



COMPLIANCE REVIEW REPORT

CALIFORNIA DEPARTMENT OF TRANSPORTATION

Compliance Review Unit
State Personnel Board
April 18, 2024

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INTRODUCTION

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

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

Pursuant to Government Code section 18502, subdivision (c), the SPB and the California Department of Human Resources (CalHR) may "delegate, share, or transfer between them responsibilities for programs within their respective jurisdictions pursuant to an agreement." 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 California Department of Transportation (Caltrans) personnel practices in the areas of examinations, appointments, EEO, PSC's, mandated training, compensation and pay, leave, and policy and processes. The following table summarizes the compliance review findings.

Area	Severity	Finding
Examinations	In Compliance	Examinations Complied with Civil Service Laws and Board Rules
Examinations	In Compliance	Permanent Withhold Actions Complied with Civil Service Laws and Board Rules
Appointments	Serious	Probationary Evaluations Were Not Provided for All Appointments Reviewed ¹
Appointments	Technical	Appointment Documentation Was Not Kept for the Appropriate Amount of Time ²
Appointments	Very Serious	Unlawful Appointment By Way of Transfer
Equal Employment Opportunity	In Compliance	Equal Employment Opportunity Program Complied with All Civil Service Laws and Board Rules
Personal Services Contracts	In Compliance	Personal Services Contracts Complied with Procedural Requirements
Mandated Training	Very Serious	Ethics Training Was Not Provided for All Filers ³
Mandated Training	Very Serious	Supervisory Training Was Not Provided for All Supervisors, Managers, and CEAs

¹ Repeat finding. The Caltrans' April 17, 2020, compliance review report identified that the Caltrans did not provide 18 probationary reports for 74 appointments that were reviewed. Additionally, the April 17, 2015, compliance review report identified that 49 probationary evaluations were not provided for 265 appointments reviewed.

² Repeat finding. The Caltrans' April 17, 2020, compliance review report identified that 37 NOPA's, 5 applications and 1 Limited Term justification were missing from the 74 appointments reviewed. Additionally, the April 17, 2015, compliance review report identified that 43 duty statements, 53 rating criteria, 78 screening criteria and 33 NOPA's were missing out of the 265 appointments reviewed.

³ Repeat finding. The Caltrans' April 17, 2020, compliance review report identified that of the 1,626 existing filers, 37 were not provided training. Additionally, of the 1,464 new filers, 20 were not provided training.

Area	Severity	Finding
Mandated Training	Very Serious	Sexual Harassment Prevention Training Was Not Provided for All Employees ⁴
Compensation and Pay	Very Serious	Incorrect Application of Salary Determination Laws, Rules, and CalHR Policies and Guidelines for Appointment ⁵
Compensation and Pay	Very Serious	Alternate Range Movements Did Not Comply with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines ⁶
Compensation and Pay	In Compliance	Hire Above Minimum Requests Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Compensation and Pay	Very Serious	Incorrect Authorization of Bilingual Pay ⁷
Compensation and Pay	Very Serious	Incorrect Authorization of Pay Differentials ⁸
Compensation and Pay	Very Serious	Incorrect Authorization of Out-of-Class Pay
Leave	Serious	Positive Paid Temporary Employees' Work Exceeded Time Limitations
Leave	Serious	Administrative Time Off Was Not Properly Documented ⁹
Leave	Serious	Department Did Not Certify That All Leave Records Were Reviewed
Leave	Serious	Department Has Not Implemented a Monthly Internal Audit Process to Verify All Leave Input is Keyed Accurately and Timely
Leave	Very Serious	Incorrect Application of State Service and Leave Transactions

⁴ Repeat finding. The Caltrans' April 17, 2020, compliance review report identified that 3 of 18 new supervisors were not provided SHP training within 6 months of their appointment. Additionally, of the 3,596 existing supervisors, 327 were provided SHP training every 2 years.

⁵ Repeat finding. The Caltrans' April 17, 2020, compliance review report identified 2 of the 55 salaries reviewed had errors, one resulting in an underpayment, the other an overpayment.

⁶ Repeat finding. The Caltrans' April 17, 2020, compliance review report identified 3 of 28 alternate range movements reviewed had incorrect anniversary dates.

⁷ Repeat finding. The Caltrans' April 17, 2020, compliance review report identified 11 employees were not authorized to receive bilingual pay.

⁸ Repeat finding. The Caltrans' April 17, 2020, compliance review report identified 1 pay differential errors among the 38 employees reviewed.

⁹ Repeat finding. The Caltrans' April 17, 2020, compliance review report identified 6 of the 45 ATO transactions reviewed to be out of compliance.

Area	Severity	Finding
Policy	In Compliance	Nepotism Policy Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Policy	In Compliance	Workers' Compensation Process Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Policy	Serious	Performance Appraisals Were Not Provided to All Employees ¹⁰

BACKGROUND

The Caltrans strives to provide a safe and reliable transportation network that serves all people and respects the environment. Caltrans manages more than 50,000 miles of California's highway and freeway lanes, provides inter-city rail services, permits more than 400 public-use airports and special-use hospital heliports, and works with local agencies throughout the state.

The Caltrans carries out its mission with six primary programs: Aeronautics, Highway Transportation, Mass Transportation, Transportation Planning, Administration, and the Equipment Service Center. The department employs over 22,000 individuals in a variety of classifications, including engineers, planners, scientists, maintenance workers, equipment staff, administrative staff, right of way agents, attorneys, and investigators.

SCOPE AND METHODOLOGY

The scope of the compliance review was limited to reviewing the Caltrans' examinations, appointments, EEO program, PSC's, mandated training, compensation and pay, leave, and policy and processes¹¹. The primary objective of the review was to determine if the Caltrans' 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.

¹⁰ Repeat finding. The Caltrans' April 17, 2020, compliance review report identified 14 of the 80 employees reviewed did not receive performance evaluations.

¹¹ Timeframes of the compliance review varied depending on the area of review. Please refer to each section for specific compliance review timeframes.

A cross-section of the Caltrans' examinations was selected for review to ensure that samples of various examination types, classifications, and levels were reviewed. The CRU examined the documentation that the Caltrans provided, which included examination plans, examination bulletins, job analyses, and scoring results. The CRU also reviewed the Caltrans permanent withhold actions documentation, including Withhold Determination Worksheets, State applications (STD 678), class specifications, and withhold letters.

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

The Caltrans did not make any additional appointments during the compliance review period.

The Caltrans' appointments were also selected for review to ensure the Caltrans applied salary regulations accurately and correctly processed employees' compensation and pay. The CRU examined the documentation that the Caltrans 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 e.g., hire above minimum (HAM) requests, bilingual pay, monthly pay differentials, alternate range movements, and out-of-class assignments.

During the compliance review period, the Caltrans did not issue or authorize red circle rates or arduous pay.

The review of the Caltrans' EEO program included examining written EEO policies and procedures; the EEO Officer's role, duties, and reporting relationship; the internal discrimination complaint process; the reasonable accommodation program; the discrimination complaint process; and the Disability Advisory Committee. The Caltrans' Personal Service Contracts (PSC's) were also reviewed.¹² It was beyond the scope of the

¹²If 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.

compliance review to make conclusions as to whether the Caltrans' justifications for the contracts were legally sufficient. The review was limited to whether the Caltrans practices, policies, and procedures relative to PSC's complied with procedural requirements.

The Caltrans mandated training program was reviewed to ensure all employees required to file statements of economic interest were provided ethics training, that all supervisors, managers, and those serving in CEAs were provided leadership and development training, and that all employees were provided sexual harassment prevention training within statutory timelines.

The CRU reviewed the Caltrans' monthly internal audit process to verify all leave input into any leave accounting system was keyed accurately and timely and ensure the department certified that all leave records have been reviewed and corrected if necessary. The CRU selected a small cross-section of the Caltrans' units in order to ensure they maintained accurate and timely leave accounting records. Part of this review also examined a cross-section of the Caltrans' 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 Caltrans employees who used Administrative Time Off (ATO) in order to ensure that ATO was appropriately administered. Further, the CRU reviewed a selection of Caltrans 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 Caltrans' policies and processes concerning nepotism, workers' compensation, and performance appraisals. The review was limited to whether the Caltrans' policies and processes adhered to procedural requirements.

On February 29, 2024, an exit conference was held with the Caltrans to explain and discuss the CRU's initial findings and recommendations. The CRU received and carefully reviewed the Caltrans' written response on April 5, 2024, which is attached to this final compliance review report.

FINDINGS AND RECOMMENDATIONS

Examinations

Examinations to establish an eligible list must be competitive and of such character as fairly to test and determine the qualifications, fitness, and ability of competitors to perform the duties of the class of position for which he or she seeks appointment. (Gov. Code, § 18930.) Examinations may be assembled or unassembled, written or oral, or in the form of a demonstration of skills, or any combination of those tests. (*Ibid.*) The Board establishes minimum qualifications for determining the fitness and qualifications of employees for each class of position and for applicants for examinations. (Gov. Code, § 18931, subd. (a).) Within a reasonable time before the scheduled date for the examination, the designated appointing power shall announce or advertise the examination for the establishment of eligible lists. (Gov. Code, § 18933, subd. (a).) The advertisement shall contain such information as the date and place of the examination and the nature of the minimum qualifications. (*Ibid.*) Every applicant for examination shall file an application with the department or a designated appointing power as directed by the examination announcement. (Gov. Code, § 18934, subd. (a)(1).) The final earned rating of each person competing in any examination is to be determined by the weighted average of the earned ratings on all phases of the examination. (Gov. Code, § 18936.) Each competitor shall be notified in writing of the results of the examination when the employment list resulting from the examination is established. (Gov. Code, § 18938.5.)

During the period under review, January 1, 2023, through June 30, 2023, the Caltrans conducted 195 examinations. The CRU reviewed 35 of those examinations, which are listed below:

Classification	Exam Type	Exam Components	Final File Date	No. of Apps
CEA A, Deputy District Director	CEA	Statement of Qualifications (SOQ) ¹³	3/23/23	3
CEA B, Chief, Division of Traffic Operations	CEA	SOQ	1/5/23	5
CEA B, Deputy Inspector General	CEA	SOQ	2/1/23	10

¹³ In a Statement of Qualifications examination, applicants submit a written summary of their qualifications and experience related to a published list of desired qualifications. Raters, typically subject matter experts, evaluate the responses according to a predetermined rating scale designed to assess their ability to perform in a job classification, assign scores and rank the competitors in a list.

Classification	Exam Type	Exam Components	Final File Date	No. of Apps
CEA C, District 7 Director	CEA	SOQ	3/8/23	11
Associate Printing Plant Superintendent	Servicewide Open ¹⁴	Education and Experience (E&E) ¹⁵	Continuous	2
Audio-Visual Specialist (Technical)	Departmental Promotional	E&E	Continuous	13
Aviation Safety Officer II	Departmental Open	E&E	Continuous	1
Caltrans Electrical Supervisor	Departmental Promotional	E&E	Continuous	15
Equipment Material Manager II	Departmental Promotional	E&E	Continuous	1
Highway Equipment Superintendent	Departmental Promotional	E&E	Continuous	2
Highway Equipment Superintendent II	Departmental Promotional	E&E	Continuous	1
Highway Equipment Superintendent III	Departmental Promotional	E&E	Continuous	1
Information Technology Manager I	Departmental Open	E&E	2/10/23	5
Principal Transportation Engineer, Caltrans	Departmental Promotional	E&E	3/23/23	6
Senior Electrical Engineer (Sup)	Departmental Promotional	E&E	Continuous	1
Senior Mechanical Engineer (Sup)	Departmental Open	E&E	Continuous	1
Structural Steel Painter	Departmental Promotional	E&E	Continuous	6
Supervising Bridge Engineer, Caltrans	Departmental Promotional	E&E	4/17/23	3
Supervising Right of Way Agent	Departmental Promotional	E&E	1/13/23	8
Supervising Transportation Engineer, Caltrans	Departmental Open	E&E	1/4/23	13
Supervisor, Tunnels & Tubes	Departmental Promotional	E&E	Continuous	4

¹⁴ Servicewide examination administered by the Caltrans with the CalHR's permission.

¹⁵ In an Education and Experience (E&E) 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
Assistant Chemical Testing Engineer	Departmental Open	Training and Experience (T&E) ¹⁶	Continuous	2
Associate Environmental Planner	Servicewide Open ¹⁷	T&E	Continuous	2
Associate Steel Inspector	Departmental Open	T&E	Continuous	5
Caltrans Bridge Maintenance Supervisor	Departmental Promotional	T&E	Continuous	7
Caltrans Electrical Technician	Departmental Open	T&E	Continuous	6
Caltrans Electronics Specialist	Departmental Open	T&E	Continuous	7
Caltrans Landscape Specialist	Departmental Open	T&E	Continuous	5
Landscape Technician	Departmental Open	T&E	Continuous	5
Lead Structural Steel Painter	Departmental Promotional	T&E	Continuous	6
Supervising Cook II	Servicewide Open ¹⁸	T&E	Continuous	24
Transportation Surveyor Party Chief	Departmental Open Non-Promotional	T&E	Continuous	8
Tree Maintenance Supervisor, Caltrans	Departmental Promotional	T&E	Continuous	8
Structural Design Technician I	Servicewide Open ¹⁹	Written ²⁰	Continuous	24
Ferry Boat Master	Departmental Open Non-Promotional	Performance ²¹	Continuous	2

¹⁶ The Training and Experience (T&E) examination is administered either online or in writing, and asks the applicant to answer multiple-choice questions about his or her level of training and/or experience performing certain tasks typically performed by those in this classification. Responses yield point values.

¹⁷ Servicewide examination administered by the Caltrans with the CalHR's permission.

¹⁸ Servicewide examination administered by the Caltrans with the CalHR's permission.

¹⁹ Servicewide examination administered by the Caltrans with the CalHR's permission.

²⁰ A written examination is a testing procedure in which candidates' job-related knowledge and skills are assessed through the use of a variety of item formats. Written examinations are either objectively scored or subjectively scored.

²¹ A Performance examination requires applicants to replicate/simulate job related tasks or duties.

