliance Review Report identified 9 NOPAs were not retained from 26 appointment files. The April 19, 2019, Compliance Review Report identified 4 NOPAs were not retained from 43 appointment files. The DGS’ November 13, 2015, Compliance Review Report identified 41 NOPAs, and 9 job opportunity bulletins were not retained from 43 appointment files.

<sup>2</sup> Repeat finding. The DGS’ June 27, 2022, Compliance Review Report identified 12 probationary reports of performance were not provided for 6 of the 26 appointments reviewed.

<sup>3</sup> Repeat finding. The DGS’ June 27, 2022, Compliance Review Report identified ethics training was not provided to 23 of 106 existing filers timely. Additionally, ethics training was not provided to 11 of 55 new filers within 6 months of their appointment.

Area	Severity	Finding
Mandated Training	Very Serious	Sexual Harassment Prevention Training Was Not Provided for All Supervisors <sup>4</sup>
Compensation and Pay	Very Serious	Incorrect Application of Salary Determination Laws, Rules, and CalHR Policies and Guidelines for Appointment <sup>5</sup>
Compensation and Pay	In Compliance	Alternate Range Movements Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines
Compensation and Pay	In Compliance	Hire Above Minimum Requests Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines
Compensation and Pay	Very Serious	Incorrect Authorization of Bilingual Pay <sup>6</sup>
Compensation and Pay	Very Serious	Incorrect Authorization of Pay Differentials
Compensation and Pay	In Compliance	Out of Class Pay Authorizations Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines
Leave	In Compliance	Positive Paid Employees' Tracked Hours Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines
Leave	In Compliance	Administrative Time Off Authorizations Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines
Leave	Substantial Compliance	Incorrectly Posted Leave Usage and/or Leave Credit <sup>7</sup>
Leave	Very Serious	Incorrect Application of State Service and Leave Transactions

<sup>4</sup> Repeat finding. The DGS' June 27, 2022, Compliance Review Report identified 20 of 75 new supervisors did not receive sexual harassment prevention training within 6 months of their appointment. Additionally, 99 of 542 existing supervisors did not receive sexual harassment prevention training every 2 years. The DGS' April 19, 2019, Compliance Review Report identified 41 of 189 new supervisors did not receive sexual harassment prevention training within 6 months of appointment. Additionally, 15 of 236 existing supervisors did not receive sexual harassment prevention training every 2 years.

<sup>5</sup> Repeat finding. The DGS' June 27, 2022, Compliance Review Report identified 1 error out of 24 transactions reviewed in the determination of employee compensation. The DGS' April 19, 2019, Compliance Review Report identified 1 error out of 45 transactions reviewed in the determination of employee compensation.

<sup>6</sup> Repeat finding. The DGS' June 27, 2022, Compliance Review Report identified nine of nine employees were incorrectly authorized to receive bilingual pay. The DGS' April 19, 2019, Compliance Review Report identified three of six employees were incorrectly authorized to receive bilingual pay.

<sup>7</sup> Repeat finding. The DGS' June 27, 2022, Compliance Review Report shows that the DGS did not correctly enter 4 of 48 timesheets into the Leave Accounting System during the December 2020 pay period and 2 of 48 timesheets during the January 2021 pay period. As a result, six employees retained their prior leave balance despite having used leave credits.

Area	Severity	Finding
Policy	Very Serious	Department's Nepotism Policy Does Not Contain All Required Components
Policy	In Compliance	Workers' Compensation Process Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines
Policy	Serious	Performance Appraisals Were Not Provided to All Employees <sup>8</sup>

## **BACKGROUND**

The DGS serves as the business manager for the state of California; with more than 3,600 employees and a budget more than \$1 billion. The DGS also serves the public by providing a variety of services to state agencies including procurement and acquisition solutions, real estate management and design, environmentally friendly transportation, professional printing, design and web services, administrative hearings, legal services, building standards, oversight of structural safety, fire and life safety and accessibility for the design and construction of K-12 public schools and community colleges, and funding for school construction and disability access.

## **SCOPE AND METHODOLOGY**

The scope of the compliance review was limited to reviewing the DGS's examinations, appointments, EEO program, PSC's, mandated training, compensation and pay, leave, and policy and processes<sup>9</sup>. The primary objective of the review was to determine if the DGS' personnel practices, policies, and procedures complied with state civil service laws and Board regulations, Bargaining Unit Agreements, CalHR policies and guidelines, CalHR Delegation Agreements, and to recommend corrective action where deficiencies were identified.

A cross-section of the DGS' examinations was selected for review to ensure that samples of various examination types, classifications, and levels were reviewed. The CRU examined the documentation that the DGS provided, which included examination plans, examination bulletins, job analyses, and scoring results. The CRU also reviewed the

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<sup>8</sup> Repeat finding. The DGS' June 27, 2022, Compliance Review Report identified 33 of 50 employees reviewed did not receive performance appraisals. The DGS' April 19, 2019, Compliance Review Report identified 29 of 40 employees reviewed did not receive performance appraisals.

<sup>9</sup> Timeframes of the compliance review varied depending on the area of review. Please refer to each section for specific compliance review timeframes.

DGS' permanent withhold actions documentation, including Withhold Determination Worksheets, State applications (STD 678), class specifications, and withhold letters.

A cross-section of the DGS' appointments was selected for review to ensure that samples of various appointment types, classifications, and levels were reviewed. The CRU examined the documentation that the DGS provided, which included Notice of Personnel Action (NOPA) forms, Request for Personnel Actions, vacancy postings, certification lists, transfer movement worksheets, employment history records, correspondence, and probation reports. The CRU also reviewed the DGS' policies and procedures concerning unlawful appointments to ensure departmental practices conform to state civil service laws and Board regulations. The DGS did not make any additional appointments during the compliance review period.

The DGS' appointments were also selected for review to ensure the DGS applied salary regulations accurately and correctly processed employees' compensation and pay. The CRU examined the documentation that the DGS provided, which included employees' 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: hire above minimum (HAM) requests, bilingual pay, monthly pay differentials, alternate range movements, and out-of-class assignments. During the compliance review period, the DGS did not issue or authorize red circle rate requests or arduous pay.

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

The DGS' PSC's were also reviewed.<sup>10</sup> It was beyond the scope of the compliance review to make conclusions as to whether the DGS' justifications for the contracts were legally sufficient. The review was limited to whether the DGS' practices, policies, and procedures relative to PSC's complied with procedural requirements.

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

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<sup>10</sup>If an employee organization requests the SPB to review any personal services contract during the SPB compliance review period or prior to the completion of the final compliance review report, the SPB will not audit the contract. Instead, the SPB will review the contract pursuant to its statutory and regulatory process. In this instance, none of the reviewed PSC's were challenged.

managers, and those serving in Career Executive Assignments (CEA) were provided leadership and development training, and that all employees were provided sexual harassment prevention training within statutory timelines.

The CRU reviewed the DGS' monthly internal audit process to verify all leave input into any leave accounting system was keyed accurately and timely and ensure the department certified that all leave records have been reviewed and corrected if necessary. The CRU selected a small cross-section of the DGS' units to ensure they maintained accurate and timely leave accounting records. Part of this review also examined a cross-section of the DGS' employees' 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 the DGS' employees who used Administrative Time Off (ATO) to ensure that ATO was appropriately administered. Further, the CRU reviewed a selection of the DGS' positive paid employees whose hours are tracked during the compliance review period to ensure that they adhered to procedural requirements.

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

On September 10, 2024, an exit conference was held with the DGS to explain and discuss the CRU's initial findings and recommendations. The CRU received and carefully reviewed the DGS' written response on November 26, 2024, 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, subd. (a).) 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 with the department or a designated appointing power as directed by the examination announcement. (Gov. Code, § 18934, subd. (a)(1).) 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, August 2, 2023, through January 30, 2024, the DGS conducted 65 examinations. The CRU reviewed 20 of those examinations, which are listed below:

Classification	Exam Type	Exam Components	Final File Date	No. of Apps
Assistant Procurement Engineer	Departmental Open	Training and Experience (T&E) <sup>11</sup>	9/29/23	2
Associate Construction Analyst	Open	T&E	9/29/23	12
Automotive Pool Attendant I	Departmental Open	T&E	12/29/23	3
Bookbinder IV	Open	T&E	9/29/23	2
CEA B, Chief, Office of Fiscal Services	CEA	Statement of Qualifications (SOQ) <sup>12</sup>	12/22/23	4
CEA B, Deputy Executive Officer, Office of Public School Construction	CEA	SOQ	6/19/23	4
Chief Engineer II	Open	T&E	12/29/23	16
Direct Construction Supervisor I	Open	T&E	12/29/23	9
Lead Groundskeeper	Open	T&E	12/29/23	7
Mailing Machines Operator I	Open	T&E	12/29/23	3
Mailing Machines Operator II	Open	T&E	12/29/23	2

<sup>11</sup> The Training and Experience 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.

<sup>12</sup> In a Statement of Qualifications 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 in a job classification, assign scores and rank the competitors in a list.

Classification	Exam Type	Exam Components	Final File Date	No. of Apps
Office Building Manager I	Departmental Open	T&E	12/29/23	7
Office Building Manager II	Departmental Open	T&E	12/29/23	10
Office Building Manager IV	Departmental Open	T&E	12/29/23	1
Principal Architect	Open	T&E	12/29/23	1
Principal Structural Engineer	Departmental Open	T&E	12/29/23	1
Sheetfed Offset Press Operator II	Open	T&E	9/29/23	1
Supervising Groundskeeper I	Open	T&E	3/29/24	2
Supervising Structural Engineer	Departmental Open	T&E	12/29/23	3
Tree Maintenance Worker	Open	T&E	12/29/23	1

<b>IN COMPLIANCE</b>	<b>FINDING NO. 1 EXAMINATIONS COMPLIED WITH CIVIL SERVICE LAWS AND BOARD RULES</b>
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The CRU reviewed 18 open examinations and 2 CEA examinations which the DGS administered to create eligible lists from which to make appointments. The DGS published and distributed examination bulletins containing the required information for all examinations. Applications received by the DGS 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 DGS conducted during the compliance review period.

