



COMPLIANCE REVIEW REPORT

DEPARTMENT OF STATE HOSPITALS

Compliance Review Unit
State Personnel Board
February 4, 2021

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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." SPB and 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 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, 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 State Hospitals (DSH) 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	Finding
Examinations	Examinations Complied with Civil Service Laws and Board Rules
Examinations	Permanent Withhold Actions Complied with Civil Service Laws and Board Rules
Appointments	Appointment Documentation Was Not Kept for the Appropriate Amount of Time ¹
Appointments	Unlawful Appointment Investigations Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines
Equal Employment Opportunity	Equal Employment Opportunity Program Complied with All Civil Service Laws and Board Rules
Personal Services Contracts	Personal Services Contracts Complied with Procedural Requirements
Mandated Training	Ethics Training Was Not Provided for All Filers ²
Mandated Training	Sexual Harassment Prevention Training Was Not Provided for All Supervisors ³
Compensation and Pay	Salary Determinations Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines
Compensation and Pay	Alternate Range Movements Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines

¹ Repeat finding. November 9, 2017, the DSH's Compliance Review report identified 69 of 232 appointment files did not contain job bulletins.

² Repeat finding. November 9, 2017, the DSH's Compliance Review report identified 32 of 83 new filers and 20 of 110 existing filers were not provided ethics training.

³ Repeat finding. November 9, 2017, the DSH's Compliance Review report identified 87 of 270 new supervisors and 64 of 606 existing supervisors were not provided sexual harassment prevention training.

Area	Finding
Compensation and Pay	Hire Above Minimum Requests Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Compensation and Pay	Bilingual Pay Authorization Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Compensation and Pay	Pay Differential Authorizations Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Compensation and Pay	Incorrect Authorization of Out-of-Class Pay
Leave	Positive Paid Employees Tracked Hours Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Leave	Administrative Time Off Authorizations Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Leave	Leave Activity and Correction Certification Forms Were Not Completed for All Leave Records Reviewed
Leave	Service and Leave Transactions Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Policy	Department Does Not Maintain a Current Written Nepotism Policy
Policy	Workers' Compensation Process Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Policy	Performance Appraisal Policy and Processes Complied with Civil Service Laws and Regulations and CalHR Policies and Guidelines

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

- Red = Very Serious
- Orange = Serious
- Yellow = Technical
- Green = In Compliance

BACKGROUND

The Department of State Hospitals (DSH) manages the California state hospital system, which provides mental health services to patients admitted into DSH facilities. The department strives to provide effective treatment in a safe environment and in a fiscally responsible manner.

DSH oversees five state hospitals – Atascadero, Coalinga, Metropolitan (in Los Angeles County), Napa and Patton.

All facilities are fully licensed by the California Department of Public Health, and must regularly meet or exceed regulatory standards to continue providing care.

In fiscal year 2019-2020, the department served 9,211 patients and employed nearly 13,000 staff in a 24/7 hospital system.

SCOPE AND METHODOLOGY

The scope of the compliance review was limited to reviewing the DSH's examinations, appointments, EEO program, PSC's, mandated training, compensation and pay, leave, and policy and processes⁴. The primary objective of the review was to determine if the DSH's 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 DSH's examinations were selected for review to ensure that samples of various examination types, classifications, and levels were reviewed. The CRU examined the documentation that the DSH provided, which included examination plans, examination bulletins, job analyses, and scoring results. The CRU also reviewed the DSH's permanent withhold actions documentation, including Withhold Determination Worksheets, State applications (STD 678), class specifications, and withhold letters.

A cross-section of the DSH's appointments were selected for review to ensure that samples of various appointment types, classifications, and levels were reviewed. The CRU examined the documentation that the DSH provided, which included Notice of Personnel Action (NOPA) forms, Request for Personnel Actions (RPA's), vacancy postings, certification lists, transfer movement worksheets, employment history records, correspondence, and probation reports. The CRU also reviewed the DSH's policies and

⁴ Timeframes of the compliance review varied depending on the area of review. Please refer to each section for specific compliance review timeframes.

procedures concerning unlawful appointments to ensure departmental practices conform to state civil service laws and Board regulations.

Additionally, the DSH did not make any additional appointments during the compliance review period.

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

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

The DSH's PSC's were also reviewed.⁵ It was beyond the scope of the compliance review to make conclusions as to whether the DSH's justifications for the contracts were legally sufficient. The review was limited to whether the DSH's practices, policies, and procedures relative to PSC's complied with procedural requirements.

The DSH's mandated training program was reviewed to ensure all employees required to file statements of economic interest were provided ethics training, and that all supervisors, managers, and CEAs were provided sexual harassment prevention training within statutory timelines.

The CRU also identified the DSH's employees whose current annual leave, or vacation leave credits, exceeded established limits. The CRU reviewed a cross-section of these identified employees to ensure that employees who have significant "over-the-cap" leave

⁵ 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.

balances have a leave reduction plan in place. Additionally, the CRU asked the DSH to provide a copy of their leave reduction policy.

The CRU reviewed the DSH's Leave Activity and Correction Certification forms to verify that the DSH created a monthly internal audit process to verify all leave input into any leave accounting system was keyed accurately and timely. The CRU selected a small cross-section of the DSH's units in order to ensure they maintained accurate and timely leave accounting records. Part of this review also examined a cross-section of the DSH's 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 DSH employees who used Administrative Time Off (ATO) in order to ensure that ATO was appropriately administered. Further, the CRU reviewed a selection of DSH positive paid employees whose hours are tracked during the compliance review period in order to ensure that they adhered to procedural requirements.

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

The DSH declined an exit conference to explain and discuss the CRU's initial findings and recommendations. The CRU received and carefully reviewed the DSH's written response on December 17, 2020, 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, February 1, 2019, through July 30, 2019, the DSH conducted 303 examinations. The CRU reviewed 35 of those examinations, which are listed below:

Classification	Exam Type	Exam Components	Final File Date	No. of Apps
Career Executive Assignment (CEA) A, Assistant Deputy Director, Forensic Services	CEA	Statement of Qualifications (SOQ) ⁶	5/31/2019	12
CEA A, Clinical Administrator, DSH-Coalinga	CEA	SOQ	5/8/2019	12
CEA A, Clinical Administrator, DSH-Metropolitan	CEA	SOQ	4/11/2019	10
CEA A, Clinical Administrator, DSH-Napa	CEA	SOQ	7/19/2019	8
CEA B, Executive Director, DSH-Patton	CEA	SOQ	Until Filled	18
Architectural Assistant	Open	Training and Experience (T&E) ⁷	7/12/2019	1

⁶ 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.

⁷ 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.

Classification	Exam Type	Exam Components	Final File Date	No. of Apps
Automotive Equipment Operator I, DMH & DDS ⁸	Open	T&E	7/12/2019	3
Automotive Equipment Operator II	Open	T&E	7/12/2019	3
Beauty Shop Manager	Open	T&E	7/9/2019	1
Behavior Specialist I	Open	T&E	7/8/2019	3
Catholic Chaplain	Open	Education and Experience ⁹	2/2/2019	2
Chief Engineer II	Open	T&E	7/10/2019	2
Clinical Psychology Intern	Open	Supplemental Application	1/24/2019	14
Consulting Psychologist	Open	T&E	7/10/2019	4
Dietetic Technician (Safety)	Open	T&E	3/20/2019	5
Fire Fighter	Open	T&E	7/10/2019	14
Nurse Instructor	Open	T&E	7/10/2019	1
Nurse Practitioner (Safety)	Open	T&E	7/8/2019	3

⁸ DSH was previously named Department of Mental Health (DMH). Further, many classifications that DSH utilizes are also used by the Department of Developmental Services (DDS).

⁹ In an Education and Experience examination, one or more raters reviews the applicants' Standard 678 application forms, and scores and ranks them according to a predetermined rating scale that may include years of relevant higher education, professional licenses or certifications, and/or years of relevant work experience.