IN COMPLIANCE	FINDING NO. 1 EXAMINATIONS COMPLIED WITH CIVIL SERVICE LAWS AND BOARD RULES
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The CRU reviewed 4 CEA examinations, 15 departmental promotional examinations, 12 departmental open examinations, and 4 servicewide open examinations which the Caltrans administered in order to create eligible lists from which to make appointments. The Caltrans published and distributed examination bulletins containing the required information for all examinations. Applications received by Caltrans were accepted prior to the final filing date. Applicants were notified about the next phase of the examination process. After all phases of the examination process were completed, the score of each competitor was computed, and a list of eligible candidates was established. The examination results listed the names of all successful competitors arranged in order of the score received by rank. The CRU found no deficiencies in the examinations that the Caltrans’ 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, January 1, 2023, through June 30, 2023, the Caltrans conducted 29 permanent withhold actions. The CRU reviewed 17 of these permanent withhold actions, which are listed below:

Exam Title	Exam ID	Date List Eligibility Began	Date List Eligibility Ended	Reason Candidate Placed on Withhold
Associate Governmental Program Analyst	9BP04	6/9/22	6/15/23	Failed to Meet Minimum Qualifications
Associate Governmental Program Analyst	9BP04	1/25/23	6/6/23	Failed to Meet Minimum Qualifications
Associate Governmental Program Analyst	9BP04	6/9/22	6/15/23	Failed to Meet Minimum Qualifications
Associate Transportation Planner	7TR53	11/10/22	3/17/23	Failed to Meet Minimum Qualifications
Associate Transportation Planner	7TR53	11/10/22	3/17/23	Failed to Meet Minimum Qualifications
Caltrans Equipment Operator II	9PB20	10/31/21	2/15/23	Failed to Meet Minimum Qualifications
Caltrans Equipment Operator II	9PB20	2/28/23	5/31/23	Failed to Meet Minimum Qualifications
Caltrans Highway Maintenance Lead worker	6TR88	11/12/22	6/2/23	Failed to Meet Minimum Qualifications
Caltrans Highway Maintenance Worker	OPB29	5/4/22	3/2/23	Failed Drug Screening
Caltrans Highway Maintenance Worker	OPB29	10/12/22	4/6/23	Failed Drug Screening
Landscape Associate	1PBF8	11/16/22	2/6/23	Failed to Meet Minimum Qualifications
Research Data Analyst II	8PB38	5/9/22	4/11/23	Failed to Meet Minimum Qualifications
Transportation Engineer, Civil	OTR41	5/11/22	6/22/23	Failed to Meet Minimum Qualifications
Transportation Engineer, Civil	OTR41	3/7/23	6/2/23	Failed to Meet Minimum Qualifications

Exam Title	Exam ID	Date List Eligibility Began	Date List Eligibility Ended	Reason Candidate Placed on Withhold
Transportation Engineer, Technician	5PB17	10/27/22	6/20/23	Failed to Meet Minimum Qualifications
Transportation Engineer, Technician	5PB17	8/15/22	1/5/23	Failed to Meet Minimum Qualifications
Tree Maintenance Worker	4PB40	9/14/22	3/3/23	Failed to Meet Minimum Qualifications

IN COMPLIANCE	FINDING NO. 2 PERMANENT WITHHOLD ACTIONS COMPLIED WITH CIVIL SERVICE LAWS AND BOARD RULES
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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).)

During the period under review, June 1, 2022, through November 30, 2022, the Caltrans made 3,214 appointments. The CRU reviewed 125 of those appointments, which are listed below:

Classification	Appointment Type	Tenure	Time Base	No. of Appts.
CEA A, Deputy Director, Technology and Administration	CEA	Permanent	Full Time	1
Associate Governmental Program Analyst	Certification List	Permanent	Full Time	10
Associate Governmental Program Analyst	Certification List	Limited Term	Full Time	3
Associate Management Auditor	Certification List	Permanent	Full Time	1
Associate Personnel Analyst	Certification List	Permanent	Full Time	1

Classification	Appointment Type	Tenure	Time Base	No. of Appts.
Associate Right of Way Agent	Certification List	Permanent	Full Time	1
Associate Steel Inspector	Certification List	Permanent	Full Time	1
Attorney V	Certification List	Permanent	Full Time	1
Building Maintenance Worker	Certification List	Permanent	Full Time	1
Caltrans Bridge Maintenance Supervisor	Certification List	Permanent	Full Time	1
Caltrans Electrician II	Certification List	Permanent	Full Time	3
Caltrans Equipment Operator II	Certification List	Permanent	Full Time	1
Caltrans Heavy Equipment Mechanic	Certification List	Permanent	Full Time	4
Caltrans Heavy Equipment Mechanic	Certification List	Permanent	Intermittent	1
Caltrans Heavy Equipment Mechanic Lead Worker	Certification List	Permanent	Full Time	1
Caltrans Highway Mechanic Supervisor	Certification List	Permanent	Full Time	1
Caltrans Highway Maintenance Worker	Certification List	Limited Term	Full Time	1
Deputy Attorney, Caltrans	Certification List	Permanent	Full Time	1
Deputy Attorney III, Caltrans	Certification List	Permanent	Full Time	1
Deputy Attorney IV, Caltrans	Certification List	Permanent	Full Time	1
Engineering Geologist	Certification List	Permanent	Full Time	2
Environmental Scientist	Certification List	Permanent	Full Time	4
Equipment Material Coordinator	Certification List	Permanent	Full Time	1
Equipment Material Manager I	Certification List	Permanent	Full Time	1
Equipment Material Manager II	Certification List	Permanent	Full Time	1
Equipment Material Specialist	Certification List	Permanent	Full Time	2
Foundation Driller	Certification List	Permanent	Full Time	1
Heavy Equipment Mechanic Apprentice, Caltrans	Certification List	Permanent	Full Time	1
Information Officer II	Certification List	Permanent	Full Time	1

Classification	Appointment Type	Tenure	Time Base	No. of Appts.
Junior Engineering Technician	Certification List	Permanent	Full Time	2
Labor Relations Specialist	Certification List	Permanent	Full Time	1
Landscape Associate, Caltrans	Certification List	Permanent	Full Time	1
Legal Analyst	Certification List	Permanent	Full Time	1
Legal Secretary	Certification List	Permanent	Full Time	1
Materials and Research Engineering Associate (Specialist)	Certification List	Permanent	Full Time	2
Mechanical Engineer	Certification List	Permanent	Full Time	1
Office Technician (Typing)	Certification List	Permanent	Full Time	1
Office Technician (Typing)	Certification List	Limited Term	Full Time	1
Personnel Specialist	Certification List	Limited Term	Full Time	1
Principal Transportation Engineer, Caltrans	Certification List	Permanent	Full Time	1
Research Data Analyst I	Certification List	Permanent	Full Time	1
Research Data Analyst II	Certification List	Permanent	Full Time	2
Research Data Analyst II	Certification List	Limited Term	Full Time	1
Right of Way Agent	Certification List	Permanent	Full Time	1
Senior Architect	Certification List	Permanent	Full Time	1
Senior Bridge Engineer	Certification List	Permanent	Full Time	1
Senior Environmental Planner	Certification List	Limited Term	Full Time	1
Senior Mechanical Engineer, Caltrans (Supervisor)	Certification List	Permanent	Full Time	1
Senior Transportation Engineer, Caltrans	Certification List	Permanent	Full Time	2
Special Investigator	Certification List	Permanent	Full Time	1
Staff Services Analyst	Certification List	Permanent	Full Time	5
Staff Services Manager I	Certification List	Permanent	Full Time	2
Staff Services Manager II (Supervisory)	Certification List	Permanent	Full Time	1
Structural Design Technician I	Certification List	Permanent	Full Time	1
Structural Design Technician III	Certification List	Permanent	Full Time	1
Supervising Transportation Surveyor (Caltrans)	Certification List	Permanent	Full Time	1
Transportation Engineer (Civil)	Certification List	Permanent	Full Time	9

Classification	Appointment Type	Tenure	Time Base	No. of Appts.
Transportation Engineering Technician	Certification List	Permanent	Full Time	2
Associate Governmental Program Analyst	Reinstatement	Permanent	Full Time	1
Associate Right of Way Agent	Reinstatement	Permanent	Full Time	1
Audio-Visual Specialist (Technical)	Reinstatement	Permanent	Full Time	1
Caltrans Heavy Equipment Mechanic	Reinstatement	Permanent	Full Time	1
Information Technology Specialist I	Reinstatement	Permanent	Full Time	1
Junior Engineering Technician	Reinstatement	Permanent	Full Time	1
Plumber I	Reinstatement	Permanent	Full Time	1
Service Assistant (Maintenance), Caltrans	Reinstatement	Permanent	Full Time	1
Transportation Surveyor (Caltrans)	Reinstatement	Permanent	Full Time	1
Accountant Trainee	Transfer	Permanent	Full Time	1
Associate Environmental Planner (Architectural History)	Transfer	Permanent	Full Time	1
Caltrans Electrician II	Transfer	Permanent	Full Time	1
Caltrans Equipment Operator II	Transfer	Permanent	Full Time	1
Deputy Attorney III, Caltrans	Transfer	Permanent	Full Time	1
Dispatcher-Clerk, Caltrans	Transfer	Permanent	Intermittent	1
Information Officer II	Transfer	Permanent	Full Time	1
Information Technology Associate	Transfer	Permanent	Full Time	1
Materials and Research Engineering Associate (Specialist)	Transfer	Permanent	Full Time	1
Materials and Stores Specialist	Transfer	Permanent	Full Time	1
Staff Services Manager I	Transfer	Permanent	Full Time	1
Transportation Engineer (Civil)	Transfer	Permanent	Full Time	2
Transportation Engineer (Electrical)	Transfer	Permanent	Full Time	1

Classification	Appointment Type	Tenure	Time Base	No. of Appts.
Transportation Planner	Transfer	Permanent	Full Time	1
Tree Maintenance Worker, Caltrans	Transfer	Permanent	Full Time	1
Caltrans Landscape Maintenance Worker	Training & Development ²²	Permanent	Full Time	1
Custodian Supervisor I	Training & Development	Permanent	Full Time	1
Hydroelectric Plant Technician II	Training & Development	Permanent	Full Time	1

SEVERITY: SERIOUS	FINDING NO. 3 PROBATIONARY EVALUATIONS WERE NOT PROVIDED FOR ALL APPOINTMENTS REVIEWED
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Summary: The Caltrans did not provide 161 probationary reports of performance for 55 of the 125 appointments reviewed by the CRU, as reflected in the table below. This is the second consecutive time this has been a finding for the Caltrans.

Classification	Appointment Type	No. of Appointments	Total No. of Missing Probation Reports
Accountant Trainee	Transfer	1	3
Associate Governmental Program Analyst	Certification List	7	21
Building Maintenance Worker	Certification List	1	3
Caltrans Bridge Maintenance Supervisor	Certification List	1	3
Caltrans Electrician II	Certification List	1	3
Caltrans Equipment Operator II	Certification List	1	3
Caltrans Heavy Equipment Mechanic	Certification List	3	9
Caltrans Heavy Equipment Mechanic Lead worker	Certification List	1	3
Caltrans Highway Mechanic Worker	Certification List	1	3

²² Traditional or non-apprenticeship Training and Development assignments are temporary assignments that last up to two years for the purpose of providing employees with additional experience and skills to improve their job performance and prepare them for future career opportunities.

Classification	Appointment Type	No. of Appointments	Total No. of Missing Probation Reports
Caltrans Highway Mechanic Supervisor	Certification List	1	3
Deputy Attorney, Caltrans	Certification List	1	3
Deputy Attorney III, Caltrans	Transfer	1	3
Deputy Attorney III, Caltrans	Certification List	1	3
Engineering Geologist	Certification List	2	4
Environmental Scientist	Certification List	3	9
Equipment Material Coordinator	Certification List	1	3
Equipment Material Manager I	Certification List	1	3
Equipment Material Manager II	Certification List	1	3
Equipment Material Specialist	Certification List	2	6
Foundation Driller	Certification List	1	3
Heavy Equipment Mechanic Apprentice, Caltrans	Certification List	1	3
Information Officer II	Certification List	1	3
Information Technology Associate	Transfer	1	3
Junior Engineering Technician	Certification List	2	6
Landscape Associate	Certification List	1	3
Legal Secretary	Certification List	1	3
Research Data Analyst II	Certification List	1	3
Right of Way Agent	Certification List	1	3
Senior Architect	Certification List	1	2
Senior Environmental Planner	Certification List	1	3
Senior Transportation Engineer	Certification List	1	3
Special Investigator	Certification List	1	2
Staff Services Analyst	Certification List	1	3
Staff Services Manager I	Certification List	2	6
Structural Design Technician I	Certification List	1	3
Structural Design Technician III	Certification List	1	3
Supervising Transportation Surveyor	Certification List	1	3
Transportation Engineer (Civil)	Certification List	4	12

Criteria: The service of a probationary period is required when an employee enters or is promoted in the state civil service by permanent appointment from an employment list; upon reinstatement after a break in continuity of service resulting from a permanent separation; or after any other type of appointment situation not specifically excepted from the probationary period. (Gov. Code, § 19171.) During the probationary period, the appointing power shall evaluate the work and efficiency of a probationer in the manner and at such periods as the department rules may require. (Gov. Code, § 19172.) A report of the probationer’s performance shall be made to the employee at sufficiently frequent intervals to keep the employee adequately informed of progress on the job. (Cal. Code Regs., tit. 2, § 599.795.) A written appraisal of performance shall be made to the Department within 10 days after the end of each one-third portion of the probationary period. (*Ibid.*) The Board’s record retention rules require that appointing powers retain all probationary reports for five years from the date the record is created. (Cal. Code Regs., tit. 2, § 26, subd. (a)(3).)

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

Cause: Staffing instability and an aborted attempt to automate the probationary report alert process.

Corrective Action: Within 90 days of the date of this report, the Caltrans must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure conformity with California Code of Regulations, title 2, section 599.795. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

SEVERITY: TECHNICAL	FINDING NO. 4 APPOINTMENT DOCUMENTATION WAS NOT KEPT FOR THE APPROPRIATE AMOUNT OF TIME
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Summary: Of the 125 appointments reviewed, the Caltrans did not retain 67 NOPAs. This is the second consecutive time this has been a finding for the Caltrans.

Criteria: As specified in section 26 of the Board’s Regulations, appointing powers are required to retain records related to affirmative action, equal employment opportunity, examinations, merit, selection, and appointments for a minimum period of five years from the date the record is created. These records are required to be readily accessible and retained in an orderly and systematic manner. (Cal. Code Regs., tit. 2, § 26.)