### Permanent Withhold Actions

Departments are granted statutory authority to permit withhold of eligibles from lists based on specified criteria. (Gov. Code, § 18935.) Permanent appointments and promotions within the state civil service system shall be merit-based, ascertained by a competitive examination process. (Cal. Const., art. VII, § 1, subd. (b).) If a candidate for appointment is found not to satisfy the minimum qualifications, the appointing power shall provide written notice to the candidate, specifying which qualification(s) are not satisfied and the reason(s) why. The candidate shall have an opportunity to establish that s/he meets the qualifications. (Cal. Code Regs., tit. 2, § 249.4, subd. (b).) If the candidate fails to respond

or fails to establish that s/he meets the minimum qualification(s), the candidate's name shall be removed from the eligibility list. (Cal. Code Regs., tit. 2, § 249.4, subd. (b)(1), (2)), (HR Manual, section 1105.) The appointing authority shall promptly notify the candidate in writing and shall notify the candidate of his or her appeal rights. (*Ibid.*) A permanent withhold does not necessarily permanently restrict a candidate from retaking the examination for the same classification in the future; however, the appointing authority may place a withhold on the candidate's subsequent eligibility record if the candidate still does not meet the minimum qualifications or continues to be unsuitable. (HR Manual, Section 1105). State agency human resources offices are required to maintain specific withhold documentation for a period of five years. (*Ibid.*)

During the period under review, August 2, 2023, through January 30, 2024, the DGS conducted 21 permanent withhold actions. The CRU reviewed 13 of these permanent withhold actions, which are listed below:

Exam Title	Exam ID	Date List Eligibility Began	Date List Eligibility Ended	Reason Candidate Placed on Withhold
Associate Governmental Program Analyst	9PB04	10/27/23	1/24/24	Failed to Meet Minimum Qualifications
Associate Governmental Program Analyst	9PB04	6/2/23	3/8/24	Failed to Meet Minimum Qualifications
Associate Real Estate Officer	6PB22	9/3/23	1/18/24	Failed to Meet Minimum Qualifications
Associate Space Planner	8PB23	5/10/23	12/12/23	Failed to Meet Minimum Qualifications
Construction Inspector II	8PB67	7/24/23	11/9/23	Failed to Meet Minimum Qualifications
Construction Supervisor I	8PB55	9/25/22	2/12/24	Failed to Meet Minimum Qualifications
Fire and Life Safety Officer I (Division of the State Architect)	7PB66	7/9/23	10/9/23	Failed to Meet Minimum Qualifications
Groundskeeper	3PB35	9/13/20	11/16/23	Failed to Meet Minimum Qualifications
Maintenance Mechanic	0PBCT	8/6/23	2/5/24	Failed to Meet Minimum Qualifications
Office Technician (Typing)	4PB2402	4/6/23	2/27/24	Failed to Meet Minimum Qualifications
Senior Estimator of Building Construction	7PB18	1/16/24	2/22/24	Failed to Meet Minimum Qualifications
Staff Services Manager I	2PBCY	7/28/23	11/16/23	Failed to Meet Minimum Qualifications

Exam Title	Exam ID	Date List Eligibility Began	Date List Eligibility Ended	Reason Candidate Placed on Withhold
Warehouse Worker	0PBCR	7/27/23	8/24/23	Failed to Meet Minimum Qualifications

<b>IN COMPLIANCE</b>	<b>FINDING NO. 2 PERMANENT WITHHOLD ACTIONS COMPLIED WITH CIVIL SERVICE LAWS AND BOARD RULES</b>
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The CRU found no deficiencies in the permanent withhold actions undertaken by the DGS 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.) The hiring process for eligible candidates chosen for job interviews shall be competitive and be designed and administered to hire candidates who will be successful. (Cal. Code Regs., tit. 2, § 250, subd. (b).) Interviews shall be conducted using job-related criteria. (*Ibid.*) Persons selected for appointment shall satisfy the minimum qualifications of the classification to which he or she is appointed or have previously passed probation and achieved permanent status in that same classification. (Cal. Code Regs., tit. 2, § 250, subd. (d).) While persons selected for appointment may meet some or most of the preferred or desirable qualifications, they are not required to meet all the preferred or desirable qualifications. (*Ibid.*) This section does not apply to intra-agency job reassignments. (Cal. Code Regs., tit. 2, § 250, subd. (e).)

For the purposes of temporary appointments, an employment list is considered not to exist where there is an open eligible list that has three or fewer names of persons willing to accept appointment and no other employment list for the classification is available. (Cal. Code Regs., tit. 2, § 265.) In such a situation, an appointing power may make a temporary appointment in accordance with section 265.1 (*Ibid.*) A Temporary Authorization Utilization (TAU) appointment shall not exceed nine months in a 12-month period. (Cal. Const., art. VII.) In addition, when a temporary appointment is made to a permanent position, an appropriate employment list shall be established for each class to which a temporary appointment is made before the expiration of the appointment. (Gov. Code, § 19058.)

During the period under review, January 1, 2023, through June 30, 2023, the DGS made 416 appointments. The CRU reviewed 63 of those appointments, which are listed below:

Classification	Appointment Type	Tenure	Time Base	No. of Appts.
Accountant Trainee	Certification List	Permanent	Full Time	2
Accounting Administrator I (Supervisor)	Certification List	Permanent	Full Time	1
Administrative Law Judge	Certification List	Permanent	Full Time	1
Associate Accounting Analyst	Certification List	Permanent	Full Time	1
Associate Governmental Program Analyst	Certification List	Permanent	Full Time	2
Associate Personnel Analyst	Certification List	Permanent	Full Time	1
Attorney, Assistant Chief Council	Certification List	Permanent	Full Time	1
Automotive Pool Attendant II	Certification List	Permanent	Full Time	1
Chief Engineer I	Certification List	Permanent	Full Time	1
Custodian I	Certification List	Permanent	Full Time	1
Custodian II	Certification List	Permanent	Full Time	1
Custodian Supervisor I	Certification List	Permanent	Full Time	1
Electrician I	Certification List	Permanent	Full Time	1
Electrician II	Certification List	Permanent	Full Time	1
Groundskeeper	Certification List	Permanent	Full Time	1
Health Program Specialist I	Certification List	Permanent	Full Time	1
Information Technology Associate	Certification List	Permanent	Full Time	2
Informational Technology Supervisor II	Certification List	Permanent	Full Time	1
Lead Groundskeeper	Certification List	Permanent	Full Time	1
Locksmith I	Certification List	Permanent	Full Time	1
Maintenance Mechanic	Certification List	Permanent	Full Time	2
Mechanical and Technical Occupational Trainee	Certification List	Permanent	Full Time	1
Office Assistant (General)	Certification List	Permanent	Full Time	1
Office Building Manager II	Certification List	Permanent	Full Time	1
Office Technician (General)	Certification List	Permanent	Full Time	1
Office Technician (Typing)	Certification List	Permanent	Full Time	2
Painter I	Certification List	Permanent	Full Time	1
Personnel Specialist	Certification List	Permanent	Full Time	1
Personnel Supervisor II	Certification List	Permanent	Full Time	1
Project Director I	Certification List	Permanent	Full Time	1
Research Data Analyst II	Certification List	Permanent	Full Time	1
Research Data Specialist I	Certification List	Permanent	Full Time	1

Classification	Appointment Type	Tenure	Time Base	No. of Appts.
Senior Accounting Officer (Specialist)	Certification List	Permanent	Full Time	1
Senior Industrial Hygienist	Certification List	Permanent	Full Time	1
Senior Legal Typist	Certification List	Permanent	Full Time	1
Senior Personnel Specialist	Certification List	Permanent	Full Time	1
Staff Services Analyst	Certification List	Permanent	Full Time	2
Staff Services Manager I	Certification List	Permanent	Full Time	1
Staff Services Manager II (Supervisory)	Certification List	Permanent	Full Time	2
Stationary Engineer	Certification List	Permanent	Full Time	1
Supervising Groundskeeper I	Certification List	Permanent	Full Time	1
Supervising Groundskeeper II	Certification List	Permanent	Full Time	1
Supervisor of Building Trades	Certification List	Permanent	Full Time	1
Tree Maintenance Worker	Certification List	Permanent	Full Time	1
Office Technician (Typing)	Reinstatement	Permanent	Full Time	1
Personnel Specialist	Reinstatement	Permanent	Full Time	1
Staff Services Analyst	Reinstatement	Permanent	Full Time	1
Staff Services Manager I	Reinstatement	Permanent	Full Time	1
Staff Services Manager II (Supervisory)	Temporary	Permanent	Full Time	1
Associate Construction Analyst	Transfer	Permanent	Full Time	1
Associate Governmental Program Analyst	Transfer	Permanent	Full Time	1
Custodian I	Transfer	Permanent	Full Time	1
Groundskeeper	Transfer	Permanent	Full Time	1
Locksmith I	Transfer	Permanent	Full Time	1
Management Services Technician	Transfer	Permanent	Full Time	1
Stationary Engineer	Transfer	Permanent	Full Time	1

<b>SEVERITY: TECHNICAL</b>	<b>FINDING NO. 3 APPOINTMENT DOCUMENTATION WAS NOT KEPT FOR THE APPROPRIATE AMOUNT OF TIME</b>
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**Summary:** Of the 63 appointments reviewed, the DGS did not retain 53 NOPAs. This is the fourth consecutive time this has been a finding.

**Criteria:** As specified in section 26 of the Board's Regulations, appointing powers are required to retain records related to affirmative action, equal employment opportunity, examinations, merit, selection, and appointments for a minimum period of five years from the date the

record is created. These records are required to be readily accessible and retained in an orderly and systematic manner. (Cal. Code Regs., tit. 2, § 26.)

**Severity:** Technical. Without documentation, the CRU could not verify if the appointments were properly conducted.

**Cause:** The DGS states the cause for this finding can be attributed to the high turnover of Office of Human Resources (OHR) Transactions staff and management in 2022/2023. Additionally, there was no training or oversight of this NOPA process.

**Corrective Action:** The DGS provided a similar cause during its last compliance review, and, as a remedial measure, it provided a procedure which outlined expectations and consequences for non-compliance. It is clear from this current review that the DGS did not follow its own procedure. Therefore, within 90 days of the date of this report, the DGS must submit to the SPB a written corrective action response which outlines the steps it will take to ensure existing procedure is followed and enforced to ensure conformity with the record retention requirements of California Code of Regulations, title 2, section 26. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

<b>SEVERITY: SERIOUS</b>	<b>FINDING NO. 4 PROBATIONARY EVALUATIONS WERE NOT PROVIDED FOR ALL APPOINTMENTS REVIEWED</b>
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**Summary:** The DGS did not provide 87 probationary reports of performance for 42 of the 63 appointments reviewed by the CRU, as reflected in the table below. This is the second consecutive time this has been a finding.

Classification	Appointment Type	No. of Appointments	Total No. of Missing Probation Reports
Accountant Trainee	Certification List	2	4
Accounting Administrator I (Supervisor)	Certification List	1	2

Classification	Appointment Type	No. of Appointments	Total No. of Missing Probation Reports
Associate Personnel Analyst	Certification List	1	3
Attorney, Assistant Chief Counsel	Certification List	1	2
Automotive Pool Attendant II	Certification List	1	2
Custodian I	Certification List	1	3
Custodian II	Certification List	1	2
Electrician I	Certification List	1	1
Electrician II	Certification List	1	3
Health Program Specialist I	Certification List	1	2
Information Technology Associate	Certification List	2	4
Information Technology Supervisor II	Certification List	1	2
Lead Groundskeeper	Certification List	1	3
Locksmith I	Certification List	1	3
Maintenance Mechanic	Certification List	2	6
Office Technician (General)	Certification List	1	3
Office Technician (Typing)	Certification List	2	5
Painter I	Certification List	1	3
Personnel Specialist	Certification List	1	2
Personnel Supervisor II	Certification List	1	1
Project Director I	Certification List	1	1
Research Data Analyst II	Certification List	1	1
Research Data Specialist I	Certification List	1	2
Senior Accounting Officer (Specialist)	Certification List	1	2
Senior Industrial Hygienist	Certification List	1	1
Senior Legal Typist	Certification List	1	1
Staff Services Analyst	Certification List	2	2
Staff Services Manager I	Certification List	1	2
Staff Services Manager II (Supervisor)	Certification List	2	2
Stationary Engineer	Certification List	1	3
Supervising Groundskeeper I	Certification List	1	3
Supervising Groundskeeper II	Certification List	1	2



Classification	Appointment Type	No. of Appointments	Total No. of Missing Probation Reports
Supervisor of Building Trades	Certification List	1	2
Tree Maintenance Worker	Certification List	1	3
Management Services Technician	Transfer	1	1
Personnel Specialist	Transfer	1	3

**Criteria:** The service of a probationary period is required when an employee enters or is promoted in the state civil service by permanent appointment from an employment list; upon reinstatement after a break in continuity of service resulting from a permanent separation; or after any other type of appointment situation not specifically excepted from the probationary period. (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 the department rules may require. (Gov. Code, § 19172.) 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.) 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 for five years from the date the record is created. (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:** The DGS states that despite the methods used by the DGS' OHR to inform supervisors about the requirements for completing probationary reports, not all supervisors submitted probationary reports on time.