Classification	Exam Type	Exam Components	Final File Date	No. of Apps
Program Director (Mental Disabilities-Safety)	Open	T&E	7/8/2019	3
Psychiatric Technician Trainee (Safety)	Open	T&E	2/15/2019	49
Senior Psychiatrist (Supervisor)	Open	E&E	4/12/2019	1
Senior Psychiatrist (Supervisor)	Open	E&E	4/24/2019	2
Senior Psychiatrist (Supervisor)	Open	E&E	4/26/2019	2
Senior Psychologist (Health Facility) (Specialist)	Open	T&E	6/12/2019	9
Speech Pathologist I, Departments of Mental Health & Developmental Services	Open	E&E	6/26/2019	2
Senior Psychiatrist (Supervisor)	Open	E&E	Continuous	1
Staff Psychiatrist	Open	E&E	2/12/2019	1
Staff Psychiatrist	Open	E&E	3/26/2019	1
Staff Psychiatrist	Open	E&E	5/15/2019	1
Staff Psychiatrist	Open	E&E	7/2/2019	1
Staff Psychiatrist (Safety)	Open	E&E	2/1/2019	1
Staff Psychiatrist (Safety)	Open	E&E	3/22/2019	1

Classification	Exam Type	Exam Components	Final File Date	No. of Apps
Staff Psychiatrist (Safety)	Open	E&E	Continuous	6
Staff Psychiatrist (Safety)	Open	E&E	Continuous	5
Supervising Rehabilitation Therapist	Open	T&E	7/10/2019	3

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

The CRU reviewed 30 open examinations and 5 CEA examinations, which the DSH administered in order to create eligible lists from which to make appointments. The DSH published and distributed examination bulletins containing the required information for all examinations. Applications received by the DSH were accepted prior to or on 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 DSH 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, February 1, 2019, through July 30, 2019, the DSH conducted 218 permanent withhold actions. The CRU reviewed 30 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
Accountant I (Specialist)	0PB31	10/25/2018	6/25/2019	Failed to Meet Minimum Qualifications.
Accountant I (Specialist)	0PB31	7/16/2019	8/26/2019	Failed to Meet Minimum Qualifications.
Accounting Administrator II	6PB05	9/16/2018	5/6/2019	Failed to Meet Minimum Qualifications.
Associate Governmental Program Analyst	9PB04	4/5/2019	6/25/2019	Failed to Meet Minimum Qualifications.
Associate Governmental Program Analyst	9PB04	7/13/2018	3/1/2019	Failed to Meet Minimum Qualifications.
Associate Governmental Program Analyst	9PB04	4/9/2018	3/15/2019	Failed to Meet Minimum Qualifications.
Associate Governmental Program Analyst	9PB04	3/26/2018	3/27/2019	Failed to Meet Minimum Qualifications.
Associate Governmental Program Analyst	9PB04	4/7/2019	7/21/2019	Failed to Meet Minimum Qualifications.
Carpenter Supervisor	3PB1302	9/5/2018	3/26/2019	Failed to Meet Minimum Qualifications.
Communications Operator	8MHZG	7/24/2018	4/3/2019	Failed to Meet Minimum Qualifications.

Exam Title	Exam ID	Date List Eligibility Began	Date List Eligibility Ended	Reason Candidate Placed on Withhold
Custodian	3PB01	.6/1/2018	3/1/2019	Failed to Meet Minimum Qualifications.
Groundskeeper	3PB35	1/23/2019	3/26/2019	Failed to Meet Minimum Qualifications.
Groundskeeper	3PB35	1/23/2019	6/24/2019	Failed to Meet Minimum Qualifications.
Hospital Police Officer	7MHUZ	9/16/2017	03/28/2019	Disqualified by Background Investigation
Hospital Police Officer	7MHUZ	9/16/2017	4/1/2019	Disqualified by Background Investigation
Hospital Police Officer	8MHTG	12/1/2018	5/15/2019	Disqualified by Background Investigation
Hospital Police Officer	8MHTG	12/5/2018	5/1/2019	Disqualified by Background Investigation
Materials and Stores Specialist	6PB03	4/5/2019	06/25/2019	Failed to Meet Minimum Qualifications
Materials and Stores Specialist	6PB03	3/20/2019	5/10/2019	Failed to Meet Minimum Qualifications
Materials and Stores Specialist	6PB03	4/24/2018	10/1/2019	Failed to Meet Minimum Qualifications
Painter I	8MH2H	11/29/2018	05/28/2019	Failed to Meet Minimum Qualifications.
Plumber I	3PB32	03/08/2019	05/28/2019	Failed to Meet Minimum Qualifications
Program Director (Mental Disabilities-Safety)	9MHP8	3/19/2019	5/6/2019	Failed to Meet Minimum Qualifications

Exam Title	Exam ID	Date List Eligibility Began	Date List Eligibility Ended	Reason Candidate Placed on Withhold
Staff Services Analyst (General)	7PB34	6/29/2018	3/26/2019	Failed to Meet Minimum Qualifications
Staff Services Analyst (General)	7PB34	9/27/2018	5/6/2019	Failed to Meet Minimum Qualifications
Staff Services Analyst (General)	7PB34	7/31/2018	5/28/2019	Failed to Meet Minimum Qualifications
Staff Services Manager I	9PB19	1/27/2019	3/12/2019	Failed to Meet Minimum Qualifications
Staff Services Manager I	9PB19	1/31/2019	3/26/2019	Failed to Meet Minimum Qualifications
Staff Services Manager II (Supervisory)	9PB16	1/19/2019	6/25/2019	Failed to Meet Minimum Qualifications
Stationary Engineer	4PB16	9/7/2018	4/5/2019	Failed to Meet Minimum Qualifications

FINDING NO. 2 – Permanent Withhold Actions Complied with Civil Service Laws and Board Rules

The CRU found no deficiencies in the permanent withhold actions undertaken by the department 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, February 1, 2019, through July 30, 2019, the DSH made 1279 appointments. The CRU reviewed 50 of those appointments, which are listed below:

Classification	Appointment Type	Tenure	Time Base	No. of Appts.
Accountant I (Specialist)	Certification List	Permanent	Full Time	1
Assistant Coordinator of Nursing Services	Certification List	Permanent	Full Time	1
Behavior Specialist I	Certification List	Permanent	Full Time	1
Career Executive Assignment (CEA) A, Chief Operating Officer	Certification List	CEA	Full Time	1
Food Service Supervisor I	Certification List	Permanent	Full Time	1
Food Service Supervisor II	Certification List	Permanent	Full Time	1
Groundskeeper	Certification List	Permanent	Full Time	1
Health Record Technician II (Specialist)	Certification List	Permanent	Full Time	1
Hospital Police Officer	Certification List	Permanent	Full Time	1
Hospital Police Sergeant	Certification List	Limited Term	Full Time	1
Office Technician (Typing)	Certification List	Permanent	Full Time	1
Painter I	Certification List	Permanent	Full Time	1
Psychiatric Technician (Safety)	Certification List	Permanent	Full Time	3
Psychiatric Technician (Safety)	Certification List	Limited Term	Full Time	1

Classification	Appointment Type	Tenure	Time Base	No. of Appts.
Psychiatric Technician Apprentice	Certification List	Limited Term	Full Time	1
Registered Nurse (Safety)	Certification List	Permanent	Full Time	1
Senior Personnel Specialist	Certification List	Limited Term	Full Time	1
Senior Psychiatric Technician (Safety)	Certification List	Permanent	Full Time	1
Senior Psychiatric Technician (Safety)	Certification List	Limited Term	Full Time	1
Staff Services Manager I	Certification List	Permanent	Full Time	1
Supervising Registered Nurse (Safety)	Certification List	Permanent	Full Time	1
Unit Supervisor (Safety)	Certification List	Permanent	Full Time	2
Custodian	Demotion	Permanent	Full Time	1
Psychiatric Technician (Safety)	Demotion	Permanent	Full Time	1
Accountant I (Specialist)	Permissive Reinstatement	Limited Term	Full Time	1
Associate Mental Health Specialist	Permissive Reinstatement	Permanent	Full Time	1
Custodian	Permissive Reinstatement	Permanent	Full Time	1
Custodian	Permissive Reinstatement	Limited Term	Half Time	1
Plumber I	Permissive Reinstatement	Permanent	Full Time	1
Student Assistant	Permissive Reinstatement	Temporary	Intermittent	2
Associate Governmental Program Analyst	Transfer	Permanent	Full Time	2
Communications Operator	Transfer	Permanent	Full Time	1
Hospital Police Officer	Transfer	Permanent	Full Time	1
Legal Support Supervisor I	Transfer	Permanent	Full Time	1
Office Technician (Typing)	Transfer	Permanent	Full Time	1
Psychiatric Technician (Safety)	Transfer	Permanent	Full Time	4
Registered Nurse (Safety)	Transfer	Permanent	Intermittent	1
Registered Nurse (Safety)	Transfer	Permanent	Full Time	1
Research Data Analyst II	Transfer	Permanent	Full Time	1
Research Data Specialist I	Transfer	Permanent	Full Time	1
Staff Services Manager I	Transfer	Permanent	Full Time	1
Unit Supervisor (Safety)	Transfer	Permanent	Full Time	1

FINDING NO. 3 – Appointment Documentation Was Not Kept for the Appropriate Amount of Time

Summary: The DSH failed to retain personnel records. Of the 50 appointments reviewed, the DSH did not retain 4 NOPAs. This is the second consecutive time this has been a finding for the DSH.