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

Cause: The Caltrans states that there have been some delays with the filing of documents into employees’ Official Personnel Files due to staffing instability.

Corrective Action: Within 90 days of the date of this report, the Caltrans must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure conformity with the record retention requirements of California Code of Regulations, title 2, section 26. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

SEVERITY: VERY SERIOUS	FINDING NO. 5 UNLAWFUL APPOINTMENT BY WAY OF TRANSFER
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Summary: The CRU found one unlawful appointment during the course of its regular review. The Caltrans made one appointment utilizing a limited-term certification list, hiring the candidate as a limited-term Staff Services Manager I (SSM I), and subsequently transferred the employee improperly into the permanent full-time position.

The incumbent, who had been appointed lawfully to a limited-term SSM I position, was not eligible to transfer to a permanent SSM I position. The employee did not hold appointment eligibility from a

permanent SSM I list ascertained by competitive examination as a means for appointment. One year has passed since the appointment. However, there is no evidence of bad faith; therefore, this appointment will be permitted to stand.

Criteria:

Article VII, Section 1, subdivision (b) of the California Constitution requires that permanent appointment and promotion shall be made under a general system based on merit ascertained by competitive examination. Therefore, a voluntary transfer may only be made if the employee has held a permanent appointment made as a result of a competitive examination in the same class or a class substantially the same as the class to which the person is transferring. (Cal. Code Regs, tit. 2, § 428)

A temporary or limited-term appointment in a classification shall not be used as a basis for transfer eligibility. (Cal Code Regs., tit. 2, § 430)

Severity:

Very Serious. An unlawful appointment provides the employee with an unfair and unearned appointment advantage over other employees whose appointments have been processed in compliance with the requirements of civil service law. Unlawful appointments which are not corrected also create appointment inconsistencies that jeopardize the equitable administration of the civil service merit system.

When an unlawful appointment is voided, the employee loses any tenure in the position, as well as seniority credits, eligibility to take promotional examinations, and compensation at the voided appointment level. If “bad faith” is determined on the part of the appointing power, civil or criminal action may be initiated. Disciplinary action may also be pursued against any officer or employee in a position of authority who directs any officer or employee to take action in violation of the appointment laws. If bad faith is determined on the part of the employee, the employee may be required to reimburse all compensation resulting from the unlawful appointment and may also be subject to disciplinary action. In this case, the appointment will stand as more than one year has elapsed and the candidate accepted the job offer in good faith.

Cause: The Caltrans states that the cause of the unlawful appointment was an oversight on the part of the Division of Human Resources, Classification and Hiring. The Caltrans further states that the COVID-19 pandemic had an impact on business operations for the division, which includes high-turnover rates and the inability to retain staff and provide accurate training and knowledge transfer. This has led to a lack of knowledge/skill-set in some areas related to classification and compensation. The division is reviewing processes, procedures, and training materials to address this oversight.

Corrective Action: Within 90 days of the date of this report, the Caltrans must submit to the SPB a written corrective action response that addresses the corrections the department will implement to demonstrate that the department will improve its hiring practices. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

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).)

IN COMPLIANCE	FINDING NO. 6	EQUAL EMPLOYMENT OPPORTUNITY PROGRAM COMPLIED WITH ALL CIVIL SERVICE LAWS AND BOARD RULES
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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 Caltrans 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 Caltrans. The Caltrans’ 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, January 1, 2023, through June 30, 2023, the Caltrans had 395 PSC’s that were in effect. The CRU reviewed 50 of those, which are listed below:

Vendor	Services	Contract Amount	Justification Identified?	Union Notification?
3D Forensic, Inc.	Expert Witness ²³	\$70,000	Yes	N/A
Andrew M. O'Brien, M.S., C.R.C.	Expert Witness	\$50,000	Yes	N/A
Biomechanical Consultants, Inc.	Expert Witness	\$30,000	Yes	N/A
Boster, Kobayashi & Associates, Inc.	Expert Witness	\$75,000	Yes	N/A
CPM Logistics, LLC	Establish Mentor-Protégé Program	\$1,379,000	Yes	Yes
Craigmyle Legal Nurse Services	Expert Witness	\$40,000	Yes	N/A
Dan Brown and Associates	Expert Witness	\$400,000	Yes	N/A
David S. Mason, Inc. DBA DSM, Inc.	Expert Witness	\$75,000	Yes	N/A
Decker Communications, Inc.	Writing/Communication Training	\$49,800	Yes	Yes
Delta Analysis	Expert Witness	\$50,000	Yes	N/A
Desmond, Marcello & Amster, LLC	Expert Witness-Vie-Del Co	\$20,000	Yes	N/A
Desmond, Marcello & Amster, LLC	Expert Witness-River Ranch Farms	\$100,000	Yes	N/A
DLH Associates, Inc.	Expert Witness	\$40,000	Yes	N/A
Elevate Services, Inc.	Medical File & Bill Review Service	\$20,000	Yes	Yes
Evidentia Consulting, LLP	Expert Witness	\$50,000	Yes	N/A
Explico Engineering	Expert Witness	\$60,000	Yes	N/A
Fernando Gonzalez	Expert Witness	\$30,000	Yes	N/A

²³ Pursuant to the State Contracting Manual, Volume 1, Chapter 3, Section 7.B., union notification is not required for expert witnesses or consultations in connection with a confidential investigation or any confidential component of a pending or active legal action.

Vendor	Services	Contract Amount	Justification Identified?	Union Notification?
ForensisGroup, Inc.	Expert Witness	\$40,000	Yes	N/A
George Hamilton Jones, Inc.	Expert Witness	\$40,000	Yes	N/A
Girbovan, Inc.	Expert Witness	\$40,000	Yes	N/A
Golden Gate Weather Services	Expert Witness	\$50,000	Yes	N/A
Gregory D. Rinehart	Expert Witness	\$45,000	Yes	N/A
J.S. Held, LLC	Expert Witness	\$35,000	Yes	N/A
J.S. Held, LLC	Expert Witness	\$50,000	Yes	N/A
Josephson-Werdowatz & Associates, Inc.	Expert Witness	\$90,000	Yes	N/A
Kevin M Ehrhart, M.D.	Expert Witness	\$25,000	Yes	N/A
Kittelson & Associates, Inc.	Systemic-Based Safety Improvement Projects	\$5,227	Yes	Yes
Larry Miller	Expert Witness	\$35,000	Yes	N/A
Mark L. Suchanek	Expert Witness	\$40,000	Yes	N/A
Mark L. Suchanek	Expert Witness	\$20,000	Yes	N/A
Mead and Hunt, Inc.	Advanced Aerial Mobility Infrastructure Readiness Study and Workplan	\$199,907	Yes	Yes
National Technology Transfer, Inc.	Training for Caltrans Employees-Electrical	\$21,323	Yes	Yes
Neal L. Benowitz, M.D.	Expert Witness	\$50,000	Yes	N/A
Olzack Healthcare Consulting, Inc.	Expert Witness	\$75,000	Yes	N/A
Patton & Associates, LLC DBA Chapman & Patton	Expert Witness	\$50,000	Yes	N/A
Principia Engineering, Inc.	Expert Witness	\$20,000	Yes	N/A

Vendor	Services	Contract Amount	Justification Identified?	Union Notification?
Principia Engineering, Inc.	Expert Witness	\$50,000	Yes	N/A
Scott S. Hamm	Expert Witness	\$50,000	Yes	N/A
Thomas J Grogan, A Medical Corporation	Expert Witness	\$20,000	Yes	N/A
Thomas J Grogan, A Medical Corporation	Expert Witness	\$20,000	Yes	N/A
Thompson & Thompson Real Estate Valuation and Consulting, Inc.	Expert Witness	\$35,000	Yes	N/A
TM Financial Forensics, LLC	Expert Witness	\$2,450,000	Yes	N/A
Traffax Engineers, Inc.	Expert Witness	\$45,000	Yes	N/A
Transportation Engineering Solutions Corporation	Expert Witness	\$75,000	Yes	N/A
Transportation Engineering Solutions Corporation	Expert Witness	\$45,000	Yes	N/A
Transportation Engineering Solutions Corporation	Expert Witness	\$50,000	Yes	N/A
Weintraub Tobin	Confidential Investigation	\$125,140	Yes	Yes
Weintraub Tobin	Confidential Investigation	\$80,105	Yes	Yes
West Publishing Corporation	Westlaw-Electronic Library Service	\$4,416	Yes	Yes
Wetland Training Institute, Inc.	Basic Wetland Delineation Training Services	\$24,990	Yes	Yes

IN COMPLIANCE	FINDING NO. 7 PERSONAL SERVICES CONTRACTS COMPLIED WITH PROCEDURAL REQUIREMENTS
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The total dollar amount of all the PSC’s reviewed was \$5,167,000. It was beyond the scope of the review to make conclusions as to whether Caltrans justifications for the contract were legally sufficient. For all PSC’s reviewed, the Caltrans 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, Caltrans complied with proper notification to all organizations that represent state employees who perform or could perform the type or work contracted as required by California Code of Regulations section 547.60.2. Accordingly, the Caltrans PSC’s complied with civil service laws and board rules.

Mandated Training

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

Upon the initial appointment of any employee designated in a supervisory position, the employee shall be provided a minimum of 80 hours of training, as prescribed by the CalHR. (Gov. Code, § 19995.4, subd. (b).) The training addresses such topics as the role of the supervisor, techniques of supervision, performance standards, and sexual harassment and abusive conduct prevention. (Gov. Code, §§ 12950.1, subds. (a) and (b), & 19995.4, subd. (b).) Additionally, the training must be successfully completed within the term of the employee’s probationary period or within six months of the initial appointment, unless it is demonstrated that to do so creates additional costs or that the training cannot be completed during this time period due to limited availability of supervisory training courses. (Gov. Code, § 19995.4, subd. (c).)

Within 12 months of the initial appointment of an employee to a management or CEA position, the employee shall be provided leadership training and development, as prescribed by CalHR. (Gov. Code, § 19995.4, subds. (d) & (e).) For management

employees the training must be a minimum of 40 hours and for CEAs the training must be a minimum of 20 hours. (*Ibid.*)

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

The Board may conduct reviews of any appointing power's personnel practices to ensure compliance with civil service laws and Board regulations. (Gov. Code, § 18661, subd. (a).) In particular, the Board may audit personnel practices related to such matters as selection and examination procedures, appointments, promotions, the management of probationary periods, and any other area related to the operation of the merit principle in state civil service. (*Ibid.*) Accordingly, the CRU reviews documents and records related to training that appointing powers are required by the afore-cited laws to provide its employees.

The CRU reviewed the Caltrans' mandated training program that was in effect during the compliance review period, July 1, 2021, through December 31, 2022. The Caltrans' ethics training, supervisory training and sexual harassment prevention training were found to be out of compliance.

SEVERITY: VERY SERIOUS	FINDING NO. 8 ETHICS TRAINING WAS NOT PROVIDED FOR ALL FILERS
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Summary: The Caltrans did not provide ethics training to 7 of 2,273 existing filers. In addition, the Caltrans did not provide ethics training to 12 of 292 new filers within 6 months of their appointment. This is the second consecutive time this has been a finding for the Caltrans.

Criteria: New filers must be provided ethics training within six months of appointment. Existing filers must be trained at least once during each consecutive period of two calendar years commencing on the first odd-numbered year thereafter. (Gov. Code, § 11146.3, subd. (b).)

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

Cause: The Caltrans utilizes an electronic system to track and follow-up on Form 700 ethics training. Due to the training being “employee driven” where employees are notified and held accountable for their training requirements, some employees missed the deadline of completing training.

Corrective Action: Within 90 days of this report, the Caltrans must submit to the SPB a written corrective 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.

SEVERITY: VERY SERIOUS	FINDING NO. 9 SUPERVISORY TRAINING WAS NOT PROVIDED FOR ALL SUPERVISORS, MANAGERS, AND CEAS
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Summary: The Caltrans did not provide basic supervisory training to 14 of 407 new supervisors within 12 months of appointment; did not provide manager training to 69 of 96 new managers within 12 months of appointment; and did not provide CEA training to 14 of 15 new CEAs within 12 months of appointment.

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

Upon initial appointment of an employee to a managerial position, each employee must receive 40 hours of leadership training within 12 months of appointment. (Gov. Code, § 19995.4, subd. (d).)

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

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

Cause: The Caltrans acknowledges its failure to meet the statutory training requirements for new supervisors, managers, and CEAs. The

Caltrans states that several factors contributed to the oversight including organization change, knowledge transfer challenges, staffing instability, pandemic-related disruptions, and system upgrade impacts.

Corrective Action: Within 90 days of the date of this report, the Caltrans must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure that new supervisors, managers, and CEAs are provided leadership and development training within twelve months of appointment, and that thereafter, they receive a minimum of 20 hours of leadership training biennially, as required by Government Code section 19995.4. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

SEVERITY: VERY SERIOUS	FINDING NO. 10 SEXUAL HARASSMENT PREVENTION TRAINING WAS NOT PROVIDED FOR ALL EMPLOYEES
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Summary: The Caltrans did not provide sexual harassment prevention training to 72 of 572 new supervisors within 6 months of their appointment. In addition, the Caltrans did not provide sexual harassment prevention training to 137 of 3130 existing supervisors every 2 years.

The Caltrans did not provide sexual harassment prevention training to 68 of 21,215 existing non-supervisors every 2 years.

This is the second consecutive time this has been a finding for the Caltrans.

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

Severity: Very Serious. The department does not ensure that all new and existing employees are properly trained to respond to sexual harassment or unwelcome sexual advances, requests for sexual

favors, and other verbal or physical harassment of a sexual nature. This limits the department's ability to retain a quality workforce, impacts employee morale and productivity, and subjects the department to litigation.

Cause: The Caltrans states that transitioning from in-person training to online training during the period under review impacted its ability to achieve compliance in this area. This transition resulted in a learning curve for administrators, training coordinators, and students.