**Corrective Action:** The DGS asserts it has taken steps to ensure compliance with this requirement. Within 90 days of the date of this report, the DGS must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure conformity with Government Code section 19172. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

Unlawful Appointment Investigations

Departments that entered into an Unlawful Appointment Investigation Delegation Agreement between their executive management and the CalHR have the authority to manage their own unlawful appointment investigations. The Delegation Agreement defines the reporting requirements, responsibilities, obligations, and expectations of the department in this process. The delegation agreement mandates that departments maintain up-to-date records on each unlawful appointment investigation including, at a minimum: the specific facts surrounding the appointment in question, a description of the circumstances which may have resulted in the unlawful appointment, copies of relevant appointment documents, and any documentation which may demonstrate that the agency and employee acted in good faith when the appointment was offered and accepted. Departments must also maintain a tracking system to monitor its unlawful appointments.

During the period under review, August 2, 2023, through January 30, 2024, the DGS conducted one unlawful appointment investigation. The CRU reviewed the one unlawful appointment investigation, which is listed below:

Classification	Date Investigation Initiated	Date Investigation Concluded
Staff Services Analyst	1/19/24	5/16/24

<b>IN COMPLIANCE</b>	<b>FINDING NO. 5 UNLAWFUL APPOINTMENT INVESTIGATION COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND CALHR POLICIES AND GUIDELINES</b>
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The DGS’ unlawful appointment investigation was found to comply with the rules set forth in the signed Delegation Agreement with the CalHR.

## **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; and cooperate with the CalHR, in accordance with Civil Code section 1798.24, subdivisions (o) and (p), by providing access to all required files, documents and data necessary to carry out these mandates. (*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, subd. (a).)

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).)

<b>SEVERITY: VERY SERIOUS</b>	<b>FINDING NO. 6</b>	<b>COMPLAINANT WAS NOT NOTIFIED OF THE REASONS FOR DELAYS IN DECISION WITHIN THE PRESCRIBED TIME PERIOD</b>
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**Summary:** The DGS provided evidence that eight discrimination complaints related to a disability, medical condition, or denial of reasonable accommodation were filed during the compliance review period of April 1, 2023, through March 29, 2024. One of the eight complaint investigations exceeded 90 days, and the DGS failed to provide written communication to the complainant regarding the status of the complaint.

**Criteria:** The appointing power must issue a written decision to the complainant within 90 days of the complaint being filed. (Cal. Code Regs., tit. 2, § 64.4, subd. (a).) If the appointing power is unable to issue its decision within the prescribed time period, the appointing power must inform the complainant in writing of the reasons for the delay. (*Ibid.*)

**Severity:** Very Serious. Employees were not informed of the reasons for delays in decisions for discrimination complaints. Employees may feel their concerns are not being taken seriously, which can leave the agency open to liability and low employee morale.

**Cause:** The DGS states it strives to notify complainants when investigations remain open beyond 90 days, as required. DGS' failure to do so in this instance might best be explained as an oversight or a human error.

**Corrective Action:** The DGS asserts it has taken steps to ensure compliance with this requirement. Within 90 days of the date of this report, the DGS must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure conformity with the requirements of the California Code of Regulations, title 2, section 64.4, subdivision (a). Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

### **Personal Services Contracts**

A PSC includes any contract, requisition, or purchase order under which labor or personal services is a significant, separately identifiable element, and the business or person performing the services is an independent contractor that does not have status as an employee of the state. (Cal. Code Regs., tit. 2, § 547.59.) The California Constitution has an implied civil service mandate limiting the state's authority to contract with private entities to perform services the state has historically or customarily performed. Government Code section 19130, subdivision (a), however, codifies exceptions to the civil service mandate where PSC's achieve cost savings for the state. PSC's that are of a type enumerated in subdivision (b) of Government Code section 19130 are also permissible. Subdivision (b) contracts include, but are not limited to, private contracts for a new state function, services that are not available within state service, services that are incidental to a contract for the purchase or lease of real or personal property, and services that are of an urgent, temporary, or occasional nature.

For cost-savings PSC's, a state agency is required to notify the SPB of its intent to execute such a contract. (Gov. Code, § 19131.) For subdivision (b) contracts, the SPB

reviews the adequacy of the proposed or executed contract at the request of an employee organization representing state employees. (Gov. Code, § 19132.)

During the period under review, August 2, 2023, through January 30, 2024, the DGS had 220 PSC's that were in effect. The CRU reviewed 30 of those, which are listed below:

Vendor	Services	Contract Amount	Justification Identified?	Union Notification?
Aamcom, LLC	Answering services	\$9,105	Yes	Yes
Abe Arens Brothers Environmental	Hazardous Waste	\$2,132	Yes	Yes
Accent on Languages, Inc	Polish & Hebrew interpreter	\$1,880	Yes	Yes
ACTenviro	Tank pump out services	\$9,610	Yes	Yes
Bizon Group Inc, DBA Conexwest	Storage container rental services	\$9,364	Yes	Yes
CAK International	Economic Impact Study	\$132,436	Yes	Yes
Central Glass, Inc.	Broken glass replacement	\$1,314	Yes	Yes
Civic Center Community Benefit District	Exterior Bio Waste cleanup and grounds maintenance	\$443,113	Yes	Yes
Edmund Fuller DBA Fuller Forklift Services	Forklift maintenance	\$132,125	Yes	Yes
Excellence Professional Cleaning, Inc	Garage cleaning services	\$182,328	Yes	Yes
Garratt-Callahan Company	Water remediation testing	\$25,911	Yes	Yes
GreenTree Electrical Services	Electrical repair	\$247,200	Yes	Yes
Holly's Four Seasons Pest Solutions	Pest management services	\$71,190	Yes	Yes
JAMS, Inc	Mediation services	\$1,050	Yes	Yes

Vendor	Services	Contract Amount	Justification Identified?	Union Notification?
Jerry's Carpet Care	Garage cleaning services	\$121,020	Yes	Yes
Liquidity Services Operations LLC	Online auction services	\$0.00 <sup>13</sup>	Yes	Yes
Majestic Fire, Inc.	Fire Extinguisher maintenance	\$32,036	Yes	Yes
Material Handling Systems, inc.	Replacing damaged rack	\$1,812	Yes	Yes
Mountain Aerial Technician LLC	Boom lift repair	\$7,501	Yes	Yes
Oroville Garage Door & Gates	Roll up gate maintenance	\$656,800	Yes	Yes
Pepperdine University	Training services	\$45,000	Yes	Yes
PGI, Professional Glass Installations, Inc	Window repair	\$11,035	Yes	Yes
PowerGen, Inc	Emergency generator maintenance and repairs	\$202,199	Yes	Yes
QuickCaption, Inc.	Transcription services	\$72,558	Yes	Yes
Redwood Electric Group, Inc.	Emergency investigative services	\$34,401	Yes	Yes
R.F. MacDonald Co.	Boiler maintenance and repairs	\$489,620	Yes	Yes
R.F. MacDonald Co.	Pump equipment training	\$3,000	Yes	Yes
Structural Engineers Association of Central California	California Building Codes training	\$1,350	Yes	Yes

<sup>13</sup> Zero Dollar Agreement for Amendment to previous contract; Exempt from Bidding requirements.

Vendor	Services	Contract Amount	Justification Identified?	Union Notification?
SunWest Engineering Constructors, Inc	Underground storage tank services	\$1,500	Yes	Yes
W Rosenau Motor Rewinding	Electric motor repair services	\$249,900	Yes	Yes

<b>IN COMPLIANCE</b>	<b>FINDING NO. 7 PERSONAL SERVICES CONTRACTS COMPLIED WITH PROCEDURAL REQUIREMENTS</b>
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The total dollar amount of all the PSC’s reviewed was \$3,197,870. It was beyond the scope of the review to make conclusions as to whether the DGS’ justifications for the contract were legally sufficient. For all PSC’s reviewed, the DGS provided specific and detailed factual information in the written justifications as to how each of the contracts met at least one condition set forth in Government Code section 19130, subdivision (b). Additionally, the DGS complied with proper notification to all organizations that represent state employees who perform or could perform the type or work contracted as required by California Code of Regulations section 547.60.2. Accordingly, the DGS’ PSC’s 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) and (b), & 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).)

Within 12 months of the initial appointment of an employee to a management or CEA position, the employee shall be provided leadership training and development, as prescribed by the 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.*)

New employees must be provided sexual harassment prevention training within six months of appointment. Thereafter, each department must provide its supervisors two hours of sexual harassment prevention training and non-supervisors one hour of sexual harassment prevention training every two years. (Gov. Code, § 12950.1, subds. (a) and (b); Gov. Code, § 19995.4.)

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.

The CRU reviewed the DGS’ mandated training program that was in effect during the compliance review period, February 1, 2022, through January 30, 2024.

<b>SEVERITY: VERY SERIOUS</b>	<b>FINDING No. 8 ETHICS TRAINING WAS NOT PROVIDED FOR ALL FILERS</b>
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**Summary:** The DGS did not provide ethics training to 83 of 100 existing filers. In addition, the DGS did not provide ethics training to 57 of 100 new filers within 6 months of their appointment. This is the second consecutive time this has been a finding.

**Criteria:** New filers must be provided ethics training within six months of appointment. Existing filers must be trained at least once during each



consecutive period of two calendar years commencing on the first odd-numbered year thereafter. (Gov. Code, § 11146.3, subd. (b).)

**Severity:** Very Serious. The department does not ensure that its filers are aware of prohibitions related to their official position and influence.

**Cause:** The DGS states that the cause for this finding can be attributed to staff, supervisors, and managers not meeting the established due date to complete the training.