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: DSH does not have a mechanism to track that completed/signed Notices of Personnel Action (NOPA) received by HR are filed in the employees’ Official Personnel File (OPF).

Corrective Action: DSH indicates that it will be implementing a new process to ensure that all appropriate documentation is kept for the required time. Within 90 days of the date of this report, the DSH must submit to the SPB a written corrective action response which addresses the corrections the department implemented 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, such as a new policy, and notifications to staff, 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, February 1, 2019, through July 30, 2019, the DSH conducted 13 unlawful appointment investigations. The CRU reviewed 10 of those unlawful appointment investigations, which are listed below:

Classification	Date Investigation Initiated	Date Investigation Concluded
Automotive Equipment Operator I	1/24/2019	5/14/2019
Automotive Equipment Operator I	1/24/2019	3/14/2019
Automotive Equipment Operator I	1/24/2019	3/14/2019
Automotive Equipment Operator I	1/24/2019	3/14/2019
Automotive Equipment Operator I	1/24/2019	3/14/2019
Clinical Laboratory Technologist	7/16/2019	9/5/2019
Senior Psychiatric Technician (Safety)	1/11/2019	3/5/2019
Stationary Engineer	6/24/2019	7/30/2019
Staff Services Analyst	6/1/2019	4/5/2019
Staff Services Analyst	10/5/2018	In Progress

FINDING NO. 4 – Unlawful Appointment Investigations Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines

The DSH’s unlawful appointment investigations were 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).)

FINDING NO. 5 – Equal Employment Opportunity Program Complied with All Civil Service Laws and Board Rules

After reviewing the policies, procedures, and programs necessary for compliance with the EEO program's role and responsibilities according to statutory and regulatory guidelines, the CRU determined that the DSH's EEO program provided employees with information and guidance on the EEO process including instructions on how to file discrimination claims. Furthermore, the EEO program outlines the roles and responsibilities of the EEO Officer, as well as supervisors and managers. The EEO Officer, who is at a managerial level, reports directly to the Executive Director of the DSH. The DSH also provided evidence of its efforts to promote EEO in its hiring and employment practices and to increase its hiring of persons with a disability.

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 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, February 1, 2019, through July 30, 2019, the DSH had 322 PSC's that were in effect. The CRU reviewed 40 of those, which are listed below:

Vendor	Services	Contract Date(s)	Contract Amount	Justification Identified?	Union Notification?
24/7 Inc. dba Blue Sky Cremation	Cremation	5/1/19 – 4/30/22	\$49,995	Yes	Yes
Achilles Prosthetics	Prosthetic & Orthotic	9/1/19 – 8/31/22	\$360,000	Yes	Yes
Achilles Prosthetics and Orthotics, Inc.	Prosthetic & Orthotic	7/1/19 – 6/30/22	\$50,000	Yes	Yes
AllWorld Language Consultants, Inc.	Hmong Interpreter	1/1/19 – 12/31/19	\$46,317	Yes	Yes
Alpha Enterprise Corporation	Janitorial Equipment Repair and Maintenance	3/1/19 – 3/31/22	\$107,982	Yes	Yes
Alta Los Angeles Hospitals, Inc. dba Norwalk Community Hospital and Los Angeles Community Hospital	Inpatient/ Outpatient Hospital Care	7/1/19 – 6/30/21	\$2,950,000	Yes	Yes
American Medical Response	Ambulance	7/1/19 – 6/1/22	\$1,000,000	Yes	Yes

Vendor	Services	Contract Date(s)	Contract Amount	Justification Identified?	Union Notification?
Arrowhead Evaluation Services, Inc.	Fit for Duty Evaluations	7/1/19 – 6/30/20	\$9,999.99	Yes	Yes
Arrowhead Regional Medical Center	Inpatient/ Outpatient	7/1/19 – 6/1/22	\$15,000,000	Yes	Yes
Central Coast Radiology Medical Group, Inc.	Radiology	7/1/19 – 6/30/22	\$50,000	Yes	Yes
CHCM dba College Hospital Costa Mesa	Electroconvulsive Therapy	2/1/19 – 2/28/21	\$250,000	Yes	Yes
Chem-Aqua	Boiler/Chiller Water Chemical Maintenance	6/1/19 – 6/30/22	\$120,300	Yes	Yes
City of Coalinga Ambulance	Ambulance	7/1/19 – 6/30/22	\$1,500,000	Yes	Yes
Data Recognition Corp.	High School Equivalency Testing	7/1/19 – 6/30/20	\$4,999	Yes	Yes
Fruit Growers Lab	Water Analysis (Lab)	4/1/19 – 4/30/22	\$25,611	Yes	Yes
Hannon Electric	Aladdin Food Carts and Docking Stations Preventative Maintenance	7/1/19 – 6/30/22	\$306,000	Yes	Yes
Imperial Locum Services	Temp/Relief Pharmacy Manager	5/1/19 – 4/30/22	\$480,839	Yes	Yes
Industrial Waste Utilization Inc	Hazardous Waste Pick up and Disposal Services	7/1/19 – 6/30/22	\$50,242	Yes	Yes
Industrial Waste Utilization, Inc.	Hazardous Waste Disposal	2/4/19 – 6/30/21	\$50,242	Yes	Yes

Vendor	Services	Contract Date(s)	Contract Amount	Justification Identified?	Union Notification?
Interpreters Unlimited, Inc.	Sign Language Interpreters	7/1/19 - 6/30/22	\$447,300	Yes	Yes
Intuitive Health	Temp/Relief Pharmacist I	5/1/19 – 4/30/22	\$2,058,566	Yes	Yes
Karas Enterprises dba Karasch & Associates	Sign Language Interpreters	7/1/19 – 6/30/22	\$426,240	Yes	Yes
King Medical Supply of California, Inc.	Therapeutic and Bariatric Mattress Rentals	7/1/19 – 6/30/22	\$173,820	Yes	Yes
Lemoore Animal Clinic	Veterinary	7/15/19 – 6/30/21	\$17,287	Yes	Yes
Lotus USA, Inc.	Specialty Physician Services – Anesthesiology	2/1/19 – 1/31/22	\$1,366,900	Yes	Yes
Lotus USA, Inc.	Specialty Physician Services – Anesthesiology	2/1/19 – 1/31/22	\$2,163,400	Yes	Yes
My Choice Health	Temp/Relief Pharmacist I	5/1/19 – 4/30/22	\$2,343,686	Yes	Yes
Novo Talent LLC	Temp/Relief Dentist	5/1/19 – 4/30/22	\$823,680	Yes	Yes
Pestmaster Services, Inc.	Pest Control Services	1/1/19 – 12/31/21	\$56,514	Yes	Yes
Premiere Medical Transportation	Medical Transportation	7/1/18 – 6/30/21	\$300,000	Yes	Yes
Pristine Surgery Center	Gastroenterology	3/12/19 – 2/28/21	\$1,000,000	Yes	Yes
Record Xpress of California LLC dba Access Information Protected	Offsite Records Storage and Retention	1/1/19 – 12/31/21	\$171,896	Yes	Yes