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

Compensation and Pay

Salary Determination

The pay plan for state civil service consists of salary ranges and steps established by CalHR. (Cal. Code Regs., tit. 2, § 599.666.) Several salary rules dictate how departments calculate and determine an employee's salary rate²⁴ 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, June 1, 2022, through November 30, 2022, the Caltrans made 3,214 appointments. The CRU reviewed 50 of those appointments to determine if the Caltrans applied salary regulations accurately and correctly processed employees' compensation, which are listed below:

²⁴ "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).

Classification	Appointment Type	Tenure	Time Base	Salary (Monthly Rate)
Accountant Trainee	Transfer	Permanent	Full Time	\$4,847
Associate Environmental Planner (Architectural History)	Transfer	Permanent	Full Time	\$7,999
Associate Governmental Program Analyst	Certification List	Permanent	Full Time	\$5,584
Associate Governmental Program Analyst	Certification List	Permanent	Full Time	\$5,578
Associate Governmental Program Analyst	Reinstatement	Permanent	Full Time	\$6,907
Associate Right of Way Agent	Reinstatement	Permanent	Full Time	\$6,707
Associate Steel Inspector	Certification List	Permanent	Full Time	\$6,068
Audio-Visual Specialist (Technical)	Reinstatement	Permanent	Full Time	\$5,383
Building Maintenance Worker	Certification List	Permanent	Full Time	\$3,957
Caltrans Electrician II	Transfer	Permanent	Full Time	\$6,370
Caltrans Equipment Operator II	Certification List	Permanent	Full Time	\$4,559
Caltrans Heavy Equipment Mechanic	Certification List	Permanent	Full Time	\$5,236
Caltrans Highway Maintenance Worker	Certification List	Permanent	Full Time	\$3,830
Deputy Attorney III, Caltrans	Certification List	Permanent	Full Time	\$10,225
Engineering Geologist	Certification List	Permanent	Full Time	\$6,865
Engineering Geologist	Certification List	Permanent	Full Time	\$9,014
Environmental Scientist	Certification List	Permanent	Full Time	\$7,926
Equipment Material Coordinator	Certification List	Permanent	Full Time	\$5,846
Equipment Material Manager I	Certification List	Permanent	Full Time	\$5,303
Equipment Material Manager II	Certification List	Permanent	Full Time	\$5,303
Equipment Specialist	Certification List	Permanent	Full Time	\$4,357
Foundation Driller	Certification List	Permanent	Full Time	\$4,852
Junior Engineering Technician	Reinstatement	Permanent	Full Time	\$3,444

Classification	Appointment Type	Tenure	Time Base	Salary (Monthly Rate)
Landscape Associate, Caltrans	Certification List	Permanent	Full Time	\$7,940
Materials And Research Engineering Associate (Specialist)	Certification List	Permanent	Full Time	\$6,530
Mechanical Engineer	Certification List	Permanent	Full Time	\$10,910
Office Technician (General)	Certification List	Permanent	Full Time	\$3,369
Principal Transportation Engineer, Caltrans	Certification List	Permanent	Full Time	\$15,312
Research Data Analyst I	Certification List	Permanent	Full Time	\$4,819
Research Data Analyst II	Certification List	Permanent	Full Time	\$5,793
Right Of Way Agent	Certification List	Permanent	Full Time	\$5,313
Senior Architect	Certification List	Permanent	Full Time	\$10,697
Senior Bridge Engineer	Certification List	Permanent	Full Time	\$12,381
Senior Environmental Planner	Certification List	Permanent	Full Time	\$8,399
Senior Mechanical Engineer, Caltrans (Supervisor)	Certification List	Permanent	Full Time	\$10,910
Senior Transportation Engineer, Caltrans	Certification List	Permanent	Full Time	\$11,792
Staff Services Analyst	Certification List	Permanent	Full Time	\$5,498
Staff Services Manager I	Transfer	Permanent	Full Time	\$7,252
Structural Design Technician I	Certification List	Permanent	Full Time	\$3,991
Structural Design Technician III	Certification List	Permanent	Full Time	\$5,697
Supervising Transportation Surveyor (Caltrans)	Certification List	Permanent	Full Time	\$13,260
Transportation Engineer (Civil)	Certification List	Permanent	Full Time	\$5,995
Transportation Engineer (Civil)	Certification List	Permanent	Full Time	\$5,995
Transportation Engineer (Civil)	Certification List	Permanent	Full Time	\$9,654
Transportation Engineer (Civil)	Certification List	Permanent	Full Time	\$7,940
Transportation Engineer (Civil)	Certification List	Permanent	Full Time	\$5,849

Classification	Appointment Type	Tenure	Time Base	Salary (Monthly Rate)
Transportation Engineer (Civil)	Certification List	Permanent	Full Time	\$5,995
Transportation Engineer (Civil)	Certification List	Permanent	Full Time	\$11,230
Transportation Engineer (Civil)	Certification List	Permanent	Full Time	\$5,849
Transportation Engineering Technician	Certification List	Permanent	Full Time	\$4,091

SEVERITY: VERY SERIOUS	FINDING NO. 11	INCORRECT APPLICATIONS OF SALARY DETERMINATION LAWS, RULES, AND CALHR POLICIES AND GUIDELINES FOR APPOINTMENT
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Summary: The CRU found 4 errors in the 50 salary determinations reviewed:

Classification	Description of Findings	Criteria
Senior Architect	Incorrect salary determination resulting in the employee being overcompensated.	Cal. Code Regs., tit.2, section 599.675
Staff Services Analyst	Incorrect salary determination resulting in the employee being undercompensated.	Cal. Code Regs., tit.2, section 599.675
Staff Services Analyst	Incorrect salary determination resulting in the employee being undercompensated.	Cal. Code Regs., tit.2, section 599.675
Senior Bridge Engineer (Supervisor)	Employee should not have received a five percent increase when appointed Permanent from Limited Term, resulting in an overpayment.	Cal. Code Regs., tit.2, section 599.674, subd. (a)

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

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

Cause: The Caltrans states that due to high amounts of staffing instability and staff turnover, training and knowledge transfer has been a challenge for the Division of Human Resources. The Caltrans further states that it has corrected three out of the four errors and will be reviewing the fourth to remedy.

Corrective Action: Within 90 days of the date of this report, the Caltrans must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure that employees are compensated correctly. The Caltrans must establish an audit system to correct current compensation transactions as well as future transactions. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

Alternate Range Movement Salary Determination (within same classification)

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

During the period under review, June 1, 2022, through November 30, 2022, the Caltrans employees made 302 alternate range movements within a classification. The CRU reviewed 50 of those alternate range movements to determine if the Caltrans 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)
Deputy Attorney, Caltrans	C	D	Full Time	\$9,465
Engineering Geologist	B	C	Full Time	\$8,644
Environmental Scientist	A	B	Full Time	\$5,389
Heavy Equipment Mechanic Apprentice, Caltrans	C	D	Full Time	\$3,898

Classification	Prior Range	Current Range	Time Base	Salary (Monthly Rate)
Information Technology Associate	A	B	Full Time	\$4,843
Information Technology Associate	C	D	Full Time	\$6,282
Information Technology Specialist I	A	B	Full Time	\$7,616
Information Technology Specialist I	B	C	Full Time	\$9,223
Junior Engineering Technician	A	B	Full Time	\$3,360
Landscape Associate, Caltrans	C	D	Full Time	\$8,975
Personnel Specialist	B	C	Full Time	\$4,446
Right of Way Agent	A	B	Full Time	\$5,313
Special Investigator	A	B	Full Time	\$5,888
Staff Services Analyst	B	C	Full Time	\$4,856
Staff Services Analyst	B	C	Full Time	\$5,010
Staff Services Analyst	A	B	Full Time	\$4,301
Staff Services Analyst	B	C	Full Time	\$4,905
Staff Services Analyst	B	C	Full Time	\$5,028
Staff Services Analyst	B	C	Full Time	\$4,906
Structural Steel Painter Apprentice	A	B	Full Time	\$4,236
Transportation Engineer (Civil)	A	B	Full Time	\$6,865
Transportation Engineer (Civil)	B	C	Full Time	\$7,948
Transportation Engineer (Civil)	A	B	Full Time	\$6,865
Transportation Engineer (Civil)	C	D	Full Time	\$9,886
Transportation Engineer (Civil)	C	D	Full Time	\$8,975
Transportation Engineer (Civil)	C	D	Full Time	\$8,975
Transportation Engineer (Civil)	B	C	Full Time	\$7,949
Transportation Engineer (Civil)	B	C	Full Time	\$7,940
Transportation Engineer (Civil)	A	B	Full Time	\$6,865
Transportation Engineer (Civil)	A	B	Full Time	\$6,865
Transportation Engineer (Civil)	C	D	Full Time	\$8,975
Transportation Engineer (Civil)	A	B	Full Time	\$6,865
Transportation Engineer (Civil)	B	C	Full Time	\$7,746
Transportation Engineer (Civil)	A	B	Full Time	\$6,865
Transportation Engineer (Civil)	C	D	Full Time	\$8,975
Transportation Engineer (Civil)	A	B	Full Time	\$6,698
Transportation Engineer (Civil)	C	D	Full Time	\$9,192
Transportation Engineer (Civil)	A	B	Full Time	\$6,865
Transportation Engineer (Civil)	B	C	Full Time	\$7,940
Transportation Engineer (Civil)	B	C	Full Time	\$7,746
Transportation Engineer (Civil)	B	C	Full Time	\$7,940
Transportation Engineer, (Electrical)	B	C	Full Time	\$8,346
Transportation Engineer, (Electrical)	A	B	Full Time	\$6,865
Transportation Engineer, (Electrical)	C	D	Full Time	\$8,756
Transportation Engineer, (Electrical)	C	D	Full Time	\$8,756

Classification	Prior Range	Current Range	Time Base	Salary (Monthly Rate)
Transportation Engineer, (Electrical)	A	B	Full Time	\$6,865
Transportation Engineering Technician	B	C	Full Time	\$4,919
Transportation Planner	B	C	Full Time	\$5,313
Transportation Surveyor (Caltrans)	A	B	Full Time	\$6,865
Transportation Surveyor (Caltrans)	B	C	Full Time	\$7,753

SEVERITY: VERY SERIOUS	FINDING NO. 12 ALTERNATE RANGE MOVEMENTS DID NOT COMPLY WITH CIVIL SERVICE LAWS, RULES, AND CALHR POLICIES AND GUIDELINES
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Summary: The CRU found 2 errors in the 50 alternate range movements reviewed, as outlined below. This is the second consecutive time this has been a finding for the Caltrans.

Classification	Description of Findings	Criteria
Transportation Engineer, Civil	Incorrect salary determination resulting in the employee being undercompensated	Cal. Code Regs., tit. 2, section 599.675
Landscape Associate, Caltrans	Incorrect salary determination resulting in the employee being overcompensated	Cal. Code Regs., tit. 2, section 599.675

Criteria: Alternate ranges are designed to recognize increased competence in the performance of class duties based upon experience obtained while in the class. The employee gains status in the alternate range as though each range were a separate classification. (Classification and Pay Guide Section 220.)

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

Severity: Very Serious. In two circumstances, the Caltrans failed to comply with the requirements outlined in the state civil service pay plan. Incorrectly applying compensation laws and rules not in accordance

with CalHR's policies and guidelines results in civil service employees receiving incorrect and/or inappropriate pay amounts.

Cause: The Caltrans states that the identified errors were the result of human error and oversight, and have since been corrected.

Corrective Action: Within 90 days of the date of this report, the Caltrans must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure that employees are compensated correctly. The Caltrans must establish an audit system to correct current compensation transactions as well as future transactions. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

Hiring Above Minimum Requests

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

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

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

of understanding shall be controlling without further legislative action.²⁵ (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, June 1, 2022, through November 30, 2022, the Caltrans authorized 14 HAM requests. The CRU reviewed 11 of those authorized HAM requests to determine if the Caltrans correctly applied Government Code section 19836 and appropriately verified, approved, and documented candidates’ extraordinary qualifications and subsequent salaries, which are listed below:

Classification	Appointment Type	Status	Salary Range	Salary (Monthly Rate)
Associate Steel Inspector	Certification List	New to State	\$6,220 - 7,787	\$7,787
Deputy Attorney, Caltrans	Certification List	New to State	\$6,987- \$7,976	\$7,323
Transportation Engineer (Civil)	Certification List	New to State	\$8,756 - \$10,956	\$10,956

²⁵ 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)
Transportation Engineer (Civil)	Certification List	New to State	\$7,746 - \$9,692	\$8,966
Transportation Engineer (Civil)	Certification List	New to State	\$8,756 - \$10,956	\$10,956
Transportation Engineer (Civil)	Certification List	New to State	\$7,746 - \$9,692	\$8,967
Transportation Engineer (Civil)	Certification List	New to State	\$8,756 - \$10,956	\$9,194
Transportation Engineer (Civil)	Certification List	New to State	\$8,756 - \$10,956	\$10,956
Transportation Engineer (Civil)	Certification List	New to State	\$8,756 - \$10,956	\$10,956
Transportation Engineer (Civil)	Certification List	New to State	\$8,756 - \$10,956	\$10,956
Transportation Engineer (Civil)	Certification List	New to State	\$8,756 - \$10,956	\$10,956

IN COMPLIANCE	FINDING NO. 13 HIRE ABOVE MINIMUM REQUESTS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND CALHR POLICIES AND GUIDELINES
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The CRU found that the HAM requests the Caltrans 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, June 1, 2022, through November 30, 2022, the Caltrans issued bilingual pay to 34 employees. The CRU reviewed 20 of these bilingual pay authorizations to ensure compliance with applicable CalHR policies and guidelines. These are listed below:

Classification	Collective Bargaining Identifier	Time Base	No. of Appts.
Associate Governmental Program Analyst	R01	Full Time	2
Associate Right of Way Agent	R01	Full Time	3
Caltrans Electrician I	R12	Full Time	1
Caltrans Equipment Operator II	R12	Full Time	1
Caltrans Landscape Maintenance Worker	R12	Full Time	1
Caltrans Maintenance Area Superintendent	S12	Full Time	1
Caltrans Maintenance Manager II	S12	Full Time	1
Caltrans Maintenance Supervisor	E48	Full Time	1
Graphic Designer II	R14	Full Time	1
Information Technology Associate	R01	Full Time	1
Senior Right of Way Agent	S01	Full Time	2
Staff Services Analyst	R01	Full Time	2
Staff Services Manager I	S01	Full Time	1
Supervising Right of Way Agent	M01	Full Time	1
Transportation Engineer (Civil)	R09	Full Time	1

SEVERITY: VERY SERIOUS	FINDING NO. 14 INCORRECT AUTHORIZATION OF BILINGUAL PAY
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Summary: The CRU found 12 errors in the 20 bilingual pay authorizations reviewed, as outlined below. This is the second consecutive time this has been a finding for the Caltrans.