**Corrective Action:** The DGS asserts it has taken steps to ensure compliance with this requirement. Within 90 days of this report, the DGS must submit to the SPB a written correction action response which addresses the corrections the department will implement to demonstrate conformity with Government Code section 11146.3. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

<b>SEVERITY: VERY SERIOUS</b>	<b>FINDING NO. 9 SUPERVISORY TRAINING WAS NOT PROVIDED FOR ALL SUPERVISORS AND CEAS</b>
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**Summary:** The DGS provided leadership training to all 4 new managers within 12 months of appointment. However, the DGS did not provide basic supervisory training to 11 of 54 new supervisors within 12 months of appointment; and did not provide CEA training to 1 of 6 new CEAs within 12 months of appointment.

**Criteria:** Each department must provide its new supervisors with a minimum of 80 hours of supervisory training within the probationary period. (Gov. Code, § 19995.4, subd. (b).)

Upon initial appointment of an employee to a Career Executive Assignment position, each employee must receive 20 hours of leadership training within 12 months of appointment. (Gov. Code, § 19995.4, subd. (e).)

**Severity:** Very Serious. The department does not ensure its leaders are properly trained. Without proper training, leaders may not properly carry out their leadership roles, including managing employees.

**Cause:** The DGS states that the cause for this finding can be attributed to staff, supervisors, and managers not meeting the established due date to complete the training.

**Corrective Action:** The DGS asserts it has taken steps to ensure compliance with this requirement. Within 90 days of the date of this report, the DGS must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure that new supervisors, and CEAs are provided leadership and development training within 12 months of appointment as required by Government Code section 19995.4. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

<b>SEVERITY: VERY SERIOUS</b>	<b>FINDING NO. 10 SEXUAL HARASSMENT PREVENTION TRAINING WAS NOT PROVIDED FOR ALL EMPLOYEES</b>
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**Summary:** The DGS did not provide sexual harassment prevention training to 96 of 187 new supervisors within 6 months of their appointment. In addition, the DGS did not provide sexual harassment prevention training to 20 of 130 existing supervisors every 2 years. This is the third consecutive time this has been a finding.

The DGS did not provide sexual harassment prevention training to 22 of 80 existing non-supervisors every 2 years.

**Criteria:** Each department must provide its supervisors two hours of sexual harassment prevention training every two years and non-supervisory employees one hour of sexual harassment prevention training every two years. New employees must be provided sexual harassment prevention training within six months of appointment. (Gov. Code, § 12950.1, subds. (a) and (b); Gov. Code § 19995.4.)

**Severity:** Very Serious. The department does not ensure that all new and existing employees are properly trained to respond to sexual harassment or unwelcome sexual advances, requests for sexual favors, and other verbal or physical harassment of a sexual nature. This limits the department's ability to retain a quality workforce, impacts employee morale and productivity, and subjects the department to litigation.

**Cause:** The cause for this finding can be attributed to staff, supervisors, and managers not meeting the established due date to complete the training.

**Corrective Action:** The DGS asserts it has taken steps to ensure compliance with this requirement. Within 90 days of the date of this report, the DGS must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure that all employees are provided sexual harassment prevention training in accordance with Government Code section 12950.1. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

## **Compensation and Pay**

### **Salary Determination**

The pay plan for state civil service consists of salary ranges and steps established by the CalHR. (Cal. Code Regs., tit. 2, § 599.666.) Several salary rules dictate how departments calculate and determine an employee's salary rate<sup>14</sup> upon appointment depending on the appointment type, the employee's state employment and pay history, and tenure.

Typically, agencies appoint employees to the minimum rate of the salary range for the class. Special provisions for appointments above the minimum exist to meet special recruitment needs and to accommodate employees who transfer into a class from another civil service class and are already receiving salaries above the minimum.

During the period under review, January 1, 2023, through June 30, 2023, the DGS made 416 appointments. The CRU reviewed 28 of those appointments to determine if the DGS applied salary regulations accurately and correctly processed employees' compensation, which are listed below:

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<sup>14</sup> "Rate" is any one of the salary rates in the resolution by the CalHR which establishes the salary ranges and steps of the Pay Plan (Cal. Code Regs., tit. 2, section 599.666).

Classification	Appointment Type	Tenure	Time Base	Salary (Monthly Rate)
Accountant Trainee	Certification List	Permanent	Full Time	\$4,065
Accounting Administrator I (Supervisor)	Certification List	Permanent	Full Time	\$7,394
Administrative Law Judge	Certification List	Permanent	Full Time	\$11,875
Associate Accounting Analyst	Certification List	Permanent	Full Time	\$5,793
Associate Governmental Program Analyst	Certification List	Permanent	Full Time	\$5,518
Associate Governmental Program Analyst	Certification List	Permanent	Full Time	\$5,518
Automotive Pool Attendant II	Certification List	Permanent	Full Time	\$3,487
Custodian I	Certification List	Permanent	Full Time	\$2,926
Electrician I	Certification List	Permanent	Full Time	\$6,175
Health Program Specialist I	Certification List	Permanent	Full Time	\$6,061
Information Technology Supervisor II	Certification List	Permanent	Full Time	\$10,125
Locksmith I	Certification List	Permanent	Full Time	\$5,128
Maintenance Mechanic	Certification List	Permanent	Full Time	\$5,111
Office Building Manager II	Certification List	Permanent	Full Time	\$8,413
Office Technician (Typing)	Certification List	Permanent	Full Time	\$3,369
Painter I	Certification List	Permanent	Full Time	\$4,647
Personnel Supervisor II	Certification List	Permanent	Full Time	\$6,524
Research Data Analyst II	Certification List	Permanent	Full Time	\$5,793
Senior Industrial Hygienist	Certification List	Permanent	Full Time	\$9,823
Staff Services Analyst	Certification List	Permanent	Full Time	\$4,588
Staff Services Manager II	Certification List	Permanent	Full Time	\$7,041
Supervising Groundskeeper II	Certification List	Permanent	Full Time	\$5,248
Associate Governmental Program Analyst	Transfer	Permanent	Full Time	\$6,547
Management Services Technician	Transfer	Permanent	Full Time	\$4,428
Office Technician (Typing)	Transfer	Permanent	Full Time	\$3,369
Personnel Specialist	Transfer	Permanent	Full Time	\$5,116
Staff Services Analyst	Transfer	Permanent	Full Time	\$5,744
Staff Services Manager I	Transfer	Permanent	Full Time	\$8,153

<b>SEVERITY: VERY SERIOUS</b>	<b>FINDING NO. 11</b>	<b>INCORRECT APPLICATIONS OF SALARY DETERMINATION LAWS, RULES, AND CALHR POLICIES AND GUIDELINES FOR APPOINTMENT</b>
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**Summary:** The CRU found 4 errors in the 28 salary determinations reviewed. This is the third consecutive time this has been a finding.

Classification	Description of Finding(s)	Criteria
Administrative Law Judge	Incorrect salary determination resulting in the employee being undercompensated. Same day range change, anniversary date is incorrect.	Cal. Code Regs., tit.2 section 599.674, subd. (a)
Electrician I	Incorrect salary determination resulting in the employee being overcompensated. Employee does not perform direct supervisory duties on a regular basis.	Cal. Code Regs., tit.2 section 599.675
Office Technician (Typing)	Incorrect salary determination resulting in the employee being overcompensated. Employee should have been placed in minimum of class.	Cal. Code Regs., tit.2 section 599.675
Personnel Specialist	Incorrect salary determination resulting in the employee being overcompensated. Anniversary date is incorrect.	Cal. Code Regs., tit.2 section 599.675

**Criteria:** Departments are required to calculate and apply salary rules for each appointed employee accurately based on the pay plan for the state civil service. All civil service classes have salary ranges with minimum and maximum rates. (Cal. Code Regs., tit. 2, § 599.666.)

**Severity:** Very Serious. In four circumstances, the DGS failed to comply with the requirements outlined in the state civil service pay plan. Incorrectly applying compensation laws and rules in accordance with the CalHR's policies and guidelines results in civil service employees receiving incorrect and/or inappropriate pay amounts.

**Cause:** The DGS states that the cause for this finding can be attributed to the high turnover of staff and management in 2023, as it was identified that a majority of the Personnel Specialists needed to have the proper salary determination or advanced determination training. It was also identified that managers and supervisors needed to check the salary determinations completed by the Personnel Specialist prior to processing.

**Corrective Action:** The DGS asserts it has taken steps to ensure compliance with this requirement. Within 90 days of the date of this report, the DGS must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure

that employees are compensated correctly. The DGS must establish an audit system to correct current compensation transactions as well as future transactions. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

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, the CalHR provides salary rules departments must use when employees move between alternate ranges. These rules 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, January 1, 2023, through June 30, 2023, the DGS employees made 20 alternate range movements within a classification. The CRU reviewed 16 of those alternate range movements to determine if the DGS applied salary regulations accurately and correctly processed each employee’s compensation, which are listed below:

Classification	Prior Range	Current Range	Time Base	Salary (Monthly Rate)
Information Technology Specialist I	B	C	Full Time	\$9,223
Information Technology Specialist I	A	B	Full Time	\$8,387
Information Technology Specialist I	B	C	Full Time	\$9,223
Information Technology Specialist I	A	B	Full Time	\$6,901
Office Assistant (Typing)	A	B	Full Time	\$3,175
Personnel Specialist	C	D	Full Time	\$5,737
Personnel Specialist	A	B	Full Time	\$4,037
Personnel Specialist	B	C	Full Time	\$4,584
Personnel Specialist	B	C	Full Time	\$4,744
Senior Legal Typist	A	B	Full Time	\$3,631
Staff Services Analyst	B	C	Full Time	\$4,869
Staff Services Analyst	B	C	Full Time	\$5,028
Staff Services Analyst	A	B	Full Time	\$4,095
Staff Services Analyst	B	C	Full Time	\$5,180
Staff Services Analyst	A	B	Full Time	\$4,301

Classification	Prior Range	Current Range	Time Base	Salary (Monthly Rate)
Staff Services Analyst	B	C	Full Time	\$4,981

<b>IN COMPLIANCE</b>	<b>FINDING NO. 12</b>	<b>ALTERNATIVE RANGE MOVEMENTS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND CALHR POLICIES AND GUIDELINES</b>
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The CRU determined that the alternate range movements the DGS made during the compliance review period, satisfied civil service laws, Board rules and CalHR policies and guidelines.

Hiring Above Minimum Requests

The CalHR may authorize payment at any step above the minimum limit to classes or positions to meet recruiting problems, or to obtain a person who has extraordinary qualifications. (Gov. Code, § 19836.) For all employees new to state service, departments are delegated to approve HAMs for extraordinary qualifications. (Human Resources Manual Section 1707.) Appointing authorities may request HAMs for current state employees with extraordinary qualifications. (*Ibid.*) Delegated HAM authority does not apply to current state employees. (*Ibid.*)

Extraordinary qualifications may provide expertise in a particular area of a department’s program. (*Ibid.*) This expertise should be well beyond the minimum qualifications of the class. (*Ibid.*) Unique talent, ability or skill as demonstrated by previous job experience may also constitute extraordinary qualifications. (*Ibid.*) The scope and depth of such experience should be more significant than its length. (*Ibid.*) The degree to which a candidate exceeds minimum qualifications should be a guiding factor, rather than a determining one. (*Ibid.*) The qualifications and hiring rates of state employees already in the same class should be carefully considered, since questions of salary equity may arise if new higher entry rates differ from previous ones. (*Ibid.*) Recruitment difficulty is a factor to the extent that a specific extraordinary skill should be difficult to recruit, even though some applicants are qualified in the general skills of the class. (*Ibid.*)

If the provisions of this section conflict with the provisions of a memorandum of understanding reached pursuant to Government Code section 3517.5, the memorandum

of understanding shall be controlling without further legislative action.<sup>15</sup> (Gov. Code, § 19836, subd. (b).)