Vendor	Services	Contract Date(s)	Contract Amount	Justification Identified?	Union Notification?
Rise Interpreting	ASL Instructors for Staff	7/1/19 – 6/30/22	\$72,900	Yes	Yes
San Bernardino Care Center Db a Medical Center Convalescent Hospital	Skilled Nursing/ SubAcute/ Convalescent	7/1/19 – 6/30/22	\$6,750,000	Yes	Yes
San Luis Ambulance Services	Emergency and Non-Emergency Ambulance	8/1/18 – 7/31/21	\$500,000	Yes	Yes
SDXray & Lab, Inc	Ultrasound Imaging	1/1/19 – 12/31/20	\$150,000	Yes	Yes
St. Joseph Health Northern Ca LLC Db a Queen of The Valley Medical Center	Hospital Services	7/1/19 – 6/30/22	\$8,250,000	Yes	Yes
The Vo's Blind & Shades	Drapery and Blinds Cleaning and Maintenance	7/1/19 – 6/30/22	\$384,476	Yes	Yes
Universal Waste Systems, Inc.	Waste Disposal	1/1/19 – 12/31/21	\$1,053,350	Yes	Yes
William C. Chu, MD, Inc.	Roentgenology	7/1/19 – 6/30/22	\$141,100	Yes	Yes

FINDING NO. 6 – Personal Services Contracts Complied with Procedural Requirements

The total dollar amount of all the PSC's reviewed was \$51,063,645.35. It was beyond the scope of the review to make conclusions as to whether DSH justifications for the contract were legally sufficient. For all PSC's reviewed, the DSH 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, DSH complied with proper notification to all organizations that represent state employees

who perform the type or work contracted. Accordingly, the DSH 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.)

Additionally, new supervisors 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 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 DSH's mandated training program that was in effect during the compliance review period, August 1, 2017, through July 30, 2019.

FINDING NO. 7 – Ethics Training Was Not Provided for All Filers

Summary: The DSH did not provide ethics training to 12 of 121 existing filers. In addition, the DSH did not provide ethics training to 43 of 425 new filers within six months of their appointment. This is the second consecutive time this has been a finding for the DSH.

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: DSH uses a manual system to ensure completed of ethics training. Despite continued notification of the mandated requirement, not all filers completed ethics training timely. However, the DHS will be implementing a Learning Management System (LMS) in January 2021 to notify and remind supervisors of ethics training while continuing to monitor completion of training by the Statement of Economic Interest Filing Officer and the training office.

Corrective Action: Within 90 days of this report, the DSH 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.

FINDING NO. 8 – Sexual Harassment Prevention Training Was Not Provided for All Supervisors

Summary: The DSH did not provide sexual harassment prevention training to 43 of 425 new supervisors within 6 months of their appointment. In addition, the DSH did not provide sexual harassment prevention training to 12 of 121 existing supervisors every 2 years. This is the second consecutive time this has been a finding for the DSH.

Criteria: Each department must provide its supervisors two hours of sexual harassment prevention training every two years. New supervisors must be provided sexual harassment prevention training within six months of appointment. (Gov. Code, § 12950.1, subd. (a).)

Severity: Very Serious. The department does not ensure that all new and existing supervisors 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: Upon hire or promotion to a supervisory position, employees are notified of the requirement to complete mandated SHPT training timely. Despite weekly reminders, not all supervisors completed SHPT timely. DSH uses a manual system to ensure completed of ethics training.

Corrective Action: DSH will be implementing a LMS in January 2021. In addition, the DSH is currently updating its training policy to include new mandated training requirements and revise its existing processes. Within 90 days of the date of this report, the DSH must submit to the SPB a written corrective action response to ensure that supervisors 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 CalHR. (Cal. Code Regs., tit. 2, § 599.666.) Several salary rules dictate how departments calculate and determine an employee's salary rate¹⁰ 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, February 1, 2019, through July 30, 2019, the DSH made 1,279 appointments. The CRU reviewed 48 of those appointments to determine if the

¹⁰ "Rate" is any one of the salary rates in the resolution by CalHR which establishes the salary ranges and steps of the Pay Plan (Cal. Code Regs., tit. 2, section 599.666).

DSH applied salary regulations accurately and correctly processed employees' compensation, which are listed below:

Classification	Appointment Type	Tenure	Time Base	Salary (Monthly Rate)
Accountant I (Specialist)	Certification List	Permanent	Full Time	\$3,245
Assistant Coordinator of Nursing Services	Certification List	Permanent	Full Time	\$10,277
Behavior Specialist I	Certification List	Permanent	Full Time	\$5,424
CEA A, Chief Operating Officer	Certification List	CEA	Full Time	\$9,744
Food Service Supervisor I	Certification List	Permanent	Full Time	\$3,066
Food Service Supervisor II	Certification List	Permanent	Full Time	\$3,785
Groundskeeper	Certification List	Permanent	Full Time	\$3,069
Health Record Technician II (Specialist)	Certification List	Permanent	Full Time	\$4,286
Hospital Police Officer	Certification List	Permanent	Full Time	\$4,098
Hospital Police Sergeant	Certification List	Limited Term	Full Time	\$5,278
Office Technician (Typing)	Certification List	Permanent	Full Time	\$3,190
Painter I	Certification List	Permanent	Full Time	\$4,403
Psychiatric Technician (Safety)	Certification List	Permanent	Full Time	\$5,102
Psychiatric Technician (Safety)	Certification List	Permanent	Full Time	\$5,102
Psychiatric Technician (Safety)	Certification List	Permanent	Full Time	\$5,102
Psychiatric Technician (Safety)	Certification List	Limited Term	Full Time	\$5,102
Psychiatric Technician Apprentice	Certification List	Limited Term	Full Time	\$3,062
Registered Nurse (Safety)	Certification List	Permanent	Full Time	\$7,846
Senior Personnel Specialist	Certification List	Limited Term	Full Time	\$5,098

Classification	Appointment Type	Tenure	Time Base	Salary (Monthly Rate)
Senior Psychiatric Technician (Safety)	Certification List	Permanent	Full Time	\$5,797
Senior Psychiatric Technician (Safety)	Certification List	Limited Term	Full Time	\$5,797
Staff Services Manager I	Certification List	Permanent	Full Time	\$6,539
Supervising Registered Nurse (Safety)	Certification List	Permanent	Full Time	\$9,821
Unit Supervisor (Safety)	Certification List	Permanent	Full Time	\$7,457
Unit Supervisor (Safety)	Certification List	Permanent	Full Time	\$7,457
Custodian	Demotion	Permanent	Full Time	\$3,059
Psychiatric Technician (Safety)	Demotion	Permanent	Full Time	\$5,672
Accountant I (Specialist)	Permissive Reinstatement	Limited Term	Full Time	\$3,526
Associate Mental Health Specialist	Permissive Reinstatement	Permanent	Full Time	\$4,999
Custodian	Permissive Reinstatement	Permanent	Full Time	\$3,059
Custodian	Permissive Reinstatement	Limited Term	½ Time	\$2,566
Plumber I	Permissive Reinstatement	Permanent	Full Time	\$5,241
Associate Governmental Program Analyst	Transfer	Permanent	Full Time	\$6,112
Associate Governmental Program Analyst	Transfer	Permanent	Full Time	\$4,975
Communications Operator	Transfer	Permanent	Full Time	\$3,992
Hospital Police Officer	Transfer	Permanent	Full Time	\$4,428
Legal Support Supervisor I	Transfer	Permanent	Full Time	\$5,116
Office Technician (Typing)	Transfer	Permanent	Full Time	\$3,467
Psychiatric Technician (Safety)	Transfer	Permanent	Full Time	\$5,486
Psychiatric Technician (Safety)	Transfer	Permanent	Full Time	\$5,552
Psychiatric Technician (Safety)	Transfer	Permanent	Full Time	\$5,102
Psychiatric Technician (Safety)	Transfer	Permanent	Full Time	\$5,672

Classification	Appointment Type	Tenure	Time Base	Salary (Monthly Rate)
Registered Nurse (Safety)	Transfer	Permanent	Intermittent	\$7,846
Registered Nurse (Safety)	Transfer	Permanent	Full Time	\$9,353
Research Data Analyst II	Transfer	Permanent	Full Time	\$6,351
Research Data Specialist I	Transfer	Permanent	Full Time	\$5,736
Staff Services Manager I	Transfer	Permanent	Full Time	\$6,212
Unit Supervisor (Safety)	Transfer	Permanent	Full Time	\$8,098

FINDING NO. 9 – Salary Determinations Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines

The CRU found no deficiencies in the salary determinations that were reviewed. The DSH appropriately calculated and keyed the salaries for each appointment and correctly determined employees' anniversary dates ensuring that subsequent merit salary adjustments will satisfy civil service laws, Board rules and CalHR policies and guidelines.