Classification	Description of Findings	Criteria
Associate Governmental Program Analyst	Department failed to provide certification that the employee's duties required use of bilingual skills for at least 10% of their time.	Pay Differential 14
Associate Governmental Program Analyst	Department failed to provide supporting documentation that the employee has been tested and certified bilingual.	Government Code section 7296
Associate Right of Way Agent	Department failed to supply supporting documentation demonstrating the need for bilingual services	Government Code section 7296

Classification	Description of Findings	Criteria
Caltrans Electrician I	Department failed to supply supporting documentation demonstrating the need for bilingual services	Government Code section 7296
Caltrans Landscape Maintenance Worker	Department failed to supply supporting documentation demonstrating the need for bilingual services	Government Code section 7296
Information Technology Associate	Department failed to supply supporting documentation demonstrating the need for bilingual services	Government Code section 7296
Senior Right of Way Agent	Department failed to supply supporting documentation demonstrating the need for bilingual services	Government Code section 7296
Senior Right of Way Agent	Department failed to provide supporting documentation that the employee has been tested and certified bilingual.	Government Code section 7296
Staff Services Analyst	Department failed to supply supporting documentation demonstrating the need for bilingual services	Government Code section 7296
Staff Services Analyst	Department failed to supply supporting documentation demonstrating the need for bilingual services	Government Code section 7296
Supervising Right of Way Agent	Department failed to supply supporting documentation demonstrating the need for bilingual services	Government Code section 7296
Transportation Engineer (Civil)	Department failed to supply supporting documentation demonstrating the need for bilingual services	Government Code section 7296

Criteria: For any state agency, a “qualified” bilingual employee, person, or interpreter is someone who CalHR has tested and certified, someone who was tested and certified by a state agency or other approved testing authority, and/or someone who has met the testing or certification standards for outside or contract interpreters as proficient in both the English language and the non-English language to be used. (Gov. Code, § 7296, subd. (a)(3).)

An individual must be in a position that has been certified by the department as a position which requires the use of bilingual skills on a continuing basis averaging 10 percent of the time spent either conversing, interpreting, or transcribing in a second language and

time spent on closely related activities performed directly in conjunction with specific bilingual transactions. (Pay Differential 14.)

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

Cause: The Caltrans states that the errors were the result of its bilingual pay program being split between two areas of Human Resources which led to inconsistencies with the auditing of the bilingual pay differential.

Corrective Action: Within 90 days of the date of this report, the Caltrans must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure conformity with Government Code section 7296, and/or Pay Differential 14. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

Pay Differentials

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

California State Civil Service Pay Scales Section 14 describes the qualifying pay criteria for the majority of pay differentials. However, some of the alternate range criteria in the pay scales function as pay differentials. Generally, departments issuing pay differentials should, 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, June 1, 2022, through November 30, 2022, the Caltrans authorized 6,047 pay differentials.²⁶ The CRU reviewed 50 of these pay differentials to ensure compliance with applicable CalHR policies and guidelines. These are listed below:

Classification	Pay Differential I	Monthly Amount
Associate Construction Analyst	433	\$581
Associate Environmental Planner (Archeology)	441	\$250
Associate Governmental Program Analyst	412	\$275
Automotive Pool Attendant III	409	\$208
Building Maintenance Worker	409	\$233
CEA	441	\$250
Caltrans Bridge Maintenance Supervisor	35	\$192
Caltrans Electrical Supervisor	35	\$225
Caltrans Electrician I	33	\$187
Caltrans Electrician II	33	\$205
Caltrans Equipment Operator II	233	\$100
Caltrans Equipment Operator II	409	\$240
Caltrans Equipment Operator II	409	\$240
Caltrans Equipment Operator II	33	\$163
Caltrans Heavy Equipment Mechanic	33	\$187
Caltrans Heavy Equipment Mechanic	145	\$200
Caltrans Highway Maintenance Worker	409	\$208
Caltrans Highway Maintenance Worker	409	\$201
Caltrans Highway Mechanic Supervisor	35	\$220
Caltrans Maintenance Supervisor	35	\$192
Chief Engineer I	436	\$492
Engineering Geologist	433	\$440
Environmental Scientist	434	\$128
Environmental Scientist	434	\$191
Equipment Materiel Specialist	409	\$250
Foundation Driller	33	\$163
Information Technology Associate	13	\$399
Legal Secretary	141	\$210
Materials And Research Engineering Associate (Specialist)	441	\$250
Materials And Research Engineering Associate (Specialist)	271	\$424
Materials And Research Engineering Associate (Specialist)	271	\$424
Mechanical Engineering Technician III	31	\$155
Senior Transportation Engineer, Caltrans	433	\$727

²⁶ For the purposes of CRU's review, only monthly pay differentials were selected for review at this time.

Classification	Pay Differential	Monthly Amount
Senior Transportation Engineer, Caltrans	433	\$260
Stationary Engineer	436	\$100
Stationary Engineer	436	\$623
Transportation Engineer (Civil)	433	\$298
Transportation Engineering Technician	271	\$424
Transportation Engineering Technician	271	\$636
Transportation Engineering Technician	253	\$1,800
Transportation Engineering Technician	271	\$241
Transportation Engineering Technician	271	\$424
Transportation Engineering Technician	271	\$241
Transportation Surveyor (Caltrans)	261	\$300
Transportation Surveyor Party Chief (Caltrans)	261	\$300
Transportation Surveyor Party Chief (Caltrans)	261	\$300
Tree Maintenance Supervisor, Caltrans	35	\$192
Tree Maintenance Worker, Caltrans	33	\$159
Utility Shops Supervisor	233	\$100
Warehouse Worker	409	\$208

SEVERITY: VERY SERIOUS	FINDING NO. 15 INCORRECT AUTHORIZATION OF PAY DIFFERENTIALS
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Summary: The CRU found 5 errors in the 50 pay differentials reviewed, as outlined below. This is the second consecutive time this has been a finding for the Caltrans.

Classification	Area	Description of Findings	Criteria
Caltrans Equipment Operator II	Commercial Driver's License Differential Class A or B	The employee's classification is not eligible to receive the five percent pay and was overcompensated.	Pay Differential 33
Caltrans Bridge Maintenance Supervisor	Commercial Driver's License Differential-Excluded	Department keyed the incorrect Earnings ID of 8DHL for \$192 instead of 8DLI for \$210. Employee was undercompensated.	Pay Differential 35
Materials and Research Engineering Associate (Specialist)	Transportation Engineering Technician Differential	The employee's classification is not eligible to receive the \$424 per pay period. Employee was overcompensated.	Pay Differential 271

Classification	Area	Description of Findings	Criteria
Materials and Research Engineering Associate (Specialist)	Transportation Engineering Technician Differential	The employee's classification is not eligible to receive the \$424 nor the \$241 per pay period. Employee was overcompensated.	Pay Differential 271
Transportation Engineer (Civil)	Longevity Pay-BU09- and Excluded employees	Employee was receiving pay of 3% Earnings ID 8LG3, however employee had over 20 years and should have been receiving 5.5% Earnings ID 8LG8. Employee was undercompensated	Pay Differential 433

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

Severity: Very Serious. The Caltrans 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: The Caltrans states that during the period of review, the Office of Transactions Services experienced a high turnover rate.

Corrective Action: Within 90 days of the date of this report, the Caltrans must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure conformity with Pay Differential 33, 35, 271 and 433 ensuring that employees are compensated correctly and that transactions are keyed accurately. Copies of relevant documentation demonstrating that the corrective

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

Out-of-Class Assignments and Pay

For excluded²⁷ 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 time period outlined in applicable law, policy or MOU expires. (Classification and Pay Guide Section 375.)

During the period under review, June 1, 2022, through November 30, 2022, the Caltrans issued OOC pay to 860 employees. The CRU reviewed 30 of these OOC assignments to ensure compliance with applicable MOU provisions, salary regulations, and CalHR policies and guidelines. These are listed below:

Classification	Collective Bargaining Identifier	Out-of-Class Classification	Time Frame
Associate Environmental Planner	R01	Senior Environmental Planner	09/01/22 - 10/07/22
Associate Environmental Planner (Architectural History)	R01	Senior Environmental Planner	10/17/22 - 02/10/23

²⁷ “Excluded employee” means an employee as defined in Government Code section 3527, subdivision (b) (Ralph C. Dills Act) except those excluded employees who are designated managerial pursuant to Government Code section 18801.1.

Classification	Collective Bargaining Identifier	Out-of-Class Classification	Time Frame
Associate Environmental Planner (Natural Sciences)	R01	Senior Environmental Planner	06/22/22 - 10/19/22
Associate Governmental Program Analyst	R01	Staff Services Manager I	08/24/22 - 09/06/22
Associate Governmental Program Analyst	R01	Staff Services Manager I	06/01/22 - 09/28/22
Associate Governmental Program Analyst	R01	Staff Services Manager I	09/19/22 - 01/16/23
Associate Right of Way Agent	R01	Senior Right of Way Agent	08/15/22 - 12/12/22
Caltrans Electrician II	R12	Caltrans Electrical Supervisor	08/01/22 - 11/28/22
Caltrans Heavy Equipment Mechanic	R12	Highway Mechanic Supervisor	07/11/22 - 08/11/22
Caltrans Highway Maintenance Lead worker	R12	Caltrans Maintenance Supervisor	07/11/22 - 08/31/22
Caltrans Highway Maintenance Lead worker	R12	Caltrans Maintenance Supervisor	04/11/22 - 12/05/22
Caltrans Highway Maintenance Lead worker	R12	Caltrans Maintenance Supervisor	07/11/22 - 08/22/22
Caltrans Maintenance Supervisor	S12	Caltrans Maintenance Area Superintendent	09/25/22 - 09/24/23
Environmental Scientist	R10	Senior Environmental Planner	04/25/22 - 8/22/22
Information Officer I (Specialist)	R01	Staff Services Manager I	11/07/22-11/29/22
Information Officer I (Specialist)	R01	Staff Services Manager I	09/12/22 - 01/09/23
Principal Transportation Engineer, Caltrans	M09	CEA B	02/14/22 - 08/12/22
Safety Specialist, Caltrans	R01	Staff Services Manager I	07/05/22 - 11/01/22
Senior Transportation Engineer, Caltrans	R09	Supervising Transportation Engineer, Caltrans	10/18/21 - 04/15/22

Classification	Collective Bargaining Identifier	Out-of-Class Classification	Time Frame
Senior Transportation Engineer, Caltrans	R09	Supervising Transportation Engineer, Caltrans	07/25/22 - 11/21/22
Staff Services Manager I	S01	Staff Services Manager III	08/01/22 - 02/06/23
Staff Services Manager III	M01	CEA B	04/01/22 - 11/18/22
Supervising Environmental Planner	M01	Principal Transportation Planner	08/20/21 - 08/19/22
Transportation Engineer (Civil)	R09	Senior Transportation Electrical Engineer (Supervisor)	08/09/22 - 12/01/22
Transportation Engineer (Civil)	R09	Senior Transportation Engineer, Caltrans	06/13/22 - 11/30/22
Transportation Engineer (Civil)	R09	Senior Transportation Engineer, Caltrans	02/28/22 - 02/27/23
Transportation Engineer (Electrical)	R09	Senior Transportation Electrical Engineer (Supervisor)	08/08/22 - 08/07/23
Transportation Engineer (Electrical)	R09	Senior Transportation Electrical Engineer (Supervisor)	11/16/22 - 12/10/22
Transportation Engineering Technician	R11	Transportation Engineer (Civil)	10/03/22 - 02/06/23
Transportation Surveyor (Caltrans)	R09	Senior Transportation Surveyor	06/13/22 - 06/09/23

SEVERITY: VERY SERIOUS	FINDING No. 16 INCORRECT AUTHORIZATION OF OUT-OF-CLASS PAY
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Summary: The CRU found 3 errors in the 30 OOC pay assignments reviewed:

Classification	Out-of-Class Classification	Description of Findings	Criteria
Information Officer I Specialist	Staff Services Manager I	Employee was overcompensated for one day of out-of-class pay.	Pay Differential 91
Associate Right of Way Agent	Senior Right of Way Agent	Employee was overcompensated for 14 days of out-of-class pay.	Pay Differential 91
Transportation Engineer (Civil)	Senior Transportation Engineer, Caltrans	Employee was undercompensated for 152 days of out-of-class pay.	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.

If a department head or designee requires an employee in writing to work in a higher classification for more than 15 consecutive calendar days, the employee shall receive a pay differential of 5% over his/her normal daily rate of the class to which he/she is appointed for that period in excess of 15 calendar days. If a department head or designee requires an employee in writing to work in a higher classification for 30 consecutive calendar days or more, the employee shall receive a pay differential of 5% over his/her normal daily rate of the class to which he/she is appointed from the first day of the assignment. If the assignment to a higher classification is not terminated before it exceeds 120 consecutive calendar days, the employee shall be entitled to receive the difference between his/her salary and the salary of the higher class at the same step the employee would receive if the employee were to be promoted to that class, for that period in excess of 120 consecutive calendar days. The 5% differential shall not be considered as part of the base pay

in computing the promotional step in the higher class. In accordance with the provisions of this subsection, no employee may be compensated for more than one (1) year of out-of-class work for any one assignment.

Severity: Very Serious. The Caltrans 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: The Caltrans states that during the review period, the Office of Transactions Services and Classification and Hiring experienced high turnover rates.

Corrective Action: Within 90 days of the date of this report, the Caltrans must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure conformity with California Code of Regulations, title 2, section 599.810 and Pay Differential 91 and 92. 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 to continue the employment status for an employee until the completion of an examination, for seasonal type work, while attending school, or for consulting services.

An employee is appointed TAU-ATW when he/she is not expected to work all the working days of a month. When counting 189 days, every day worked, including partial days²⁸ worked and paid absences²⁹, are counted. (Cal. Code Regs., tit. 2, § 265.1, subd. (b).)

²⁸ For example, two hours or ten hours count as one day.