Appointing authorities may request and approve HAMs for former legislative employees who are appointed to a civil service class and received eligibility for appointment pursuant to Government Code section 18990. (Human Resources Manual Section 1707.) The salary received upon appointment to civil service shall be in accordance with the salary rules specified in the California Code of Regulations. (*Ibid.*) A salary determination is completed comparing the maximum salary rate of the former legislative class and the maximum salary rate of the civil service class to determine applicable salary and anniversary regulation. (*Ibid.*) Typically, the legislative employees are compensated at a higher rate of pay; therefore, they will be allowed to retain the rate they last received, not to exceed the maximum of the civil service class. (*Ibid.*)

Appointing authorities may request/approve HAMs for former exempt employees appointed to a civil service class. (Human Resources Manual Section 1707.) The salary received upon appointment to civil service shall be competitive with the employee’s salary in the exempt appointment. (*Ibid.*) For example, an employee appointed to a civil service class which is preceded by an exempt appointment may be appointed at a salary rate comparable to the exempt appointment up to the maximum of the salary range for the civil service class. (*Ibid.*)

During the period under review, January 1, 2023, through June 30, 2023, the DGS authorized six HAM requests. The CRU reviewed five of those authorized HAM requests to determine if the DGS correctly applied Government Code section 19836 and appropriately verified, approved and documented candidates’ extraordinary qualifications, which are listed below:

Classification	Appointment Type	Status	Salary Range	Salary (Monthly Rate)
Information Technology Manager I	Certification List	New to State	\$8,591 – \$11,512	\$11,512
Information Technology Specialist II	Certification List	New to State	\$7,893 – \$10,576	\$10,576
Information Technology Supervisor II	Certification List	Current State Employee	\$7,783 – \$10,428	\$8,580

<sup>15</sup> Except that if the provisions of the memorandum of understanding requires the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.



Classification	Appointment Type	Status	Salary Range	Salary (Monthly Rate)
Staff Services Manager I	Certification List	New to State	\$6,563 – \$8,153	\$7,500
Senior Legal Typist	Certification List	Current State Employee	\$3,631 – \$4,540	\$4,410

<b>IN COMPLIANCE</b>	<b>FINDING NO. 13 HIRE ABOVE MINIMUM REQUESTS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND CALHR POLICIES AND GUIDELINES</b>
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The CRU found that the HAM requests the DGS made during the compliance review period, satisfied civil service laws, Board rules and CalHR policies and guidelines.

### Bilingual Pay

A certified bilingual position is a position where the incumbent uses bilingual skills on a continuous basis and averages 10 percent or more of the total time worked. According to the Pay Differential 14, the 10 percent time standard is calculated based on the time spent conversing, interpreting, or transcribing in a second language and time spent on closely related activities performed directly in conjunction with the specific bilingual transactions.

Typically, the department must review the position duty statement to confirm the percentage of time performing bilingual skills and verify the monthly pay differential is granted to a certified bilingual employee in a designated bilingual position. The position, not the employee, receives the bilingual designation and the department must verify that the incumbent successfully participated in an Oral Fluency Examination prior to issuing the additional pay.

During the period under review, January 1, 2023, through June 30, 2023, the DGS issued bilingual pay to 11 employees. The CRU reviewed eight of these bilingual pay authorizations to ensure compliance with applicable CalHR policies and guidelines. These are listed below:

Classification	Bargaining Unit	Time Base	No. of Appts.
Senior Legal Typist	R04	Full Time	2
Staff Services Analyst	R01	Full Time	3
Associate Governmental Program Analyst	R01	Full Time	3

<b>SEVERITY:</b> <b>VERY SERIOUS</b>	<b>FINDING No. 14 INCORRECT AUTHORIZATION OF BILINGUAL PAY</b>
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**Summary:** Three errors were found in eight bilingual pay authorizations reviewed. This is the third consecutive time this has been a finding.

Classification	Description of Findings	Criteria
Associate Governmental Program Analyst	Department failed to supply supporting documentation demonstrating the need for bilingual services.	Pay Differential 14
Associate Governmental Program Analyst	Department failed to provide certification that the employee's duties required use of bilingual skills for at least 10% of their time.	Pay Differential 14
Staff Services Analyst	Department failed to supply supporting documentation demonstrating the need for bilingual services.	Pay Differential 14

**Criteria:** An individual must be in a position that has been certified by the department as a position which requires the use of bilingual skills on a continuing basis averaging 10 percent of the time spent either conversing, interpreting or transcribing in a second language and time spent on closely related activities performed directly in conjunction with specific bilingual transactions. (Pay Differential 14.)

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

**Cause:** The DGS states the cause for this finding can be attributed to the high turnover of staff within OHR. Additionally, internally there were unclear roles and responsibilities regarding bilingual pay authorization.

**Corrective Action:** The DGS asserts it has taken steps to ensure compliance with this requirement. Within 90 days of the date of this report, the DGS must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure conformity with Government Code section 7296 and Pay Differential 14. Copies of relevant documentation demonstrating that the

corrective action has been implemented must be included with the corrective action response.

### Pay Differentials

A pay differential is special additional pay recognizing unusual competencies, circumstances, or working conditions applying to some or all incumbents in select classes. A pay differential may be appropriate in those instances when a subgroup of positions within the overall job class might have unusual circumstances, competencies, or working conditions that distinguish these positions from other positions in the same class. Typically, pay differentials are based on qualifying pay criteria such as: work locations or shift assignments; professional or educational certification; temporary responsibilities; special licenses, skills or training; performance-based pay; incentive-based pay; or recruitment and retention. (Classification and Pay Manual Section 230.)

California State Civil Service Pay Scales Section 14 describes the qualifying pay criteria for the majority of pay differentials. However, some of the alternate range criteria in the pay scales function as pay differentials. Generally, departments issuing pay differentials should, to justify the additional pay, document the following: the effective date of the pay differential, the collective bargaining unit identifier, the classification applicable to the salary rate and conditions along with the specific criteria, and any relevant documentation to verify the employee meets the criteria.

During the period under review, January 1, 2023, through June 30, 2023, the DGS authorized 106 pay differentials.<sup>16</sup> The CRU reviewed 23 of these pay differentials to ensure compliance with applicable CalHR policies and guidelines. These are listed below:

Classification	Pay Differential	Monthly Amount	No. Reviewed
Administrative Law Judge	84	5%	3
Associate Construction Analyst	325	5.5%	1
Chief Engineer I	233	\$100	1
Chief Engineer II	435	\$100	1
Chief Engineer II	436	7%	1
Chief Engineer II	436	9%	1
Custodian I	67	\$190	1
Groundskeeper	409	5%	1

<sup>16</sup> For the purposes of CRU's review, only monthly pay differentials were selected for review at this time.

Classification	Pay Differential	Monthly Amount	No. Reviewed
Legal Secretary	141	10%	2
Senior Legal Typist	141	10%	2
Staff Services Analyst	441	\$250	1
Stationary Engineer	409	5%	2
Stationary Engineer	435	\$100	2
Stationary Engineer	436	9%	1
Supervising Administrative Law Judge	84	5%	2
Supervising Engineer Civil Section	325	5.5%	1

<b>SEVERITY: VERY SERIOUS</b>	<b>FINDING NO. 15 INCORRECT AUTHORIZATION OF PAY DIFFERENTIALS</b>
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**Summary:** The CRU found 5 errors in the 23 pay differentials reviewed:

Classification	Area	Description of Findings	Criteria
Administrative Law Judge	National Judicial College Differential	DGS failed to provide the certificate of completion for required training courses.	Pay Differential 84
Custodian I	Institutional Worker Supervision Pay Differential	Employee does not have regular, direct supervisory responsibilities for at least two inmates, wards, or resident workers.	Pay Differential 67
Staff Services Analyst	Geographic Recruitment and Retention	Employee's worksite is not located in designated geographic locations.	Pay Differential 441
Stationary Engineer	EPA Section 608 Technician Certification	DGS failed to provide certificate of completion for required training.	Pay Differential 435
Supervising Administrative Law Judge	National Judicial College Differential	DGS failed to provide the certificate of completion for required training courses.	Pay Differential 84

**Criteria:** A pay differential may be appropriate when a subgroup of positions within the overall job class might have unusual circumstances, competencies, or working conditions that distinguish these positions from other positions in the same class. Pay differentials are based on qualifying pay criteria such as: work locations or shift assignments; professional or educational certification; temporary responsibilities; special licenses, skills or training; performance-

based pay; incentive-based pay; or recruitment and retention. (CalHR Classification and Pay Manual Section 230.)

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

**Cause:** The cause for this finding can be attributed to high turnovers within the two OHR disciplines: Classification & Certification and Transaction Units, including a lack of internal processes and procedures regarding who determines proper and accurate determinations.

**Corrective Action:** The DGS asserts it has taken steps to ensure compliance with this requirement. Within 90 days of the date of this report, the DGS must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure conformity with Pay Differentials 67, 84, 435 and 441 to ensure that employees are compensated correctly and that transactions are keyed accurately. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

### Out-of-Class Assignments and Pay

For excluded<sup>17</sup> and most rank-and-file employees, out-of-class (OOC) work 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, subd. (a)(2).) A higher classification is one with a salary range maximum that is any amount higher than the salary range maximum of the classification to which the employee is appointed. (Cal. Code Regs., tit. 2, § 599.810, subd. (a)(3).)

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<sup>17</sup> "Excluded employee" means an employee as defined in Government Code section 3527, subdivision (b) (Ralph C. Dills Act) except those excluded employees who are designated managerial pursuant to Government Code section 18801.1.

According to the 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 the California Code of Regulations, title 2, section 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 provisions or salary regulations. Before assigning the OOC work, the department should have a plan to correct the situation before the time period outlined in applicable law, policy or MOU expires. (Classification and Pay Guide Section 375.)

During the period under review, January 1, 2023, through June 30, 2023, the DGS issued OOC pay to six employees. The CRU reviewed four of these OOC assignments to ensure compliance with applicable MOU provisions, salary regulations, and the CalHR’s policies and guidelines. These are listed below:

Classification	Bargaining Unit	Out-of-Class Classification	Time Frame
Direct Construction Supervisor I	S09	Direct Construction Supervisor II	6/1/23 – 6/30/23
Maintenance Mechanic	R12	Stationary Engineer	3/1/23 – 4/11/23
Research Data Specialist I	R01	Staff Services Manager I	3/1/23 – 4/11/23
Staff Services Manager II (Supervisory)	S01	CEA A	4/26/23 – 6/30/23

<b>IN COMPLIANCE</b>	<b>FINDING NO. 16 OUT OF CLASS PAY AUTHORIZATIONS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND CALHR POLICIES AND GUIDELINES</b>
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The CRU found no deficiencies in the OOC pay assignments that the DGS authorized during the compliance review period. OOC pay was issued appropriately to employees 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.