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, February 1, 2019, through July 30, 2019, the DSH employees made 148 alternate range movements within a classification. The CRU reviewed 25 of those alternate range movements to determine if the DSH 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)
Correctional Case Records Analyst	B	C	Full Time	\$4,239

Classification	Prior Range	Current Range	Time Base	Salary (Monthly Rate)
Correctional Case Records Analyst	A	B	Full Time	\$3,877
Correctional Case Records Analyst	B	C	Full Time	\$4,647
Graduate Student Assistant	A	C	Intermittent	\$2,738
Information Technology Associate	A	C	Full Time	\$4,660
Psychiatric Technician (Safety)	S	T	Full Time	\$5,672
Psychiatric Technician (Safety)	S	T	Full Time	\$5,672
Psychiatric Technician (Safety)	S	T	Full Time	\$5,288
Psychiatric Technician (Safety)	S	T	Full Time	\$5,672
Psychiatric Technician (Safety)	T	U	Full Time	\$5,830
Psychiatric Technician (Safety)	T	U	Full Time	\$5,880
Psychiatric Technician (Safety)	S	T	Full Time	\$5,543
Psychiatric Technician (Safety)	S	T	Full Time	\$5,288
Psychiatric Technician (Safety)	S	T	Full Time	\$5,672
Psychiatric Technician (Safety)	S	T	Full Time	\$5,672
Psychiatric Technician (Safety)	T	U	Intermittent	\$5,880
Psychiatric Technician (Safety)	T	U	Full Time	\$5,831
Psychiatric Technician (Safety)	T	U	Full Time	\$5,880
Psychologist (Health Facility-Clinical-Safety)	U	V	Full Time	\$10,101
Psychologist (Health Facility-Clinical-Safety)	U	V	Full Time	\$9,815
Senior Psychiatric Technician (Safety)	S	T	Full Time	\$6,553

Classification	Prior Range	Current Range	Time Base	Salary (Monthly Rate)
Staff Services Analyst (General)	B	C	Full Time	\$4,534
Staff Services Analyst (General)	B	C	Full Time	\$4,534
Staff Services Analyst (General)	B	C	Full Time	\$4,136
Stationary Engineer Apprentice (Four-Year Program)	D	E	Full Time	\$5,274

FINDING NO. 10 – Alternate Range Movements Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines

The CRU determined that the alternate range movements the DSH 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 are in 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.¹¹ (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, February 1, 2019, through July 30, 2019, the DSH authorized 15 HAM requests. The CRU reviewed 12 of those authorized HAM requests to determine if the DSH 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)
Attorney	Certification List	New to State	\$7,609 – a\$9,760	\$9,450

¹¹ 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)
Chief Dentist	Certification List	Current State Employee	\$25,725 – \$29,213	\$29,146
Information Technology Specialist I	Certification List	New to State	\$5,628 – \$7,543	\$5,628
Pre-Licensed Psychiatric Technician (Safety)	Transfer	Current State Employee	\$3109 – \$3584	\$3,109
Registered Nurse (Safety)	Transfer	Current State Employee	\$8,121 – \$9,680	\$9,680
Staff Psychiatrist (Safety)	Transfer	Current State Employee	\$21,176 – \$25,448	\$25,448
Staff Psychiatrist (Safety)	Certification List	New to State	\$20,637 – \$24,731	\$24,731
Staff Psychiatrist (Safety)	Transfer	Current State Employee	\$20,761 – \$24,949	\$24,949
Staff Services Management Auditor	Certification List	New to State	\$4,496 – \$5,911	\$5,711
Supervising Registered Nurse (Safety)	Certification List	Current State Employee	\$8,287 – \$1,0378	\$9,821
Supervising Registered Nurse (Safety)	Certification List	Current State Employee	\$8,287 – \$1,0378	\$9,821
Support Services Assistant (General)	Certification List	New to State	\$2,503 – \$3,131	\$2,503

FINDING NO. 11 – Hire Above Minimum Requests Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines

The CRU found that the HAM requests the DSH 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, February 1, 2019, through July 30, 2019, the DSH issued bilingual pay to 158 employees. The CRU reviewed 20 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.
Behavior Specialist I	R19	Full Time	1
Behavior Specialist II	R19	Full Time	1
Clinical Laboratory Technologist (Safety)	R20	Full Time	1
Clinical Social Worker (Health/Correctional Facility) – Safety	R19	Full Time	1
Dental Assistant (Safety)	R20	Full Time	1
Health Record Technician III	S04	Full Time	1
Pharmacist I, Departments of Mental Health and Developmental Services	R19	Full Time	1
Program Assistant (Mental Disabilities-Safety)	S18	Full Time	1
Program Director (Mental Disabilities – Safety)	M18	Full Time	1
Property Controller II	R04	Full Time	1
Psychiatric Technician (Safety)	R18	Full Time	3
Registered Nurse (Safety)	R17	Full Time	2
Seamer	R15	Full Time	1
Senior Personnel Specialist	R01	Full Time	1
Senior Psychiatric Technician (Safety)	R18	Full Time	1
Stock Clerk	R04	Full Time	1
Unit Supervisor (Safety)	S18	Full Time	1

FINDING NO. 12 – Bilingual Pay Authorization Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines

The CRU found that the bilingual pay authorized to employees during the compliance review period, satisfied civil service laws, Board rules and CalHR policies and guidelines.

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, in order 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, February 1, 2019, through July 30, 2019, the DSH issued pay differentials¹² to 898 employees. The CRU reviewed 25 of these pay differentials to ensure compliance with applicable CalHR policies and guidelines. These are listed below:

Classification	Pay Differential	Monthly Amount
CEA	71	5%
CEA	71	10%
Clinical Social Worker (Health/Correctional Facility) – Safety	242	\$100
Fire Chief	245	2%

¹² For the purposes of CRU’s review, only monthly pay differentials were selected for review at this time.

Classification	Pay Differential	Monthly Amount
Hospital Police Lieutenant	222	\$800
Hospital Police Lieutenant	222	\$800
Hospital Police Officer	222	\$800
Hospital Police Officer	222	\$800
Hospital Police Officer	222	\$800
Hospital Police Officer	244	\$75
Hospital Police Officer	222	\$800
Hospital Police Officer	222	\$800
Hospital Police Officer	222	\$800
Hospital Police Sergeant	222	\$800
Hospital Police Sergeant	244	\$125
Hospital Police Sergeant	244	\$125
Physician and Surgeon (Safety)	413	12%
Physician and Surgeon (Safety)	413	12%
Physician and Surgeon (Safety)	413	12%
Physician and Surgeon (Safety)	413	7%
Psychologist (Health Facility – Clinical-Safety)	241	\$100
Registered Nurse (Safety)	161	\$150
Respiratory Care Practitioner, Departments of Mental Health and Developmental Services	136	\$1,000
Senior Psychologist (Health Facility) (Specialist)	241	\$100
Senior Psychologist (Health Facility) (Specialist)	241	\$100

FINDING NO. 13 – Pay Differential Authorizations Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines

The CRU found no deficiencies in the pay differentials that the DSH authorized during the compliance review period. Pay differentials were issued correctly in recognition of unusual competencies, circumstances, or working conditions in accordance with applicable rules and guidelines.

Out-of-Class Assignments and Pay

For excluded¹³ 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).)

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 120-day time period expires. (Classification and Pay Guide Section 375.)