²⁹ For example, vacation, sick leave, compensating time off, etc.

The hours worked in one day are not limited by this rule. (*Ibid.*) The 12-consecutive month timeframe begins by counting the first pay period worked as the first month of the 12-consecutive month timeframe. (*Ibid.*) The employee shall serve no longer than 189 days in a 12 consecutive month period. (*Ibid.*) A new 189-days working limit in a 12-consecutive month timeframe may begin in the month immediately following the month that marks the end of the previous 12-consecutive month timeframe. (*Ibid.*)

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

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

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

At the time of the review, the Caltrans had 328 positive paid employees whose hours were tracked. The CRU reviewed 40 of those positive paid appointments to ensure compliance with applicable laws, regulations, policies, and guidelines, which are listed below:

Classification	Tenure	Time Frame	Time Worked (Hours)
Associate Environmental Planner	Retired Annuitant	7/1/22-6/30/23	754.50
Associate Governmental Program Analyst	Retired Annuitant	7/1/22-6/30/23	941.50
Associate Governmental Program Analyst	Retired Annuitant	7/1/22-6/30/23	930.50
Associate Telecommunications Engineer	Retired Annuitant	7/1/22-6/30/23	961
Associate Transportation Planner	Retired Annuitant	7/1/22-6/30/23	952.50
Caltrans Equipment Operator II	Retired Annuitant	7/1/22-6/30/23	971.50

Classification	Tenure	Time Frame	Time Worked (Hours)
Caltrans Highway Maintenance Lead worker	Retired Annuitant	7/1/22-6/30/23	968
Caltrans Landscape Specialist	Retired Annuitant	7/1/22-6/30/23	1097
Caltrans Maintenance Area Superintendent	Retired Annuitant	7/1/22-6/30/23	960
Caltrans Maintenance Supervisor	Retired Annuitant	7/1/22-6/30/23	910
Information Technology Specialist I	Retired Annuitant	7/1/22-6/30/23	1208
Information Technology Specialist I	Retired Annuitant	7/1/22-6/30/23	835
Information Technology Specialist II	Retired Annuitant	7/1/22-6/30/23	960
Information Technology Specialist III	Retired Annuitant	7/1/22-6/30/23	668.50
Senior Bridge Engineer	Retired Annuitant	7/1/22-6/30/23	959
Senior Bridge Engineer	Retired Annuitant	7/1/22-6/30/23	960
Senior Environmental Planner	Retired Annuitant	7/1/22-6/30/23	872.50
Senior Landscape Architecture	Retired Annuitant	7/1/22-6/30/23	745
Senior Telecommunications Engineer	Retired Annuitant	7/1/22-6/30/23	629
Senior Transportation Engineering/Supervisor	Retired Annuitant	7/1/22-6/30/23	633
Senior Transportation Engineer, Caltrans	Retired Annuitant	7/1/22-6/30/23	960
Senior Transportation Engineer, Caltrans	Retired Annuitant	7/1/22-6/30/23	936
Senior Transportation Engineer, Caltrans	Retired Annuitant	7/1/22-6/30/23	839.50
Staff Services Manager III	Retired Annuitant	7/1/22-6/30/23	958.75
Supervising Transportation Engineer, Caltrans	Retired Annuitant	7/1/22-6/30/23	960
Transportation Engineer, Caltrans (Civil)	Retired Annuitant	7/1/22-6/30/23	964
Transportation Engineer, Caltrans (Civil)	Retired Annuitant	7/1/22-6/30/23	749.50
Transportation Engineer, Caltrans (Civil)	Retired Annuitant	7/1/22-6/30/23	960
Transportation Engineer, Caltrans (Civil)	Retired Annuitant	7/1/22-6/30/23	960

Classification	Tenure	Time Frame	Time Worked (Hours)
Transportation Engineer, Caltrans (Civil)	Retired Annuitant	7/1/22-6/30/23	960
Transportation Engineer, Caltrans (Civil)	Retired Annuitant	7/1/22-6/30/23	960
Transportation Engineer Caltrans (Civil)	Retired Annuitant	7/1/22-6/30/23	960
Transportation Engineer Caltrans (Civil)	Retired Annuitant	7/1/22-6/30/23	960
Transportation Engineer Caltrans (Civil)	Retired Annuitant	7/1/22-6/30/23	958.50
Transportation Engineer Caltrans (Civil)	Retired Annuitant	7/1/22-6/30/23	749
Transportation Engineer Caltrans (Civil)	Retired Annuitant	7/1/22-6/30/23	960
Transportation Engineering, Technician	Retired Annuitant	7/1/22-6/30/23	725.50
Transportation Engineering, Technician	Retired Annuitant	7/1/22-6/30/23	960
Transportation Surveyor, Caltrans	Retired Annuitant	7/1/22-6/30/23	927
Transportation Surveyor, Caltrans	Retired Annuitant	7/1/22-6/30/23	915.50
Caltrans Highway Maintenance Lead worker	Retired Annuitant	7/1/22-6/30/23	960

SEVERITY: SERIOUS	FINDING NO. 17 POSITIVE PAID TEMPORARY EMPLOYEES' WORK EXCEEDED TIME LIMITATIONS
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Summary: The Caltrans did not consistently track and monitor five retired annuitant total hours worked, allowing employees to work over the 960-hour limitation in any fiscal year.

Specifically, the following employees exceeded the 960-hour limitation:

Classification	Tenure	Time Frame	Time Worked	Time Worked Over Limit ³⁰
Associate Telecommunications Engineer	Retired Annuitant	7/1/22-6/30/23	961 hours	1 hour
Caltrans Equipment Operator II	Retired Annuitant	7/1/22-6/30/23	971.5 hours	11.5 hours
Caltrans Landscape Specialist	Retired Annuitant	7/1/22-6/30/23	1097 hours	137 hours
Information Technology Specialist I	Retired Annuitant	7/1/22-6/30/23	1208 hours	248 hours
Transportation Engineer, Caltrans (Civil)	Retired Annuitant	7/1/22-6/30/23	964 hours	4 hours

Criteria: According to Government Code Section 21224, retired annuitant appointments shall not exceed a maximum of 960 hours in any fiscal year (July-June) for all state employers without reinstatement or loss or interruption of benefits.

Severity: Existing law allows a person retired from state service to be rehired by the State as a retired annuitant. However, retired annuitants shall not work more than 960 hours each fiscal year without reinstatement, loss, or interruption of benefits for all state employers.

Cause: The Caltrans states that its high turnover rates during the review period led to miscommunications and errors in the transfer of knowledge to new staff about the processes related to monitoring retired annuitants.

Corrective Action: Within 90 days of the date of this report, the Caltrans must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure conformity with Government Code section 21224, and California Code of Regulations, title 2, section 599.665, and/or applicable Bargaining Unit agreement(s). Copies of relevant documentation demonstrating

³⁰Executive Order N-25-20, signed by Governor Newsom on March 12, 2020, suspended work hour limitations on retired annuitants' hours due to the Covid-19 emergency. This expired on March 31, 2022. Appointing authorities whose employees exceeded the established work hour limitations were required to notify CalHR of such. If a positive paid employee's hours exceeded limitations, and there was no notification to CalHR, then that would result in a finding.

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

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, April 1, 2022, through March 31, 2023, the Caltrans authorized 25,731 ATO transactions. The CRU reviewed 45 of these ATO transactions to ensure compliance with applicable laws, regulations, and CalHR policy and guidelines, which are listed below:

Classification	Time Frame	Amount of Time on ATO
Caltrans Electrical Area Superintendent	6/2/22-6/10/22	56 hours
Caltrans Electrical Supervisor	3/10/23; 3/14/23	16 hours
Caltrans Electrician I	8/30-31; 9/1;9/6/23	36 hours
Caltrans Highway Maintenance Worker	3/9/23	4.5 hours
Engineering Geologist	12/20/22; 3/14/23	10.5 hours
Office Technician	11/7-11/8/22	16 hours
Personnel Specialist	8/23-8/26/22	37.5 hours
Research Data Analyst II	12/20/22; 12/22/22	16 hours
Service Assistant, Maintenance, Caltrans	1/10/23; 3/9/23	12 hours
Staff Services Analyst	11/21-23; 11/28/22	32 hours
Staff Services Analyst	12/1-12/7/22	40 hours
Transportation Engineer, Caltrans (Civil)	8/18/22	2.5 hours
Transportation Engineer, Caltrans (Civil)	12/21-12/29/22	48 hours
Transportation Engineer, Caltrans (Civil)	1/9-1/10/23	8 hours

SEVERITY: SERIOUS	FINDING NO. 18 ADMINISTRATIVE TIME OFF WAS NOT PROPERLY DOCUMENTED
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Summary: The Caltrans did not grant ATO in conformity with the established policies and procedures. Of the 45 ATO authorizations reviewed by the CRU, 14 were found to be out of compliance for failing to document justification for ATO. This is the second consecutive time this has been a finding for the Caltrans.

Criteria: Appointing authorities are authorized to approve ATO for up to five (5) working days. (Gov. Code, § 19991.10.) Furthermore, they “have delegated authority to approve up to 30 calendar days.” (Human Resources Manual Section 2121.) Any ATO in excess of 30 calendar days must be approved in advance by the CalHR. (*Ibid.*) In most cases, if approved, the extension will be for an additional 30 calendar days. (*Ibid.*) The appointing authority is responsible for submitting ATO extension requests to CalHR at least 5 working days prior to the expiration date of the approved leave. (*Ibid.*)

When requesting an ATO extension, the appointing authority must provide a justification establishing good cause for maintaining the employee on ATO for the additional period of time. (*Ibid.*) ATO may not be used and will not be granted for an indefinite period. (*Ibid.*) If CalHR denies a request to extend ATO, or the appointing authority fails to request approval from CalHR to extend the ATO, the employee must be returned to work in some capacity. (*Ibid.*)

Regardless of the length of ATO, appointing authorities must maintain thorough documentation demonstrating the justification for the ATO, the length of the ATO, and the approval of the ATO. (*Ibid.*)

Severity: Serious. Because an employee on ATO is being paid while not working, a failure to closely monitor ATO usage could result in costly abuse. The use of ATO is subject to audit and review by CalHR and other control agencies to ensure policy compliance. Findings of non-compliance may result in the revocation of delegated privileges.

Cause: The Caltrans states that the electronic tracking and time reporting system lacked proper functionality to ensure only approved ATO time off was submitted so that employees could not erroneously post ATO. .

Corrective Action: Within 90 days of the date of this report, the Caltrans must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure conformity with Government Code section 19991.10 and Human Resources Manual Section 2121. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

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, January 1, 2023, through March 31, 2023, the Caltrans reported 177 units comprised of 21,215.7 active employees. The pay periods and timesheets reviewed by the CRU are summarized below:

Timesheet Leave Period	Unit Reviewed	No. of Employees	No. of Timesheets Reviewed	No. of Missing Timesheets
January 2023	701-002	54	59	0
February 2023	907-003	116	82	0
March 2023	932-030	36	39	0

SEVERITY: SERIOUS	FINDING NO. 19 DEPARTMENT DID NOT CERTIFY THAT ALL LEAVE RECORDS WERE REVIEWED
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Summary: The Caltrans failed to certify that all leave records have been reviewed and corrected if necessary for three out of the three units and pay periods reviewed.

Criteria: Each appointing power shall 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 an audit process to verify all leave input is keyed accurately and timely. (Human Resources Manual Section 2101.) Departments shall identify and record all errors found and shall certify that all leave records for the unit/pay period identified have been reviewed and all leave errors identified have been corrected. (*Ibid.*) Attendance records shall be corrected by the pay period following the pay period in which the error occurred. (*Ibid.*)

Severity: Serious. Departments must document that they reviewed all leave inputted into their leave accounting system to ensure accuracy and timeliness. Failure to audit leave could put the department at risk of incurring additional costs from the initiation of collection efforts from overpayments, and the risk of liability related to recovering inappropriately credited leave hours and funds.

Cause: The Caltrans states that, during the compliance review period, it experienced a high turnover rate which in turn led to staffing instability, difficulty with knowledge and skill transfer, and oversight. The Caltrans will continue to train and educate on the processes in place in regard to leave records.

Corrective Action: Within 90 days of the date of this report, Caltrans must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure that their monthly internal audit process is documented and that all leave input is keyed accurately and timely. (If applicable, the Caltrans must incorporate completion of Leave Activity and Correction Certification forms for all leave records even when errors are not identified or corrected.) Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

SEVERITY: SERIOUS	FINDING NO. 20 DEPARTMENT HAS NOT IMPLEMENTED A MONTHLY INTERNAL AUDIT PROCESS TO VERIFY ALL LEAVE INPUT IS KEYED ACCURATELY AND TIMELY
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Summary: The Caltrans failed to implement a monthly internal audit process to verify all timesheets were keyed accurately and timely and to certify that all leave records have been reviewed and corrected if necessary.

Criteria: Each appointing power shall 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 an audit process to verify all leave input is keyed accurately and timely. (Human Resources Manual Section 2101.) Departments shall identify and record all errors found and shall certify that all leave records for the unit/pay period identified have been reviewed and all leave errors identified have been corrected. (*Ibid.*) Attendance records shall be corrected by the pay period following the pay period in which the error occurred. (*Ibid.*)

Severity: Serious. Departments must document that they reviewed all leave inputted into their leave accounting system to ensure accuracy and timeliness. Failure to audit leave could put the department at risk of incurring additional costs from the initiation of collection efforts from overpayments, and the risk of liability related to recovering inappropriately credited leave hours and funds.

Cause: The Caltrans states that it has a monthly internal audit process in place to verify all leave input is keyed accurately and timely. However, due to staffing instabilities the division has been facing, proper training and knowledge transfer has been a challenge.

Corrective Action: Within 90 days of the date of this report, the Caltrans must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure that their monthly internal audit process was 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 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.³¹ (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 employees³² 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, December 1, 2022, through May 31, 2023, the Caltrans had 308 employees with qualifying and non-qualifying pay period transactions. The CRU

³¹ Government Code sections 19143, 19849.9, 19856.1, 19858.1, 19859, 19861, 19863.1, and 19997.4 and California Code of Regulations, title 2, sections 599.609, 599.682, 599.683, 599.685, 599.687, 599.737, 599.738, 599.739, 599.740, 599.746, 599.747, 599.776.1, 599.787, 599.791, 599.840 and 599.843 provide further clarification for calculating state time.