## Leave

### Positive Paid Employees

Actual Time Worked (ATW) is a method that can be used to keep track of a Temporary Authorization Utilization (TAU) employee's time to ensure that the Constitutional limit of 9 months in any 12 consecutive months is not exceeded. The ATW method of counting time is used to continue the employment status for an employee until the completion of an examination, for seasonal type work, while attending school, or for consulting services.

An employee is appointed TAU-ATW when he/she is not expected to work all the working days of a month. When counting 189 days, every day worked, including partial days<sup>18</sup> worked and paid absences<sup>19</sup>, are counted. (Cal. Code Regs., tit. 2, § 265.1, subd. (b).) The hours worked in one day are not limited by this rule. (*Ibid.*) The 12-consecutive month timeframe begins by counting the first pay period worked as the first month of the 12-consecutive month timeframe. (*Ibid.*) The employee shall serve no longer than 189 days in a 12 consecutive month period. (*Ibid.*) A new 189-days working limit in a 12-consecutive month timeframe may begin in the month immediately following the month that marks the end of the previous 12-consecutive month timeframe. (*Ibid.*)

It is an ATW appointment because the employee does not work each workday of the month, and it might become desirable or necessary for the employee to work beyond nine calendar months. The appointing power shall monitor and control the days worked to ensure the limitations set forth are not exceeded. (Cal. Code Regs., tit. 2, § 265.1, subd. (f).)

For student assistants, graduate student assistants, youth aides, and seasonal classifications a maximum work-time limit of 1500 hours within 12 consecutive months may be used rather than the 189-day calculation. (Cal. Code Regs., tit. 2, § 265.1, subd. (d).)

Additionally, according to Government Code section 21224, retired annuitant appointments shall not exceed a maximum of 960 hours in any fiscal year (July-June), regardless of the number of state employers, without reinstatement, loss or interruption of benefits.

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<sup>18</sup> For example, two hours or ten hours count as one day.

<sup>19</sup> For example, vacation, sick leave, compensating time off, etc.

At the time of the review, the DGS had 18 positive paid employees whose hours were tracked. The CRU reviewed 13 of those positive paid appointments to ensure compliance with applicable laws, regulations, policies and guidelines, which are listed below:

Classification	Tenure	Time Frame	Time Worked
Staff Psychologist – Experimental	Temporary	1/1/23 – 1/1/24	5 days
Staff Psychologist – Experimental	Temporary	1/1/23 – 1/1/24	5 days
Staff Psychologist – Experimental	Temporary	4/19/23 – 1/1/24	4 days
Staff Psychologist – Experimental	Temporary	1/21/23 – 1/30/24	4 days
Staff Psychologist – Experimental	Temporary	1/1/23 – 1/1/24	6 days
Staff Psychologist – Experimental	Temporary	2/9/23 – 1/1/24	5 days
Staff Psychologist – Experimental	Temporary	1/1/23 – 1/1/24	4 days
Student Assistant	Temporary	12/22/22 – 12/22/23	1,408 hours
Attorney IV	Retired	7/1/22 – 6/30/23	120 hours
Project Director II	Retired	7/1/22 – 6/30/23	942 hours
Senior Civil Engineer	Retired	7/1/22 – 6/30/23	917 hours
Senior Personnel Specialist	Retired	7/1/22 – 6/30/23	960 hours
Senior Personnel Specialist	Retired	7/1/22 – 6/30/23	929 hours

<b>IN COMPLIANCE</b>	<b>FINDING NO. 17</b>	<b>POSITIVE PAID EMPLOYEES’ TRACKED HOURS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND CALHR POLICIES AND GUIDELINES</b>
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The CRU found no deficiencies in the positive paid employees reviewed during the compliance review period. The DGS provided sufficient justification and adhered to applicable laws, regulations and the CalHR’s policy and guidelines for positive paid employees.

Administrative Time Off

ATO is a form of paid administrative leave status initiated by appointing authorities for a variety of reasons. (Human Resources Manual Section 2121.) Most often, 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. (*Ibid.*) ATO can also be granted when employees need time off for reasons such as blood or organ donation, extreme weather preventing safe travel to work, states of emergency, voting, and when employees need time off to attend special events. (*Ibid.*)

During the period under review, November 1, 2022, through October 31, 2023, the DGS authorized 631 ATO transactions. The CRU reviewed 25 of these ATO transactions to



ensure compliance with applicable laws, regulations, and the CalHR’s policy and guidelines, which are listed below:

Classification	Time Frame	Hours of ATO
Accounting Officer (Specialist)	5/11/23	0.25
Associate Industrial Hygienist	11/8/22	8
Bookbinder II	7/26/23	1
Bookbinder IV	7/26/23	8
Bookbinder IV	7/26/23	1
Custodian I	7/7/23	2
Custodian I	7/21/23	6
Custodian I	11/7/22	4
Custodian I	7/3/23 – 8/4/23	152
Custodian I	12/6/23 – 2/17/23	75
Custodian I	12/07/22 – 12/28/22	120
Custodian I	4/11/23 – 4/20/23	64
Custodian I	4/7/23 – 4/20/23	80
Digital Composition Specialist III	7/26/23	4
Digital Composition Specialist III	7/26/23	1
Graphic Designer III	7/26/22	3.5
Heavy Truck Driver	7/25/23	1
Office Building Manager III	6/1/23 – 6/19/23	104
Office Technician (Typing)	4/13/23 – 4/17/23	24
Office Technician (Typing)	8/22/23	8
Office Technician (Typing)	2/1/23	8
Printing Trades Specialist Trainee (General)	7/26/23	8
Research Data Analyst I	12/1/22 – 12/9/22	56
Senior Structural Engineer	5/11/23	2
Warehouse Manager I	7/29/23	1

<b>IN COMPLIANCE</b>	<b>FINDING NO. 18 ADMINISTRATIVE TIME OFF AUTHORIZATIONS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND CALHR POLICIES AND GUIDELINES</b>
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The CRU found no deficiencies in the ATO transactions reviewed during the compliance review period. The DGS provided the proper documentation justifying the use of ATO and adhered to applicable laws, regulations and the CalHR’s 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.)

Departments are directed to create a monthly internal audit process to verify all leave input into any leave accounting system is keyed accurately and timely. (Human Resources Manual Section 2101.) Departments shall create an audit process to review and correct leave input errors on a monthly basis. The review of leave accounting records shall be completed by the pay period following the pay period in which the leave was keyed into the leave accounting system. (*Ibid.*) 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. (*Ibid.*) Attendance records shall be corrected by the pay period following the pay period in which the error occurred. (*Ibid.*) Accurate and timely attendance reporting is required of all departments and is subject to audit. (*Ibid.*)

During the period under review, August 2023 through October 2023, the DGS reported 265 units comprised of 4,468 active employees. The pay periods and timesheets reviewed by the CRU are summarized below:

Timesheet Leave Period	Unit Reviewed	No. of Employees	No. of Timesheets Reviewed	No. of Missing Timesheets
August 2023	300	10	10	0
August 2023	700	5	5	0
August 2023	61	5	5	0
August 2023	97	5	5	0
August 2023	248	15	15	0
September 2023	540	10	10	0
September 2023	861	9	9	0
September 2023	909	5	5	0
September 2023	970	21	21	0
October 2023	739	5	5	0
October 2023	102	5	5	0
October 2023	110	5	5	0

<b>SEVERITY: VERY SERIOUS</b>	<b>FINDING No. 19 INCORRECTLY POSTED LEAVE USAGE AND/OR LEAVE CREDIT</b>
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**Summary:** The DGS did not correctly enter 3 of 100 timesheets into the Leave Accounting System during the August and September 2023 pay periods. As a result, three employees retained their prior leave balance despite having used leave credits. This is the second consecutive time this has been a finding.

**Criteria:** Departments shall create a monthly internal audit process to verify that all leave input into any leave accounting system is keyed accurately and timely. (Human Resources Manual Section 2101.) 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. (*Ibid.*) Attendance records shall be corrected by the pay period following the pay period in which the error occurred. (*Ibid.*)

**Severity:** Substantial Compliance. The department has achieved 90% or more compliance in this area and has provided a response sufficient to address full compliance in the future; therefore, no corrective action is required.

State Service

The state recognizes two different types of absences while an employee is on pay status, paid or unpaid. The unpaid absences can affect whether a pay period is a qualifying or non-qualifying pay period for state service and leave accruals.

Generally, 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 service.<sup>20</sup> (Cal. Code Regs., tit. 2, § 599.608.) Full time and fractional employees who work less than 11 working days in a pay period will have a non-qualifying month and will not receive state service or leave accruals for that month.

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<sup>20</sup> Government Code sections 19143, 19849.9, 19856.1, 19858.1, 19859, 19861, 19863.1, and 19997.4 and California Code of Regulations, title 2, sections 599.609, 599.682, 599.683, 599.685, 599.687, 599.737, 599.738, 599.739, 599.740, 599.746, 599.747, 599.776.1, 599.787, 599.791, 599.840 and 599.843 provide further clarification for calculating state time.

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 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 qualifying monthly pay period, the employee shall be allowed credit for vacation with pay on the first day of the following monthly pay period. (Cal. Code Regs., tit. 2, § 599.608.) 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. (Cal. Code Regs., tit. 2, § 599.739.) Portions of non-qualifying monthly pay periods of service shall not be counted nor accumulated. (*ibid.*) On the first day following a qualifying monthly pay period, excluded employees<sup>21</sup> shall be allowed credit for annual leave with pay. (Cal. Code Regs., tit. 2, § 599.752.)

Permanent intermittent employees also earn leave credits on the pay period following the accumulated accrual of 160 hours worked. Hours worked in excess of 160 hours in a monthly pay period are not counted or accumulated towards leave credits.

During the period under review, July 1, 2023, through December 31, 2023, the DGS had 144 employees with qualifying and non-qualifying pay period transactions. The CRU reviewed 24 transactions to ensure compliance with applicable laws, regulations and the CalHR’s policy and guidelines, which are listed below:

Type of Transaction	Time base	No. Reviewed
Non-Qualifying Pay Period	Full Time	19
Qualifying Pay Period	Full Time	5

<b>SEVERITY: VERY SERIOUS</b>	<b>FINDING NO. 20</b>	<b>INCORRECT APPLICATION OF STATE SERVICE AND LEAVE TRANSACTIONS</b>
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**Summary:** The CRU found 6 errors in 24 state service transactions reviewed.

Type of Transaction	Time base	State Service Incorrectly Posted	Leave Accruals Incorrectly Posted
Non-Qualifying Pay Period	Full Time	1	1
Qualifying Pay Period	Full Time	2	2

<sup>21</sup> As identified in Government Code sections 19858.3, subdivisions (a), (b), or (c), or as it applies to employees excluded from the definition of state employee under Government Code section 3513, subdivision (c), or California Code of Regulations, title 2, section 599.752, subdivision (a), and appointees of the Governor as designated by the Department and not subject to section 599.752.1.