During the period under review, February 1, 2019, through July 30, 2019, the DSH issued OOC pay to 388 employees. The CRU reviewed 15 of these OOC assignments to ensure compliance with applicable MOU provisions, salary regulations, and CalHR policies and guidelines. These are listed below:

Classification	Bargaining Unit	Out-of-Class Classification	Time Frame
Attorney IV	R02	Assistant Chief Counsel	5/29/2019 – 9/26/2019
Dentist, Departments of Mental Health and Developmental Services	R16	Chief Dentist	2/1/2019 – 2/27/2019
Dietetic Technician (Safety)	R20	Registered Dietitian (Safety)	1/31/2019 – 2/24/2019
Hospital Police Officer	R07	Hospital Police Sergeant	6/15/2019 – 7/30/2019
Information Technology Specialist II	R01	Information Technology Manager I	4/26/2019 – 8/24/2019

¹³ “Excluded employee” means an employee as defined in section 3527, subd. (b) of the Government Code (Ralph C. Dills Act) except those excluded employees who are designated managerial pursuant to section 18801.1 of the Government Code.

Classification	Bargaining Unit	Out-of-Class Classification	Time Frame
Library Technical Assistant I	R04	Librarian (Residential Care Centers)	2/1/2019 – 2/18/2019
Program Director (Mental Disabilities-Safety)	M18	Staff Services Manager III	1/31/2019 – 2/28/2019
Registered Nurse (Safety)	R17	Nurse Instructor	5/24/2019 – 6/12/2019
Senior Psychiatric Technician (Safety)	R18	Unit Supervisor (Safety)	3/1/2019 – 4/19/2019
Psychologist (Health Facility-Clinical-Safety)	R19	Senior Psychologist (Supervisor)	5/1/2019 – 6/30/2019
Staff Services Analyst (General)	C01	Associate Governmental Program Analyst	2/1/2019 – 4/18/2019
Staff Services Manager I	S01	Staff Services Manager II	6/13/2019 – 6/28/2019
Staff Services Manager III	M01	CEA Level A, Chief Operating Officer	5/31/2019 – 8/29/2019
Supervising Groundskeeper II	S12	Associate Governmental Program Analyst	2/1/2019 – 4/1/2019
Unit Supervisor (Safety)	S18	Program Assistant	5/3/2019 – 6/30/2019

FINDING NO. 14 – Incorrect Authorization of Out-of-Class Pay

Summary: The CRU found one error in the DSH's authorization of OOC pay:

Classification	Out-of-Class Classification	Description of Finding(s)	Criteria
Hospital Police Officer	Hospital Police Sergeant	Employee received the incorrect salary rate for 10 days in June 2019 and 22 days in July 2019, which resulted in underpayment.	Pay Differential 92

Criteria: An employee may be temporarily required to perform out-of-class work by his/her department for up to one hundred twenty (120) calendar days in any twelve (12) consecutive calendar months when it determines that such an assignment is of unusual urgency, nature, volume, location, duration, or other special characteristics; and, cannot feasibly be met through use of other civil service or

administrative alternatives. Departments may not use out-of-class assignments to avoid giving civil service examinations or to avoid using existing eligibility lists created as the result of a civil service examination.

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

Cause: DSH acknowledges the underpayment and determined that transactions staff made a processing error in this instance. DSH will correct the processing error within 45 days and has drafted a Operational Procedures for Out-of-Class Assignments that is pending Executive approval.

Corrective Action: SPB acknowledges DSH's efforts to correct the employee's pay, and to have its classification and pay employees trained by the State Controller's Office on salary determinations. Within 90 days of the date of this report, the DSH must submit to the SPB a written corrective action response to ensure conformity with Gov. Code, § 599.810 and Pay Differential 92. Additionally the DSH must verify that underpaid employee has been appropriately compensated. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

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 in order 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 of the working days of a month. When counting 189 days, every day worked, including partial days¹⁴ worked and paid absences,¹⁵ is counted. (Cal. Code Regs., tit. 2, § 265.1, subd. (b).) The hours worked in one day is 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).)

Generally, permanent intermittent employees may work up to 1500 hours in any calendar year. (Applicable Bargaining Unit Agreements.) However, Bargaining Unit 6 employees may work up to 2000 hours in any calendar year.

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.

At the time of the review, the DSH had 131 positive paid employees whose hours were tracked. The CRU reviewed 29 of those positive paid appointments to ensure compliance with applicable laws, regulations, policies and guidelines, which are listed below:

¹⁴ For example, two hours or ten hours counts as one day.

¹⁵ For example, vacation, sick leave, compensating time off, etc.

Classification	Tenure	Time Frame	Time Worked (Hours)
Clinical Social Worker (Health/Correctional Facility) – Safety	Limited Term	1/1/2018 – 12/31/2018	403.5
Staff Psychiatrist (Safety)	Limited Term	1/1/2018 – 12/31/2018	405
Psychiatric Technician (Safety)	Permanent	1/1/2018 – 12/31/2018	613.5
Psychiatric Technician (Safety)	Permanent	1/1/2018 – 12/31/2018	1339
Psychiatric Technician (Safety)	Permanent	1/1/2018 – 12/31/2018	1,275.75
Registered Nurse (Safety)	Permanent	1/1/2018 – 12/31/2018	451.75
Registered Nurse (Safety)	Permanent	1/1/2018 – 12/31/2018	861.25
Registered Nurse (Safety)	Permanent	1/1/2018 – 12/31/2018	653
Associate Personnel Analyst	Retired Annuitant	7/1/2018 – 6/30/2019	960
Hospital Police Officer	Retired Annuitant	7/1/2018 – 6/30/2019	960
Investigator	Retired Annuitant	7/1/2018 – 6/30/2019	435
Personnel Specialist	Retired Annuitant	7/1/2018 – 6/30/2019	343
Physician and Surgeon (Safety)	Retired Annuitant	7/1/2018 – 6/30/2019	81
Physician and Surgeon (Safety)	Retired Annuitant	7/1/2018 – 6/30/2019	952
Psychiatric Technician (Safety)	Retired Annuitant	7/1/2018 – 6/30/2019	853
Psychiatric Technician (Safety)	Retired Annuitant	7/1/2018 – 6/30/2019	523
Psychiatric Technician (Safety)	Retired Annuitant	7/1/2018 – 6/30/2019	865
Psychiatric Technician (Safety)	Retired Annuitant	7/1/2018 – 6/30/2019	652
Radiologic Technologist (Safety)	Retired Annuitant	7/1/2018 – 6/30/2019	960
Registered Nurse (Safety)	Retired Annuitant	7/1/2018 – 6/30/2019	936
Registered Nurse (Safety)	Retired Annuitant	7/1/2018 – 6/30/2019	941.75

Classification	Tenure	Time Frame	Time Worked (Hours)
Registered Nurse (Safety)	Retired Annuitant	7/1/2018 – 6/30/2019	701.75
Registered Nurse (Safety)	Retired Annuitant	7/1/2018 – 6/30/2019	788
Teacher, State Hospital (Communication Handicapped)	Retired Annuitant	7/1/2018 – 6/30/2019	845
Unit Supervisor (Safety)	Retired Annuitant	7/1/2018 – 6/30/2019	938
Graduate Student Assistant	Temporary	3/5/2018 – 3/4/2019	788
Graduate Student Assistant	Temporary	9/3/2018 – 9/2/2019	423
Student Assistant	Temporary	8/1/2018 – 7/30/2019	995
Student Assistant	Temporary	8/1/2018 – 7/30/2019	1,473

FINDING NO. 15 – Positive Paid Employees Tracked Hours Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines

The CRU found no deficiencies in the positive paid employees reviewed during the compliance review period. The DSH provided sufficient justification and adhered to applicable laws, regulations and CalHR 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, May 1, 2018, through April 30, 2019, the DSH placed 107 employees on ATO. The CRU reviewed 30 of these ATO appointments to ensure compliance with applicable laws, regulations, and CalHR policy and guidelines, which are listed below:

Classification	Time Frame	Amount of Time on ATO
Associate Governmental Program Analyst	11/6/2018	8 hours
Associate Governmental Program Analyst	6/7/2018	8 hours
Associate Governmental Program Analyst	1/3/2019 – 1/4/2019	16 hours
Chief Psychiatrist	8/21/2018 – 10/23/2018; 10/29/2018 – 2/20/2019; 2/25/2019 – 9/14/2019	248 days
Clinical Social Worker	8/1/2018	5 days
Hospital Police Officer	7/10/2018	8 hours
Hospital Police Officer	10/23/2018	8 hours
Hospital Police Officer	8/29/2018 – 9/6/2018	5 days
Hospital Police Officer	11/27/2018 – 12/10/2018	9 days
Hospital Police Officer	6/20/2018 – 9/9/2018	81 days
Hospital Police Officer	6/20/2018 – 9/9/2018	81 days
Hospital Police Officer	6/22/2018 – 10/3/2018	103 days
Hospital Police Officer	1/6/2019 – 2/23/2019	30 days
Hospital Police Officer	4/24/2019 – 6/18/2019	37 days
Hospital Police Officer	5/1/2018 – 11/30/2018	154 days
Information Officer II	2/28/2019 – 3/6/2019	36 hours
Information Technology Associate	12/14/2018 – 12/21/2018	40 hours
Information Technology Specialist I	1/22/2019 – 1/23/2019	16 hours
Investigator	4/22/2019 – 4/30/2019	7 days

Classification	Time Frame	Amount of Time on ATO
Psychiatric Technician	4/10/2019 – 4/17/2019	5 days
Psychiatric Technician	2/1/2019 – 2/22/2019	16 days
Psychiatric Technician	8/20/2018 – 8/24/2018	5 days
Psychiatric Technician	3/8/2019 – 5/8/2019	44 days
Psychiatric Technician	12/5/2018 – 12/12/2018	5 days
Psychiatric Technician (Safety)	3/16/2019 – 3/17/2019	2 days
Psychiatric Technician (Safety)	4/3/2019	1 day
Psychiatric Technician (Safety)	12/6/2018 – 1/14/2019	26 days
Registered Nurse	2/25/2019 – 3/4/2019	5 days
Senior Psychiatric Technician (Safety)	1/9/2019 – 1/22/2019	14 days
Senior Psychiatric Technician (Safety)	4/3/2019 – 9/29/2019	180 days

FINDING NO. 17 – Administrative Time Off Authorizations Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines

The CRU found no deficiencies in the ATO transactions reviewed during the compliance review period. The DSH provided the proper documentation justifying the use of ATO and adhered to applicable laws, regulations and CalHR policy and guidelines.

Leave Auditing and Timekeeping

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

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, February 1, 2019, through April 30, 2019, the DSH reported 511 units comprised of 11,007 active employees. The pay periods and timesheets reviewed by the CRU are summarized below:

Timesheet Leave Period	Unit Reviewed	Number of Employees	Number of Timesheets Reviewed	Number of Missing Timesheets
February 2019	011	16	17	0
February 2019	032	26	26	0
February 2019	073	7	7	0
February 2019	100	2	2	0
February 2019	190	7	7	0
February 2019	563	29	29	0
March 2019	043	10	9	0
March 2019	128	12	11	0
March 2019	192	3	6	0
March 2019	484	5	5	0
March 2019	551	3	3	0
March 2019	563	30	29	0
April 2019	030	4	4	0
April 2019	483	2	2	0
April 2019	535	9	8	0
April 2019	546	4	4	0
April 2019	563	32	31	0

FINDING NO. 18 – Leave Activity and Correction Certification Forms Were Not Completed for All Leave Records Reviewed

- Summary:** The DSH failed to provide completed Leave Activity and Correction Certification forms for 9 out of 17 units reviewed during the February, March, and April 2019 pay periods.
- Criteria:** Departments are responsible for maintaining accurate and timely leave accounting records for their employees. (Cal. Code Regs., tit. 2, § 599.665.) Departments shall identify and record all errors found using a Leave Activity and Correction form. (Human Resources Manual Section 2101.) Furthermore, departments shall certify that all leave records for the unit/pay period identified on the certification form have been reviewed and all leave errors identified have been corrected. (*Ibid.*)
- Severity:** Technical. Departments must document that they reviewed all leave inputted into their leave accounting system to ensure accuracy and timeliness. For post-audit purposes, the completion of Leave Activity and Correction Certification forms demonstrates compliance with CalHR policies and guidelines.
- Cause:** DSH acknowledges the Leave Activity and Correction Certification (LACC) forms provided were not completed for all 17 units reviewed due to a lack of tracking mechanism, inadequate staffing and need for more training.
- Corrective Action:** Since the review, DSH has reviewed all timesheets from 2019 and ensured that the Leave Activity and Correction Certification form was included when necessary. Additionally, the DSH has implemented an internal audit process to randomly audit timesheets going forward. Within 90 days of the date of this report, the DSH must submit to the SPB a written corrective action response to ensure that their monthly internal audit process is documented and that all leave input is keyed accurately and timely. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

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 considered to be 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.¹⁶ (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.

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 employees¹⁷ 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, February 1, 2019, through July 30, 2019, the DSH had 131 employees with non-qualifying pay period transactions. The CRU reviewed 13

¹⁶ Government Code sections 19143, 19849.9, 19856.1, 19858.1, 19859, 19861, 19863.1, 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.

¹⁷ As identified in Government Code sections 19858.3, subd. (a), 19858.3, subd. (b), or 19858.3, subd. (c) or as it applies to employees excluded from the definition of state employee under Government Code section 3513, subd. (c), or California Code of Regulations, title 2, section 599.752, subd. (a), and appointees of the Governor as designated by the Department and not subject to section 599.752.1.

transactions to ensure compliance with applicable laws, regulations and CalHR policy and guidelines, which are listed below:

Type of Transaction	Time base	Number Reviewed
Non-Qualifying Pay Period	Full Time	10
Qualifying Pay Period	Full Time	3

FINDING NO. 18 – Service and Leave Transactions Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines

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

Policy and Processes

Nepotism

It is the policy of the State of California to recruit, hire and assign all employees on the basis of merit and fitness in accordance with civil service statutes, rules and regulations. (Human Resources Manual Section 1204.) Nepotism is expressly prohibited in the state workplace because it is antithetical to California’s merit based civil service. (*Ibid.*) Nepotism is defined as the practice of an employee using his or her influence or power to aid or hinder another in the employment setting because of a personal relationship. (*Ibid.*) Personal relationships for this purpose include association by blood, adoption, marriage and/or cohabitation. (*Ibid.*) All department nepotism policies should emphasize that nepotism is antithetical to a merit-based personnel system and that the department is committed to the state policy of recruiting, hiring and assigning employees on the basis of merit. (*Ibid.*)

FINDING NO. 19 – Department Does Not Maintain a Current Written Nepotism Policy

Summary: The DSH does not maintain a current written nepotism policy designed to prevent favoritism or bias in the recruiting, hiring, or assigning of employees.

Criteria: It is the policy of the State of California to recruit, hire and assign all employees on the basis of fitness and merit in accordance with civil service statutes, rules and regulations. (Human Resources Manual Section 1204). All department policies should emphasize that nepotism is antithetical to a merit-based personnel system and that the department is committed to the state policy of recruiting, hiring, and assigning employees on the basis of merit. (*Ibid.*)

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 recruitment, hiring, and assigning of all employees is done on the basis of merit and fitness in accordance with civil service statutes. Maintaining a current written nepotism policy, and its dissemination to all staff, is the cornerstone for achieving these outcomes.

Cause: DSH had an outdated statewide policy resulting in non-compliance and/or inconsistencies in the process.

Corrective Action: On April 1, 2020, DSH implemented a new Nepotism Policy and Operational Procedure which included requirements outlined in CalHR's Human Resource Manual section 1204. DSH provided evidence that its Nepotism policy was disseminated to all of its employees. Therefore, no further action is required at this time.

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 DSH did not employ volunteers during the compliance review period.