³² As identified in Government Code sections 19858.3, subdivisions (a), (b), or (c), or as it applies to employees excluded from the definition of state employee under Government Code section 3513, subdivision (c), or California Code of Regulations, title 2, section 599.752, subdivision (a), and appointees of the Governor as designated by the Department and not subject to section 599.752.1.

reviewed 50 transactions to ensure compliance with applicable laws, regulations and CalHR policy and guidelines, which are listed below:

Type of Transaction	Time base	No. Reviewed
Associate Governmental Program Analyst	Full Time	7
Caltrans Equipment Operator II	Full Time	12
Caltrans Heavy Equipment Operator	Full Time	1
Caltrans Highway Maintenance Worker	Full Time	6
Caltrans Landscape Maintenance Worker	Full Time	4
Junior Engineering Technician	Full Time	2
Personnel Specialist	Full Time	3
Service Assistant (Maintenance), Caltrans	Full Time	2
Staff Services Analyst	Full Time	2
Staff Services Manager I	Full Time	1
Tree Maintenance Worker, Caltrans	Full Time	2
Transportation Engineer (Civil)	Full Time	4
Transportation Engineering Technician	Full Time	4

SEVERITY: VERY SERIOUS	FINDING NO. 21 INCORRECT APPLICATION OF STATE SERVICE AND LEAVE TRANSACTIONS
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Summary: The CRU found the following errors in the Caltrans state service transactions:

Type of Transaction	Time base	State Service Incorrectly Posted	Leave Accruals Incorrectly Posted
Non-Qualifying Pay Period	Full Time	1	1
Qualifying Pay Period	Full Time	5	5

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

Hourly or daily rate employees working in a state agency in which the full-time workweek is 40 hours who earn the equivalent of 160 hours of service in a monthly pay period or accumulated pay periods shall be considered to have a complete month, a month of service, or continuous service. (Cal. Code Regs., tit.2, § 599.609.) When an employee has a break in service or changes to full-time, any combination of time worked which does not equal one qualifying month of full-time service shall not be accumulated or counted. (*Ibid.*)

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

Cause: The Caltrans states that its Division of Human Resources has faced staffing instability at various levels on the Transactions team, a problem which was exacerbated during the Covid-19 pandemic. This led to deficiencies in experience and knowledge for Personnel Specialists.

Corrective Action: Within 90 days of the date of this report, the Caltrans must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure state service transactions are keyed accurately. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

Policy and Processes

Nepotism

It is the policy of the State of California to hire, transfer, and promote all employees on the basis of merit and fitness in accordance with civil service statutes, rules, and regulations. Nepotism is expressly prohibited in the state workplace because it is antithetical to California's merit based civil service. (Cal. Code Regs., tit. 2, § 87.) (*Ibid.*) All appointing powers shall adopt an anti-nepotism policy that includes the following components: (1) a statement that the appointing power is committed to merit-based hiring and that nepotism is antithetical to a merit-based civil service system; (2) a definition of

“nepotism” as an employee’s use of influence or power to hire, transfer, or promote an applicant or employee because of a personal relationship; (3) a definition of “personal relationship” as persons related by blood, adoption, current or former marriage, domestic partnership or cohabitation; (4) a statement that prohibits participation in the selection of an applicant for employment by anyone who has a personal relationship with the applicant, as defined in section 83.6; (5) a statement that prohibits the direct or first-line supervision of an employee with whom the supervisor has a personal relationship, as defined in section 83.6; (6) a process for addressing issues of direct supervision when personal relationships between employees exist. (*Ibid.*)

IN COMPLIANCE	FINDING NO. 22 NEPOTISM POLICY COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND/OR CALHR POLICIES AND GUIDELINES
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The CRU verified that the policy was disseminated to all staff and emphasized the Caltrans commitment to the state policy of hiring, transferring, and promoting employees on the basis of merit. Additionally, the Caltrans nepotism policy was comprised of specific and sufficient components intended to prevent favoritism, or bias, based on a personal relationship from unduly influencing employment decisions.

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 COMPLIANCE	FINDING NO. 23 WORKERS' COMPENSATION PROCESS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND/OR CALHR POLICIES AND GUIDELINES
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The CRU verified that the Caltrans 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 Caltrans 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 160 permanent Caltrans employees to ensure that the department was conducting performance appraisals on an annual basis in accordance with applicable laws, regulations, policies, and guidelines.

SEVERITY: SERIOUS	FINDING NO. 24 PERFORMANCE APPRAISALS WERE NOT PROVIDED TO ALL EMPLOYEES
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Summary: The Caltrans did not provide annual performance appraisals to 113 of 160 employees reviewed after the completion of the employee’s probationary period. This is the second consecutive time this has been a finding for the Caltrans.

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

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

Cause: The Caltrans states that the electronic tracking and time reporting system lacked proper functionality to provide reminders to ensure performance evaluations were completed on time.

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

DEPARTMENTAL RESPONSE

The Caltrans response is attached as Attachment 1.

SPB REPLY

Based upon the Caltrans written response, the Caltrans 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.

California Department of Transportation

DIVISION OF HUMAN RESOURCES
P.O. Box 168038 | SACRAMENTO, CA 95816
(916) 227-7800
www.dot.ca.gov



April 5, 2024

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

Dear Ms. Ambrose:

The California Department of Transportation (Caltrans) submits this letter in response to the State Personnel Board (SPB) Compliance Review Unit's (CRU) recent compliance review. As requested, Caltrans acknowledged the findings and provides the cause for each of the CRU's findings as follows.

FINDING NO. 3: PROBATIONARY EVALUATIONS WERE NOT PROVIDED FOR ALL APPOINTMENTS REVIEWED

CRU Summary:

The Caltrans did not provide 161 probationary reports of performance for 55 of the 125 appointments reviewed by the CRU, as reflected in the table below.

Caltrans Cause/Response:

The Division of Human Resources initiated a Change Request (CR) with our Information Technology division to try and update our Online Time Reporting System, Staff Central, to include alerts to supervisors/managers related to their staff's probationary reports. Unfortunately, it was determined that the CR could not be fulfilled, as the update to Staff Central would not be possible. While the Department is exploring other avenues to help automate our probationary report alert process, we are currently gathering monthly reports to send to our various Districts and programs to monitor and alert supervisors/managers when they have staff with probationary reports due. Additionally, there has been some delays with the filing of documents into employee's Official Personnel File (OPF) due to staffing instability, so it is possible some reports had not yet been filed in time to be gathered during the audit process. The Department is reviewing processes and procedures to see how we can address these issues to ensure our employees receive probationary reports.

FINDING NO. 4: APPOINTMENT DOCUMENTATION WAS NOT KEPT FOR THE APPROPRIATE AMOUNT OF TIME

CRU Summary:

Of the 125 appointments reviewed, the Caltrans did not retain 67 NOPAs.

Caltrans Cause/Response:

Caltrans continues to strive to follow our retention policy for all documents. There have been some delays with the filing of documents into employee's Official Personnel File (OPF) due to staffing instability, so it is possible some NOPAs had not yet been filed in time to be gathered during the audit process. Caltrans will utilize Mobius View for all NOPAs for retention in employee personnel folders. Caltrans will update internal processes to ensure compliance in document retention. All NOPAs will be filed directly in the OPF, with a copy mailed to the employee. NOPAs with original signature, if required, will replace the unsigned copy once received from the employee. Staff will be reminded of our policy to ensure all documents are retained for the correct period and training will be provided.

FINDING NO. 5: UNLAWFUL APPOINTMENT BY WAY OF TRANSFER

CRU Summary:

The CRU found one unlawful appointment during the course of its regular review. The Caltrans made one appointment utilizing a limited-term certification list, hiring the candidate as a limited-term Staff Services Manager I (SSM I), and subsequently transferred the employee improperly into the permanent full-time position

Caltrans Cause/Response:

The candidate was appointed as limited term and then subsequently allowed to transfer to a permanent position in the same classification, erroneously. The cause of the unlawful appointment was an oversight on the part of the Division of Human Resources, Classification and Hiring (C&H), when eligibility was being determined for the selected candidate to transition them from limited term to permanent. The Department will follow CalHR's established unlawful appointment process to determine if an unlawful appointment was made and report this accordingly. The COVID-19 pandemic, unfortunately, had an impact on business operations for the division, which includes high-turnover rates with the inability to retain staff and provide accurate training and knowledge transfer. This has led to a lack of knowledge/skill-set in some areas related to classification and compensation. The division is reviewing processes, procedures and training materials to address this oversight.

FINDING NO. 8: ETHICS TRAINING WAS NOT PROVIDED FOR ALL FILERS

CRU Summary:

The Caltrans did not provide ethics training to 7 of 2,273 existing filers. In addition, the Caltrans did not provide ethics training to 12 of 292 new filers within 6 months of their appointment.

Caltrans Cause/Response:

The Ethics Training is an online course completed through the Attorney General's Office website. Caltrans utilizes an electronic modality to track our Form 700/Ethics Training called eDisclosure Docs, which has drastically improved our department's ability to track and notify eligible employees about the requirements surrounding Form 700/Ethics training. Employees are sent both an initial email notification, as well as reminder email notifications of the required Ethics training when it is due. For employees who are newly appointed to a designated filing position, the employee is given an initial appointment email notification when their position and job information is entered in to the eDisclosure database. Due to the training being "employee

driven" where employees are notified and held accountable for their training requirements, some employees missed the deadline of completing trainings by specific time periods. Caltrans has identified Form 700 Coordinators in each District or Division to assist with tracking compliance.

Caltrans currently provides initial emails to employees with instructions and link to the Attorney General's Office to take the course. The notifications that are sent via eDisclosure are:

- 1st Notice - Initial Appointment
- 2nd Notice - 10 days prior to the due date
- 3rd Notice - Employee receives a non-filing notice 1 day after being late
- 4th Notice - 2nd reminder is sent after 30 days late

Caltrans has added a permanent resource to our Conflict of Interest/Form 700 unit, which will allow us to have increased monitoring of employee compliance related to Ethics Training requirements.

FINDING NO. 9: SUPERVISORY TRAINING WAS NOT PROVIDED FOR ALL SUPERVISORS, MANAGERS, AND CEAS

CRU Summary:

The Caltrans did not provide basic supervisory training to 14 of 407 new supervisors within 12 months of appointment; did not provide manager training to 69 of 96 new managers within 12 months of appointment; and did not provide CEA training to 14 of 15 new CEAs within 12 months of appointment.

Caltrans Cause/Response:

Caltrans acknowledges the SPB Audit 2024 findings, indicating our failure to meet the statutory training requirements for new supervisors, managers, and Career Executive Assignments (CEAs) as mandated by Government Code, Section 19995.4. We take this matter seriously and are committed to ensuring that all our leaders receive the necessary training to fulfill their roles effectively.

Several factors contributed to this oversight, which we outline below:

1. **Organizational Change:** In late 2019, our Learning and Development Office was restructured and placed under a new chain of command within the Division of Human Resources. This transition to a team unfamiliar with the training program's specifics impacted the continuity of our training initiatives.
2. **Knowledge Transfer Challenges:** The retirement of two out of three senior leaders overseeing the Learning and Development Office within six months in 2020 and the departure of the remaining leader due to personal reasons significantly impacted our capacity to manage and deliver training programs effectively.

3. **Staffing Instability:** Our reliance on limited-term Staff Services Manager I, Specialist (SSMIs) for delivering mandated Supervisor Development Training led to high vacancy rates, as these positions experienced turnover due to individuals leaving for permanent roles or promotions.
4. **Pandemic-Related Disruptions:** The COVID-19 pandemic exacerbated attrition rates and employee movement, creating unprecedented challenges in maintaining our training schedules. The pandemic's impact on the labor market, including increased retirements and job-switching behaviors, further strained our resources to meet demands.
5. **System Upgrade Impacts:** From 2019 to 2021, the upgrade of our Oracle Peoplesoft Human Capital Management system, necessitated by security concerns, disrupted our ability to administer and track training through our Learning Management System (LMS). This upgrade process occasionally resulted in periods where training upload capabilities were compromised.

FINDING NO. 10: SEXUAL HARASSMENT PREVENTION TRAINING WAS NOT PROVIDED FOR ALL EMPLOYEES

CRU Summary:

The Caltrans did not provide sexual harassment prevention training to 72 of 572 new supervisors within 6 months of their appointment. In addition, the Caltrans did not provide sexual harassment prevention training to 137 of 3130 existing supervisors every 2 years.

Caltrans Cause/Response:

During the period reviewed, Caltrans was transitioning from in-person Sexual Harassment Prevention Training (SHPT) to online training using the Civil Rights Department's (CRD) SHPT modules, hosted within Caltrans Project Delivery eLearning Center (PDeC). In-person training was severely impacted by Covid-19, resulting in low delivery of the in-person SHPT from July 1, 2021 – October 20, 2021. Caltrans launched the online versions of CRD's SHPT on October 20, 2021. Moving from in-person training to online training did result in a learning curve for session administrators, training coordinators, and students. Caltrans then engaged in the EntHR Statewide Initiative, which resulted in piloting a new Learning Management System (Blackboard) in early 2022. Caltrans' SHPT migrated from PDeC to Blackboard to support this statewide cross agency initiative. Moving to the new LMS environment resulted in another learning curve for session administrators, training coordinators, and students, while also requiring customization of the platform to support intuitive navigation and course completion. The EEO Division responsible for managing the training has implemented enhanced training and developed innovative processes to empower District and HQ EEO Managers and Liaisons to better understand, manage, and perform compliance for all staff as it relates to SHPT.

FINDING NO. 11: INCORRECT APPLICATIONS OF SALARY DETERMINATION LAWS, RULES, AND CALHR POLICIES AND GUIDELINES FOR APPOINTMENT

CRU Summary:

The CRU found 4 errors in the 50 salary determinations reviewed.