**Criteria:** In the application of Government Code section 19837, an employee shall be considered to have a month of state service if the employee either: (1) has had 11 or more working days of service in a monthly pay period; or (2) would have had 11 or more working days of service in a monthly pay period but was laid off or on a leave of absence for the purpose of lessening the impact of an impending layoff. (Cal. Code Regs., tit.2, § 599.608.) Absences from state service resulting from permanent separation for more than 11 consecutive working days which fall into two consecutive pay periods shall disqualify one of the pay periods. (*Ibid.*)

Hourly or daily rate employees working in a state agency in which the full-time workweek is 40 hours who earn the equivalent of 160 hours of service in a monthly pay period or 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.) When an employee has a break in service or changes to full-time, any combination of time worked which does not equal one qualifying month of full-time service shall not be accumulated or counted. (*Ibid.*)

**Severity:** Very Serious. For audit purposes, accurate and timely attendance reporting is required of all departments. If the length of an informal leave results in a non-qualifying pay period, a state service transaction must be processed. Inappropriately authorizing state service credits and leave accruals to employees who did not earn them results in a monetary loss for the department.

**Cause:** The DGS states that during the audit period, the department was still interfacing with the State Controller's Office. Due to the automation of the DGS system, dept employees were allowed to report late dock and Leave of Absences via the timekeeping system throughout the month. However, those reports were not being provided to Transactions Unit as changes were made to review and make corrections accurately and timely.

**Corrective Action:** The DGS asserts it has taken steps to ensure compliance with this requirement. Within 90 days of the date of this report, the DGS must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure

state service transactions are keyed accurately. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

**Policy and Processes**

**Nepotism**

It is the policy of the State of California to hire, transfer, and promote 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. (Cal. Code Regs., tit. 2, § 87.) (*Ibid.*) All appointing powers shall adopt an anti-nepotism policy that includes the following components: (1) a statement that the appointing power is committed to merit-based hiring and that nepotism is antithetical to a merit-based civil service system; (2) a definition of “nepotism” as an employee’s use of influence or power to hire, transfer, or promote an applicant or employee because of a personal relationship; (3) a definition of “personal relationship” as persons related by blood, adoption, current or former marriage, domestic partnership or cohabitation; (4) a statement that prohibits participation in the selection of an applicant for employment by anyone who has a personal relationship with the applicant, as defined in section 83.6; (5) a statement that prohibits the direct or first-line supervision of an employee with whom the supervisor has a personal relationship, as defined in section 83.6; (6) a process for addressing issues of direct supervision when personal relationships between employees exist. (*Ibid.*)

<b>SEVERITY: VERY SERIOUS</b>	<b>FINDING NO. 21 DEPARTMENT’S NEPOTISM POLICY DOES NOT CONTAIN ALL REQUIRED COMPONENTS</b>
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**Summary:** The DGS’ nepotism policy does not contain all required components. Specifically, the DGS’ nepotism policy does not include the statement “that the appointing power is committed to merit-based hiring and that nepotism is antithetical to California’s merit-based civil service system.”

**Criteria:** It is the policy of the State of California to hire, transfer, and promote all employees on the basis of merit and fitness in accordance with civil service statutes, rules and regulations. (Human Resources Manual Section 1204). All department nepotism policies shall include six specific components which emphasize that nepotism is

antithetical to merit-based civil service and include definitions and prohibitions integral to upholding the merit system. (Cal. Code Regs., tit. 2, § 87.)

**Severity:** Very Serious. Nepotism is expressly prohibited in the state workplace because it is antithetical to California's merit based civil service. Departments must take proactive steps to ensure that the hiring, transferring, and promoting of all employees is done on the basis of merit and fitness in accordance with civil service statutes. Maintaining a current written nepotism policy that addresses all requirements outlined in civil service statute, rules and regulations, and its dissemination to all staff, is the cornerstone for achieving these outcomes.

**Cause:** The DGS states that the cause for this finding can be attributed to the DGS not updating the current written nepotism policy dated February 22, 2013, to include new key statements and/or definitions. An updated nepotism policy containing all required components is in the final approval stages for review and submission to the unions.

**Corrective Action:** The DGS asserts it has taken steps to ensure compliance with this requirement. Within 90 days of the date of this report, the DGS must submit to the SPB a written corrective action response which includes an updated nepotism policy which contains requirements outlined in Human Resources Manual section 1204, and documentation demonstrating that it has been distributed to all staff.

### Workers' Compensation

Employers shall provide to every new employee, either 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. (Cal. Code Regs., tit. 8, § 9880, subd. (a).) This notice shall include the right to predesignate their personal physician or medical group; a form that the employee may use as an optional method for notifying the employer of the name of employee's "personal physician," as defined by Labor Code section 4600. (Cal. Code Regs., tit. 8, § 9880, subd. (c)(7) & (8).) Additionally, within one working day of receiving notice or knowledge that the employee has suffered a work-related injury or illness, employers shall provide a claim form and notice of potential eligibility for benefits to the injured employee. (Labor Code, § 5401, subd. (a).)

Public employers may choose to extend workers' compensation coverage to volunteers that perform services for the organization. (Human Resources Manual Section 1415.) Workers' compensation coverage is not mandatory for volunteers as it is for employees. (*Ibid.*) This is specific to the legally uninsured state departments participating in the Master Agreement. (*Ibid.*) 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. (*Ibid.*)

In this case, the DGS did not employ volunteers during the compliance review period.

<b>IN COMPLIANCE</b>	<b>FINDING NO. 22 WORKERS' COMPENSATION PROCESS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND CALHR POLICIES AND GUIDELINES</b>
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The CRU verified that the DGS provides notice to their employees to inform them of their rights and responsibilities under California's Workers' Compensation Law. Furthermore, the CRU verified that when the DGS received workers' compensation claims, they properly provided claim forms within one working day of notice or knowledge of injury.

Performance Appraisals

According to Government Code section 19992.2, subdivision (a), appointing powers 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 100 permanent DGS employees to ensure that the department was conducting performance appraisals on an annual basis in accordance with applicable laws, regulations, policies and guidelines.

<b>SEVERITY: SERIOUS</b>	<b>FINDING NO. 23 PERFORMANCE APPRAISALS WERE NOT PROVIDED TO ALL EMPLOYEES</b>
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**Summary:** The DGS did not provide annual performance appraisals to 74 of 100 employees reviewed after the completion of the employee's probationary period. This is the third consecutive time this has been a finding.



**Criteria:** Appointing powers shall prepare performance reports and keep them on file as prescribed by department rule. (Gov. Code, § 19992.2, subd. (a).) Each supervisor, as designated by the appointing power, shall make an appraisal in writing and shall discuss with the employee overall work performance at least once in each twelve calendar months following the end of the employee's probationary period. (Cal. Code Regs., tit. 2, § 599.798.)

**Severity:** Serious. The department does not ensure that all employees are apprised of work performance issues and/or goals in a systematic manner.

**Cause:** The DGS states that despite using a tracking system and sending annual reminders to all supervisors and managers to complete performance appraisals, not all supervisors and managers submitted performance appraisals for their staff.

**Corrective Action:** The DGS asserts it has taken steps to ensure compliance with this requirement. Within 90 days of the date of this report, the DGS must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure conformity with Government Code section 19992.2 and California Code of Regulations, title 2, section 599.798. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

### **DEPARTMENTAL RESPONSE**

Based upon the DGS' written response, the DGS will comply with the corrective actions specified in these report findings. Within 90 days of the date of this report, a written corrective action response including documentation demonstrating implementation of the corrective actions specified must be submitted to the CRU.

### **SPB REPLY**

The DGS' departmental response is attached as Attachment 1.

November 26, 2024

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

Dear Ms. Ambrose:

The Department of General Services (DGS) has received the draft of the State Personnel Board's (SPB) Compliance Review Report (Report) on October 18, 2024. Based on the compliance review conducted by the SPB Compliance Review Unit (CRU) of DGS' personnel practices in the areas of examinations, appointments, Equal Employment Opportunity (EEO), Personal Services Contracts, mandated training, compensation and pay, leave, and policy and processes, 12 findings were deemed either technical, serious, or very serious issue of non-compliance. DGS provides the following responses and causes to each of the findings presented by SPB.

### **Finding No. 3: Appointment Documentation Was Not Kept for the Appropriate Amount of Time**

#### Summary

The summary by the CRU indicated that DGS did not retain 53 Notice of Personnel Action (NOPA) forms out of the 63 appointments reviewed. This is the fourth consecutive time this has been a finding for DGS.

#### Cause

The cause for this finding can be attributed to the high turnover of Office of Human Resources (OHR) Transactions staff and management in 2022/2023. Additionally, there was no training or oversight of this NOPA process.

#### Response

In August 2023, the Personnel Specialists (PS) were properly trained on downloading NOPAs from Mobius in order to distribute to the Attendance Clerks (AC). The NOPAs will remain in a pending folder until received and signed by the employees. If the NOPAs are not received in 30 days, the PS will document on the NOPA that "EE did not sign" and place in the OPF. In addition, the DGS OHR Transactions team developed and implemented a daily process to download

every NOPA to a shared folder. This responsibility has been assigned to the administrative staff, and there is now a documented procedure available for them to follow. Additionally, Personnel Specialists (PS) will continue to receive a quarterly reminder, as part of the action plan from the 2022 audit, to send out NOPAs to the AC and to mark the NOPA as pending in a virtual folder. If the NOPA is not received within 30 days, the PS will file the NOPA in the Official Personnel File (OPF).

#### **Finding No. 4: Probationary Evaluations Were Not Provided for All Appointments Reviewed**

##### Summary

The summary by the CRU indicated that DGS did not provide a total of 87 probationary reports of performance for 42 of the 63 appointments reviewed by the CRU. This is the second consecutive time this has been a finding for DGS.

##### Cause

Despite the methods used by the DGS OHR to inform supervisors about the requirements for completing probationary reports, not all supervisors submitted these probationary reports on time.

##### Response

DGS managers and supervisors are responsible for providing probationary evaluations for all employees who complete a probationary period. Currently, DGS OHR sends email notifications generated automatically by the Position Control Database to all supervisors, informing them of probationary report due dates when they hire a probationary employee. The first email notifies supervisors and the AC of an employee's new probation period and report due dates. There is an email reminder notifying supervisors of the employee's probation report due in 21 days and another email reminder notifying supervisors that the employee's probation report is due seven days prior to each of the three probation reports. There is one final email reminder notifying supervisors the employee's final probation report is due. Through targeted outreach that encompasses training and regular reminders by way of email communications, the DGS leadership team will continue to emphasize the importance of completing probationary reports.

- The Constructive Intervention Unit (CIU) has developed and implemented comprehensive performance management and progressive discipline training that is mandatory for all DGS managers and supervisors. This new training portfolio includes one course that specifically provides detailed

instruction on how and when to complete probation reports, required submission to OHR, and the importance of maintaining a signed copy in a supervisory drop file and OPF.