FINDING NO. 20 – Workers' Compensation Process Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines

The CRU verified that the DSH 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 DSH 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 50 permanent DSH employees to ensure that the department was conducting performance appraisals on an annual basis in accordance with applicable laws, regulations, policies and guidelines. These are listed below:

Classification	Date Performance Appraisals Due
Associate Governmental Program Analyst	9/30/2018
Associate Information Systems Analyst (Specialist)	1/9/2018
Carpenter I	10/31/2018
Chief of Plant Operation I	10/30/2018
Chief of Plant Operation III	8/29/2018
Communications Operator	10/30/2018
Consulting Psychologist	2/15/2018

Classification	Date Performance Appraisals Due
Custodian	6/30/2018
Food Service Technician II	9/2/2018
Health Services Specialist (Safety)	8/31/2018
Hospital Police Officer	4/30/2018
Hospital Police Officer	7/14/2018
Hospital Police Sergeant	9/30/2018
Hospital Police Sergeant	8/11/2018
Information Technology Specialist I	2/13/2018
Information Technology Supervisor II	1/31/2018
Pharmacist I	4/3/2018
Physician and Surgeon (Safety)	8/3/2018
Plumber Supervisor	11/11/2018
Psychiatric Technician Assistant (Safety)	9/15/2018
Psychiatric Technician Assistant (Safety)	11/4/2018
Psychiatric Technician Assistant (Safety)	11/4/2018
Psychiatric Technician (Safety)	5/21/2018
Psychiatric Technician (Safety)	5/30/2018
Psychiatric Technician (Safety)	7/26/2018
Psychiatric Technician (Safety)	10/25/2018
Psychiatric Technician (Safety)	2/1/2018
Psychiatric Technician (Safety)	8/14/2018
Psychiatric Technician (Safety)	8/14/2018
Psychiatric Technician (Safety)	9/15/2018
Psychiatric Technician (Safety)	11/2/2018
Psychiatric Technician (Safety)	11/3/2018
Psychiatric Technician (Safety)	3/15/2018
Psychiatric Technician (Safety)	8/31/2018
Psychiatric Technician (Safety)	9/1/2018
Psychiatric Technician Assistant (Safety)	9/2/2018
Registered Nurse (Safety)	3/8/2018
Registered Nurse (Safety)	3/31/2018
Registered Nurse (Safety)	4/7/2018

Classification	Date Performance Appraisals Due
Registered Nurse (Safety)	9/2/2018
Rehabilitation Therapist, State Facilities (Music-Safety)	2/8/2018
Rehabilitation Therapist, State Facilities (Recreation-Safety)	6/23/2018
Rehabilitation Therapist, State Facilities (Recreation-Safety)	9/2/2018
Rehabilitation Therapist, State Facilities (Recreation-Safety)	9/2/2018
Rehabilitation Therapist, State Facilities (Recreation-Safety)	9/2/2018
Senior Psychiatric Technician (Safety)	9/30/2018
Senior Psychiatric Technician (Safety)	10/2/2018
Staff Services Analyst (General)	8/31/2018
Stationary Engineer	10/15/2018
Unit Supervisor (Safety)	5/31/2018

FINDING NO. 21 – Performance Appraisal Policy and Processes Complied with Civil Service Laws and Regulations and CalHR Policies and Guidelines

The CRU found no deficiencies in the performance appraisals selected for review. Accordingly, the DSH performance appraisal policy and processes satisfied civil service laws, Board rules, policies and guidelines.

DEPARTMENTAL RESPONSE

The DSH’s response is attached as Attachment 1.

SPB REPLY

Based upon the DSH’s written response, the DSH 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.

Human Resources
1600 9th Street, Room 440
Sacramento, California 95814
www.dsh.ca.gov



December 17, 2020

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

Subject: Response to the State Personnel Board Compliance Review Report

Dear Ms. Ambrose:

The Department of State Hospitals (DSH) acknowledges the findings identified in the State Personnel Board (SPB) Compliance Review Report, received November 20, 2020. DSH would like to thank the Compliance Review Unit for their professionalism and flexibility during this review and appreciates the opportunity to respond to the findings. DSH remains committed to regularly evaluating its practices and procedures to ensure compliance with all applicable laws, rules, and regulations.

The following information describes the actions DSH has already taken or plans to take to improve practices related to items identified in this report.

Please consider the following in response to the specific findings:

Finding No. 3 – Appointment Documentation Was Not Kept for The Appropriate Amount of Time

Cause: DSH does not have a mechanism to track completed/signed Notices of Personnel Action (NOPA) received in Human Resources (HR) for filing in the employee's Office Personnel File (OPF). In the cases sampled, DSH failed to collect signed copies from the employees.

Response: DSH has required that all appointment related documents be retained in an employee's OPF. Within 120 days, DSH will implement a new process at the time of appointment; HR will print two copies of the NOPA, one will be sent to the employee for signature and the other will be added to the OPF. Once the signed NOPA is returned, HR will replace the unsigned version in the OPF. Additionally, a copy of the NOPA will be included in the appointment package. This process will be added to the existing appointment checklist and internal procedures will be updated. Finally, the Chief of Human Resources will send an email to all hospital Human

Resources Directors (HRDs) and Personnel Officers communicating this process and provide any necessary training during a bi-monthly HRD call.

Finding No. 7 – Ethics Training Was Not Provided for All Filers

Cause: DSH relies on a manual system for ensuring completion of ethics training and despite continued notification of the requirement, not all filers complete the training as required.

Response: DSH will be implementing a Learning Management System (LMS) in January 2021. The LMS will provide reminders to filers, their supervisors and Division Chief until training has been completed. DSH will continue to send reminders to filers along with a copy of the ethics training policy until LMS is implemented. The Statement of Economic Interest Filing Officer and the training office will continue to collaborate in statewide monitoring and compliance efforts.

Finding No. 8 – Sexual Harassment Prevention Training Was Not Provided for All Supervisors

Cause: In July 2019, DSH implemented an online Harassment and Discrimination Prevention Training through an outside vendor (Everfi), which incorporates the Sexual Harassment Prevention Training requirements. DSH acquired a new LMS and was validating data manually when the reports were pulled from Everfi at the time of the audit. Upon hire or promotion to a supervisory position, employees are sent an email to complete the training and a weekly reminder thereafter. Despite weekly reminders, not all supervisors completed the training within the required timeframe.

Response: DSH will be implementing a LMS in January 2021. The LMS will provide notification to supervisors and Division Chiefs until training has been completed. In addition, DSH is currently updating the training policy to include new mandated training requirements and revising existing processes. DSH's Office of Human Rights will continue to send a monthly report to hospital and Sacramento Training Officers, and appropriate DSH leadership, including but not limited to Human Resources Directors, Division Chiefs, Hospital Administrators, and Executive Directors with the names of all supervisory employees who need to complete the training or are past due.

Finding No. 14 – Incorrect Authorization of Out-of-Class Pay

Cause: DSH acknowledges the underpayment in this instance and determined that this was a result of a processing error by the transactions staff.

Response: DSH HR employees were provided Salary Determination and Advanced Salary Determination training facilitated by the State Controller's Office (SCO) in February and March 2019. DSH has a draft Policy Directive with a corresponding

Operational Procedure for Out-of-Class Assignments pending executive approval that will be implemented in the coming months. Lastly, DSH will correct the processing error identified in the audit within 45 days.

Finding No. 18 – Leave Activity and Correction Certification Forms Were Not Completed for All Records Reviewed

Cause: DSH acknowledges the Leave Activity and Correction Certification forms provided were not completed for 9 of the 17 units reviewed for February, March, and April 2019 pay periods. It has been determined this finding is attributed to a lack of a tracking mechanism, inadequate staffing, and need for more training.

Response: Since the audit, DSH reviewed all timesheets from 2019 and ensured that the Leave Activity and Correction Certification form was included when required. By June 2021, DSH will update its internal process to ensure that the completion of the form is included with every record edit, and training will be provided to the Personnel Specialists. DSH has implemented an internal audit process to randomly audit timesheets.

Finding No. 19 – Department Does Not Maintain A Current Written Nepotism Policy

Cause: The DSH had an outdated statewide nepotism policy resulting in non-compliance and/or inconsistencies in the process.

Response: On April 1, 2020, DSH implemented a new Nepotism Policy and Operational Procedure, which includes requirements outlined in the California Department of Human Resources, Human Resources Manual section 1204. DSH has been coming into compliance and expects to be fully compliant by January 31, 2021.

Again, we appreciate the opportunity to provide a response to this report. Should you have any questions or need additional information, please contact my Assistant Chief, Mable Basquez at (916) 651-5662 or Mable.Basquez@dsh.ca.gov.

Sincerely,



Sean Hammer
Chief, Human Resources
Administrative Services Division

Attachments: DSH Ethics Training Policy
DSH Nepotism Policy

cc: Douglas Hock, Chief, Office of Audits
Emiko Minami, Manager, Human Resources Compliance