Caltrans Cause/Response:

Caltrans acknowledges the findings of the 2024 SPB Audit, in which the Department had 4 errors in salary determinations, where the Department did not comply with the requirements of the civil service pay scales and applicable salary laws, rules, and regulations. The Department has corrected three out of the four errors and will be reviewing the fourth to remedy. Caltrans will utilize the resources provided by the California Department of Human Resources (CalHR) and the State Controller's Office (SCO) training unit for calculating both range movement and salary determination. Due to high amounts of staffing instability and staff turnover, training and knowledge transfer has been a challenge for the division. The SCO recently re-introduced their Intro and Advance Salary Determination courses, and all appropriate Caltrans staff who have not taken the class, or taken it more than 2 years ago, will be enrolled starting next semester. Additionally, the Caltrans will be re-evaluating internal processes and procedures for the potential of creating or establishing a separate oversight/quality control team, where part of their role will be to train on, complete, and conduct salary determinations throughout the Department. The training worksheet provided by SCO was modified by Caltrans to include the required review and signature of the supervisor verifying accuracy and compliance. The Department, while evaluating internal roles and responsibilities, will continue to utilize the current sheet from SCO and steps for levels or review/approval necessary.

FINDING NO. 12: ALTERNATE RANGE MOVEMENTS DID NOT COMPLY WITH CIVIL SERVICE LAWS, RULES, AND CALHR POLICIES AND GUIDELINES

CRU Summary:

The CRU found 2 errors in the 50 alternate range movements reviewed.

Caltrans Cause/Response:

Caltrans utilizes the resources provided by CalHR and State Controller's Office (SCO) training for calculating both range movement and salary determination. The training worksheet provided by SCO was modified by Caltrans to include the required review and signature of the supervisor verifying accuracy and compliance. The identified errors were result of human error and oversight and have since been corrected. The Transactions team continues to provide training on this topic and ensure appropriate oversight to increase accuracy.

FINDING NO. 14: INCORRECT AUTHORIZATION OF BILINGUAL PAY

CRU Summary:

The CRU found 12 errors in the 20 bilingual pay authorizations reviewed.

Caltrans Cause/Response:

Caltrans acknowledges the errors related to the bilingual pay authorizations reviewed. Caltrans' Bilingual Pay program was split between two areas of Human Resources (HR), which led to inconsistencies with the auditing of the bilingual pay differential. The Caltrans Exams unit has conducted a Bilingual Pay Differential internal audit of all employees receiving the 8B EID, to ensure only the employees who qualify for the differential continue to receive it. Those that are no longer eligible had the earnings ID removed.

To ensure continued compliance of Pay Differential 14 and Government Code section 7296, the Caltrans Exams unit has taken on the entire responsibility of managing the bilingual program and have re-directed a resource to manage, track and ensure compliance. This includes ordering a monthly report of all employees with the 8B EID and verifying if the new employee has transferred to the department, or if a current employee has a new position number. Furthermore, with this information, Caltrans will research whether an employee continues to qualify for bilingual pay and correct any bilingual pay discrepancies as they occur, eliminating a possible accounts receivable for the employee.

To comply with CalHR's Human Resources Manual - 003 - Bilingual Services policy, the Caltrans Exams unit is requiring all bilingual pay employees to re-take and pass the bilingual fluency examination every five years, to meet the recertification requirement to continue to receive the bilingual pay differential. The Caltrans Exams unit is in process of administering the appropriate bilingual examinations.

FINDING NO. 15: INCORRECT AUTHORIZATION OF PAY DIFFERENTIALS

CRU Summary:

The CRU found 5 errors in the 50 pay differentials reviewed.

Caltrans Cause/Response:

The Department will ensure these errors are researched and resolved as expeditiously as possible. During the time period in which the Department was audited, the Office of Transactions Services experienced a high turnover rate. The team has continued to train new and existing team members on the numerous pay differentials that Caltrans staff are eligible for based on the many applicable Memorandums of Understanding (MOUs). Caltrans will be re-evaluating internal processes and procedures for the potential of creating or establishing a separate oversight/quality control team, where part of their role will be to train on, complete, and identify applicable pay differentials to be added or removed upon appointment the Department. The Department Forms are continually being reviewed and updated to provide staff with the appropriate tools and resources needed to ensure correct differentials are being processed and keyed accordingly. The Department, while evaluating internal roles and responsibilities, will continue to ensure appointment documents are reviewed by the appropriate supervisory levels for accuracy.

FINDING NO. 16: INCORRECT AUTHORIZATION OF OUT-OF-CLASS PAY

CRU Summary:

The CRU found 3 errors in the 30 OOC pay assignments reviewed.

Caltrans Cause/Response:

The Department will ensure these errors are researched and resolved as expeditiously as possible. During the time period in which the Department was audited, the Office of Transactions Services and Classification and Hiring both experienced a high turnover rate. The teams continue to train and educate on the application of OOC rules, laws, and regulations. Caltrans will be re-evaluating internal processes and procedures, which includes revision to the existing form utilized to make it more clear to identify the periods pertaining to

the approved OOC including the reflection of extensions granted and any other items which may be necessary typically included in formal OOC approval memorandums. Additionally, Caltrans will utilize the resources provided by the California Department of Human Resources (CalHR) and the State Controller's Office (SCO) for calculating out of class payments. Caltrans developed an OOC calculator based on CalHR's Pay Differentials to assist in determining the correct payments. The calculator ensures the applicable rules are applied based on the Collective Bargaining Identifier (CBID) entitlements and calculates the rate for partial and complete pay periods. Caltrans holds regularly scheduled training for both newly hired staff, within the first two months, and existing staff, yearly.

FINDING NO. 17: POSITIVE PAID TEMPORARY EMPLOYEES' WORK EXCEEDED TIME LIMITATIONS

CRU Summary:

The Caltrans did not consistently track and monitor five retired annuitant total hours worked, allowing employees to work over the 960-hour limitation in any fiscal year.

Caltrans Cause/Response:

Caltrans acknowledges the findings of the 2024 SPB Audit, in which 5 positive paid employees exceeded the allotted 960-hour work limitation within a fiscal year. During the time period in which the Department was audited, the Office of Transactions Services and Classification and Hiring experienced high turnover rates, which then led to miscommunications and errors in the transferring of knowledge to new staff about the processes related to monitoring retired annuitant hours. The team has implemented protocols to ensure the hours are appropriately monitored and programs notified on a regular cadence and continues to re-assess responsibilities including these of the programs/Districts in ensuring the positive pay employees stay within their allotted cap. Additionally, Caltrans has explored the potential to revise internal procedures, including policy, to assist with the monitoring of the 960 hour limitation.

FINDING NO. 18: ADMINISTRATIVE TIME OFF WAS NOT PROPERLY DOCUMENTED

CRU Summary:

The Caltrans did not grant ATO in conformity with the established policies and procedures. Of the 45 ATO authorizations reviewed by the CRU, 14 were found to be out of compliance for failing to document justification for ATO.

Caltrans Cause/Response:

Caltrans utilizes a PeopleSoft system, known as Staff Central, to track and report time/leave for our 22,000 employees. We implemented an interim solution in our Staff Central system to immediately aid in the effort to stop inappropriate use of Administrative Time Off (ATO). This solution required employees to indicate the reason for their ATO usage in the timesheet's comments section when they used the ATO time reporting code. This interim solution required us to rely on the supervisors/managers approving employee timesheets to verify that ATO usage was for an appropriate and approved reason. The Caltrans Division of Human Resources (DHR) submitted a Change Request (CR) to our IT - Application Development and Support Division (ADSD) requesting that they add a drop-down box in the comments field that would ONLY allow an employee to submit their timesheet when they check-marked one of the approved ATO

items. This program update would be able to help ensure only approved ATO time off was submitted so that employees could not erroneously post ATO.

This CR was in a queue of many other CR's for programming changes, however, when the pandemic came other system issues were being addressed and CR's were placed on hold. Once we were able to get through those issues, we were then required to do a PeopleSoft System Upgrade, as our Staff Central system was nearing its end-of-life phase where it would no longer be able to be supported. This upgrade required us to again place a hold on all pending CR's until the IT team could complete the PeopleSoft System upgrade. The PeopleSoft System upgrade took almost two years and caused a tremendous amount of system issues during that time. These factors, unfortunately, continued to delay the implementation of our CR. During this time, DHR has continued to communicate with all of our employees, supervisors and managers in real time by sending out Personnel Information Bulletins (PIBS) and Managerial Information Bulletins (MIBS) to share when an Emergency was declared or notify them about any approved ATO incidents that may have happened and guided them on the rules to requesting and approving ATO.

Now that the PeopleSoft upgrade is complete, and although our IT-ADSD is still working on remaining bugs from this upgrade, we are hoping to finalize our system enhancement by the end of 2024. We are continuing in our efforts to ensure that employees, supervisors and managers know when ATO is appropriate/available by sending out PIBS and MIBS when appropriate to our employees. We will continue to train and advise our Supervisors and Managers about the importance of ensuring that ATO absences are for approved reasons only.

FINDING NO. 19: DEPARTMENT DID NOT CERTIFY THAT ALL LEAVE RECORDS WERE REVIEWED

CRU Summary:

The Caltrans failed to certify that all leave records have been reviewed and corrected if necessary for three out of the three units and pay periods reviewed.

Caltrans Cause/Response:

Caltrans acknowledges the findings from the 2024 SPB Audit. During the time period in which the Department was audited, the Office of Transactions Services experienced a high turnover rate at various levels, which has led to staffing instability and difficulty with knowledge transfer and oversight. The teams continue to train and educate on the processes we have in place to verify information related to this finding. Caltrans currently compares what has been recorded in the Leave Accounting System (LAS) as accrued/earned or used by each employee to their attendance record for the pay period by using the Leave Activity Balance (LAB) reports. Caltrans will continue to compare what has been recorded in the LAS as accrued/earned for each employee and compare it to their attendance record for the pay period, by notating what was used in the pay period to the LAB reports. Caltrans will correct any deficits in the LAS and notate any time used or time that was supplemented and make the corrections by using the certification form. The errors that were identified, were corrected by adjusting the excess leave and supplementing by using another leave type.

FINDING NO. 20: DEPARTMENT HAS NOT IMPLEMENTED A MONTHLY INTERNAL AUDIT PROCESS TO VERIFY ALL LEAVE INPUT IS KEYED ACCURATELY AND TIMELY

CRU Summary:

The Caltrans failed to implement a monthly internal audit process to verify all timesheets were keyed accurately and timely and to certify that all leave records have been reviewed and corrected if necessary.

Caltrans Cause/Response:

The Department has a monthly internal audit process used to verify all leave entered and approved in its internal leave accounting system (Staff Central) has interfaced correctly with the State Controller's Office leave accounting system (CLAS). The process is in place to capture late submission or changes to leave and/or attendance in Staff Central to ensure the employees' leave balances are updated and accurate in SCO's CLAS. The Department has instructions and a monthly processing calendar designed to assist staff on when the reports are available and steps that need to be taken to process corrections. Due to staffing instabilities the division has been facing, proper training and knowledge transfer has been a challenge. The Department will ensure that staff are trained, including providing refresher classes, and reminders to complete the process on a timely basis and use the tools available to assist them with this task.

FINDING NO. 21: INCORRECT APPLICATION OF STATE SERVICE AND LEAVE TRANSACTIONS

CRU Summary:

The CRU found the following errors in the Caltrans state service transactions:

Type of Transaction	Time Base	State Service Incorrectly Posted	Leave Accruals Incorrectly Posted
Non-Qualifying Pay Period	Full Time	1	1
Qualifying Pay Period	Full Time	5	5

Caltrans Cause/Response:

Caltrans uses SCO's Decentralized Calendar that provides the dates to work on CLAS error messages and LAB reports, and its own internal reporting system (AAR - Attendance Action Report) to check and key in or void the 715 transactions or update the State Service and Leave transactions on LAS correctly. Caltrans' Division of Human Resources has faced staffing instability at various levels on our Transactions team, a problem which was exacerbated during the Covid-19 pandemic. This has led to deficiencies in experience and knowledge for our Personnel Specialists, which we are working on correcting to provide more training and oversight overall. Caltrans conducts All Staff LAB/LAS trainings in order to keep the staff updated with the process. Prior to Master Cut-Off every month, Personnel Specialists send an email to remind the supervisors to provide the AWOL/AWOP hours timely for their staff, to key the qualifying and non-qualifying pay periods correctly. The errors that were identified were corrected by keying in or removing the correct State Service and Leave balance for the qualifying and non-qualifying pay periods.

FINDING NO. 24: PERFORMANCE APPRAISALS WERE NOT PROVIDED TO ALL EMPLOYEES

CRU Summary:

The Caltrans did not provide annual performance appraisals to 113 of 160 employees reviewed after the completion of the employee's probationary period.

Caltrans Cause/Response:

As a part of Caltrans' Organizational Excellence Strategic Objective, we continue to strive to find a technology solution to ensure the completion of Annual Performance Review (APR) for all non-probationary employees. Prior to re-vamping our performance evaluations, our Automated time reporting system, Staff Central, which is a part of our PeopleSoft system had a reminder function that was sent to all Supervisors notifying them that they had a performance review due. The APR was designated to be due in the birth month of each employee and an e-mail notification was sent out to the Supervisor 90 days out, 60 days out, and finally 30 days out (which included the 2nd line Supervisor).

When we re-vamped our annual performance review forms and processes, this function was turned off. Once the new performance process was implemented, we submitted a Change Request (CR) for an enhancement to start this reminder notification again with the new process. This CR was in a queue of many other CR's for programming changes, however, when the pandemic came other system issues were being addressed and CR's were placed on hold. Once we were able to get through those issues, we were then required to do a PeopleSoft System Upgrade, as our Staff Central system was nearing its end-of-life phase where it would no longer be able to be supported. This upgrade required us to again place a hold on all pending CR's until the IT team could complete the PeopleSoft System upgrade. The PeopleSoft System upgrade took almost two years and caused a tremendous amount of system issues during that time. These factors, unfortunately, continued to delay the implementation of our CR.

Now that the PeopleSoft upgrade is complete, and although our IT-Application Development & Support Division is still working on remaining bugs from this upgrade, we are hoping to finalize our system enhancement by the end of 2024. Caltrans continues to advise and provide statewide training to our supervisors and managers during this time regarding timely completion of performance reviews.

We appreciate the opportunity to provide a response to the compliance report. If you have any questions or require further information, please contact me via email at Ashley.McGuckin@dot.ca.gov or Ashley Courtney, Chief of Staff, Human Resources at Ashley.Courtney@dot.ca.gov.

Sincerely,

Ashley McGuckin

Ashley McGuckin
Division Chief, Human Resources