- The CIU will also be available to assist divisional leadership with any corrective actions necessary to address managers and supervisors that repeatedly fail to complete probationary reports timely.

### **Finding No. 6: Complainant Was Not Notified of The Reasons for Delays in Decision Within the Prescribed Time Period**

#### Summary

The summary by the CRU indicated that DGS provided evidence that eight discrimination complaints related to a disability, medical condition, or denial of reasonable accommodation were filed during the compliance review period. One of the eight complaint investigations exceeded 90 days, and the DGS failed to provide written communication to the complainant regarding the status of the complaint.

#### Cause

DGS strives to notify complainants when investigations remain open beyond 90 days, as required. DGS' failure to do so in this instance might best be explained as an oversight or a human error.

#### Response

DGS has implemented a 90-day checkbox on its EEO complaint tracking sheet to ensure compliance. Further, investigators are to schedule an Outlook reminder for when that 90 days is due so they can send the required letter to complainants timely. When an investigation continues beyond 90 days, the DGS EEO Office will ensure prompt action in future cases in accordance with the California Code of Regulations, title 2, section 64.4, subdivision (a), by sending a delay notice letter to the complainant as to the reason(s) it is unable to issue its decision within the required time period.

### **Finding No. 8: Ethics Training Was Not Provided for All Filers**

#### Summary

The summary by the CRU indicated that DGS did not provide ethics training to 83 of 100 existing filers. In addition, DGS did not provide ethics training to 57 of 100 new filers within 6 months of their appointment. This is the second consecutive time this has been a finding for DGS.

#### Cause

The cause for this finding can be attributed to staff, supervisors, and managers not meeting the established due date to complete the training.

#### Response

DGS previously had a manual process for tracking employee training. Recently DGS built a PowerBI dashboard that extracts data from our learning management system. The dashboard highlights employees that are due for training with due dates. The leadership team gets monthly emails notifying them of employee training requirements and due dates. Leadership is notified via email that if employees are not compliant, they should be reaching out to the Constructive Intervention Unit of next steps.

### **Finding No. 9: Supervisory Training Was Not Provided for All Supervisors and CEAs**

#### Summary

The summary by the CRU indicated that the DGS did not provide basic supervisory training to 11 of 54 new supervisors within 12 months of appointment; and did not provide CEA training to 1 of 6 new CEAs within 12 months of appointment.

#### Cause

The cause for this finding can be attributed to staff, supervisors, and managers not meeting the established due date to complete the training.

#### Response

DGS previously had a manual process for tracking employee training. Recently DGS built a PowerBI dashboard that extracts data from our learning management system. The dashboard highlights employees that are due for training with due dates. The leadership team gets monthly emails notifying them of employee training requirements and due dates. Leadership is notified via email that if employees are not compliant, they should be reaching out to the Constructive Intervention Unit of next steps.

### **Finding No. 10: Sexual Harassment Prevention Training Was Not Provided for All Employees**

#### Summary

The summary by the CRU indicated that DGS did not provide sexual harassment prevention training to 96 of 187 new supervisors within 6 months of their appointment. In addition, the DGS did not provide sexual harassment prevention training to 20 of 130 existing supervisors every 2 years. Furthermore, the DGS did not provide sexual harassment prevention training to 22 of 80

existing non-supervisors every 2 years. This is the third consecutive time this has been a finding for the DGS.

#### Cause

The cause for this finding can be attributed to staff, supervisors, and managers not meeting the established due date to complete the training.

#### Response

DGS previously had a manual process for tracking employee training. Recently DGS built a PowerBI dashboard that extracts data from our learning management system. The dashboard highlights employees that are due for training with due dates. The leadership team gets monthly emails notifying them of employee training requirements and due dates. Leadership is notified via email that if employees are not compliant, they should be reaching out to the Constructive Intervention Unit of next steps.

### **Finding No. 11: Incorrect Applications of Salary Determination Laws, Rules, and CalHR Policies and Guidelines for Appointment**

#### Summary

The summary by the CRU found four errors in the 28 salary determinations made by the DGS regarding employee compensation. This is the third consecutive time this has been a finding for the DGS.

#### Cause

The cause for this finding can be attributed to the high turnover of staff and management in 2023, as it was identified that a majority of the PS needed to have the proper salary determination or advanced determination training. It was also identified that managers and supervisors needed to check the salary determinations completed by the PS prior to processing.

#### Response

Since August 2023, Transactions staff has enrolled or completed both salary determination or advanced determination trainings, and most completed both trainings at the end of 2023. Since the State Controller's Office restarted the salary determination training, all current staff have completed the training, and new staff are enrolled. In addition, all salary determination forms have been modified to include supervisor signatures that the determination is correct. Finally, in July 2024, Transaction managers required all PS to retain the salary determinations in a virtual folder once they have been approved.

### **Finding No. 14: Incorrect Authorization of Bilingual Pay**

### Summary

The summary by the CRU found three errors in DGS' authorization of bilingual pay. The DGS failed to supply supporting documentation demonstrating the need for bilingual services. Additionally, the report noted DGS failed to provide certification that the employee's duties required use of bilingual skills for at least 10% of their time. This is the third consecutive time this has been a finding for the DGS.

### Cause

The cause for this finding can be attributed to high turnover of staff within OHR. Additionally, there was unclear roles and responsibilities regarding bilingual pay authorization.

### Response

The Bilingual Pay Authorization Form (STD. 897) was not included for three of the nine employees issued bilingual pay. DGS acknowledges that these documents are required to ensure compliance with applicable California Department of Human Resources (CalHR) policies and guidelines. Specifically, these documents are required to designate a position as bilingual and authorize bilingual pay pursuant to Pay Differential 14 and Government Code section 7296. OHR will perform a thorough review of bilingual requests to confirm the need for classifications requiring bilingual services by ensuring the duty statement reflects 10% use of bilingual duties and ensure the Bilingual Pay Authorization Form is included with applicable appointment packets. Additionally, the OHR Transactions staff will verify after keying every transfer appointment to confirm if the transfer appointment is eligible for bilingual pay designation and remove any pay differential accordingly. Remedial measures will include updating internal policies, procedures, and resources (i.e., job guide, DGS' Personnel Operations Manual) and identifying clear roles and responsibilities.

## **Finding No. 15: Incorrect Authorization of Pay Differentials**

### Summary

The summary by the CRU found five errors in the DGS' authorization of pay differentials. The DGS failed to provide the certificate of completion for required training courses and incorrectly provided pay differentials to employees who were not eligible.

### Cause

The cause for this finding can be attributed to high turnovers within the two OHR disciplines: Classification & Certification (C&C) and Transaction Units, including a lack of internal processes and procedures regarding who determines proper and accurate determinations.

### Response

The OHR employment verification (A01 form) currently does not request for the pay differential information. OHR will update the A01 form to include pay differential information on all employment verification requests. C&C will identify any pay differentials the transferring employee is currently receiving and request proper documentation to be included in the appointment packet. Transactions will then review the packet to determine if the employee will still be entitled to the pay differential and take action accordingly to retain or remove the pay differential at the time of keying the appointment. OHR has also updated the salary determination form to identify what pay differential applies to each classification.

## **Finding No. 20: Incorrect Application of State Service and Leave Transactions**

### Summary

The summary by the CRU found six errors in 24 state service transactions made by DGS.

### Cause

During the audit period, the department was still interfacing with the State Controller's Office. Due to the automation of DGS system, dept employees were allowed to report late dock and Leave of Absences via the timekeeping system throughout the month. However, those reports were not being provided to Transactions as changes were made to review and make corrections accurately and timely.

### Response

In October 2023, DGS discontinued the interface and began the manual payroll and timekeeping process, which includes reconciliation of Leave Accounting Balance reports, which will identify discrepancies of state service. The reconciliation also includes a secondary reviewer and the use of the CalHR 139 form. In addition, programs manually report DOCK on the standard 603 form, and Transactions manually key DOCK each month. OHR also developed a revised late DOCK process and conducted multiple training sessions to ACs for the reporting of DOCK. OHR modified the timekeeping system to close at the 3<sup>rd</sup> business day of each pay period which prevents any additional modification of timesheets.

## **Finding No. 21: Department's Nepotism Policy Does Not Contain All Required Components**

### Summary



The summary by the CRU found that the DGS' nepotism policy does not contain all required components. Specifically, the DGS' nepotism policy does not include the statement "that the appointing power is committed to merit-based hiring and that nepotism is antithetical to California's merit-based civil service system."

#### Cause

The cause for this finding can be attributed to DGS not updating the current written nepotism policy, dated February 22, 2013, to include new key statements and/or definitions. An updated nepotism policy containing all required components is in the final approval stages for review and submission to the unions.

#### Response

DGS is already in the final stages of approving a revised nepotism policy that contains all the required components. DGS currently anticipates being able to approve the revised nepotism policy in the 2025 calendar year. After the revised nepotism policy is finalized and approved, all DGS employees will be required to review and acknowledge the revised policy.

### **Finding No. 23: Performance Appraisals Were Not Provided to All Employees**

#### Summary

The summary by the CRU found that the DGS did not provide annual performance appraisals to 74 of 100 employees reviewed after the completion of the employee's probationary period. This is the third consecutive time this has been a finding for the DGS.

#### Cause

Despite using a tracking system and sending annual reminders to all supervisors and managers to complete performance appraisals, not all supervisors and managers submitted the performance appraisals.

#### Response

Currently, DGS sends email notifications generated automatically by the Position Control database to all supervisors notifying employees and supervisors that the Performance Appraisal Summary Std. 638 is due at the end of the calendar year. DGS will include ACs on the email notifications for tracking purposes. In addition to the notifications, DGS leadership team will continue to emphasize the importance of completing performance appraisals.

- The CIU has developed and implemented comprehensive performance management and progressive discipline training that is mandatory for all

DGS managers and supervisors. This new training portfolio includes one course that specifically provides detailed instruction on how and when to complete performance appraisal summaries, required submission to OHR and the importance of maintaining a signed copy in a supervisory drop file

- The CIU will also be available to assist divisional leadership with any corrective actions necessary to address managers and supervisors that repeatedly fail to complete probationary reports timely.

## Conclusion

DGS would like to thank SPB for undertaking the 2024 DGS Compliance Review. DGS regards the audit process with a high degree of respect and views these reports as a productive, collaborative learning experience with the SPB to adjust as necessary to ensure compliance. DGS strives to be in full compliance with established requirements, training, tracking systems, best practices, and reminders.

Please note that responses were not required for Findings No. 1, 2, 5, 7, 12, 13, 16, 17, and 18 since the DGS was determined to be in compliance, and substantial compliance with Finding No. 19.

Should you have any questions or need additional information, please contact me at (279) 799-4566 and [Pa.Thao@dgs.ca.gov](mailto:Pa.Thao@dgs.ca.gov).

Sincerely,



Pa Thao, Personnel Officer  
Office of Human Resources  
Department of General Services

cc: Katherine Minnich, Deputy Director, Administration Division  
Ricardo DeLaCruz, Deputy Director, Enterprise Planning and Inclusiveness