

Title 2. Administration
Division 1. Administrative Personnel
Chapter 3. Department of Human Resources
Subchapter 1. General Civil Service Rules
Multiple Articles

CalHR INITIAL STATEMENT OF REASONS

I. PROBLEM STATEMENT

The California Department of Human Resources (CalHR) requests approval to amend multiple California Code of Regulations (CCRs) to successfully implement Government Code (GC) section 19824, “Unless otherwise provided by law, the salaries of state officers and employees shall be paid out of the General Fund, or other recognized State Funds from which a respective employee’s position is funded, on a uniform payroll cycle established by the department”. The amendments made to GC section 19824 support the California State Payroll System (CSPS) project, which will transform the State’s current unique “monthly” payroll cycle to a customary biweekly payroll cycle. Adjacent to the updates required for CSPS are revised or repealed sections to update or remove obsolete regulations.

II. BENEFITS

Benefits of these proposed revisions are to ensure that the identified CCRs provide governance to State payroll practices and are updated to reflect the future-state biweekly payroll frequency, while temporarily retaining the required framework for departments remaining on the monthly payroll schedule throughout the transition. Therefore, existing CCR language will remain throughout the transition period, while the proposed amendments will provide guidance to departments operating in the new CSPS platform. CalHR is proposing the following CCR changes to be transparent and provide clear directions and framework regarding the State’s payroll cycle and the obligations of the State as an employer. Additionally, this rulemaking package includes efforts to clean up outdated language and regulations, ensuring consistency, clarity, and alignment with both current and future payroll operations.

III. SPECIFIC PURPOSE AND NECESSITY OF EACH SECTION ADDED OR AMENDED BY THE PROPOSED RULEMAKING

The purpose of the proposed new regulation and associated revisions is to ensure that the identified CCRs which provide governance to State payroll practices are updated to reflect the future-state biweekly payroll frequency, while temporarily retaining the required framework for departments remaining on the monthly payroll schedule throughout the transition. Therefore, the existing CCR language will remain throughout the transition period, while the proposed amendments will provide guidance to departments operating in the new CSPS platform.

Additionally, updates to other CalHR regulations have been included to update outdated sections and/or make conforming update to current practice.

PROPOSED REGULATIONS:

Section 599.612. Uniform Payroll Cycle

Purpose: This section is added to define the State's current and future uniform payroll cycle referenced in GC 19824, and to identify which State agencies and departments fall under each specified uniform payroll cycle.

Necessity: It is imperative to establish uniform payroll cycle definitions for both monthly and biweekly payroll cycles as the CSPS project incrementally transitions departments to the new payroll system with biweekly payroll cycle, while others remain on the legacy payroll system with the existing monthly payroll cycle.

PROPOSED REGULATORY AMENDMENTS TO FACILITATE BIWEEKLY PAY

Section 599.607. Use of Month or Calendar Month

Purpose: This section defines the term "month" generally and specifically for referenced GCs and CCRs in relation to earning leave-related benefits. This section is being amended to specify the use of month in relation to both the current monthly payroll cycle (subsection a) as well as in relation to the future biweekly payroll cycle (subsection b).

Necessity: Amending this section is necessary to provide clear rules for concurrently administering state employee personnel functions and programs within both the existing monthly payroll cycle and the future biweekly payroll cycle in CSPS.

Section 599.608. Qualifying Monthly Pay Period

Purpose: This section defines the required working days and other requirements for earning a month of state service credit for full-time state employees. This section is being amended to specify state service credit calculations in relation to both the current monthly payroll cycle (subsection a) as well as in relation to the future biweekly payroll cycle (subsection b).

Necessity: Amending this section is necessary to provide clear rules for concurrently administering state employee personnel functions and programs within both the existing monthly payroll cycle and the future biweekly payroll cycle in CSPS.

Section 599.609. Qualifying Monthly Pay Period for Hourly and Daily Rate Employees

Purpose: This section defines the required working days and other requirements for earning a month of state service credit for hourly or daily rate state employees. This section is being amended to specify service credit calculations in relation to both the current monthly payroll cycle (subsection a) as well as in relation to the future biweekly payroll cycle (subsection b).

Necessity: Amending this section is necessary to provide clear rules for concurrently administering state employee personnel functions and programs within both the existing monthly payroll cycle and the future biweekly payroll cycle in CSPS.

Section 599.643. Dormitory Accommodations - Valuation of Employee Housing and Services

Purpose: This section defines the use of dormitory housing and rates that are assessed. This section is being amended to replace the reference of “pay period” in (subsection c, 3) to reflect “month” to facilitate usage across multiple pay period durations.

Necessity: Amending this section is necessary to provide clear rules for concurrently administering state employee personnel functions and programs within both the existing monthly payroll cycle and the future biweekly payroll cycle in CSPS.

Section 599.666. The Pay Plan

Purpose: This section defines various terms related to compensation as used in the pay plan for state civil service. This section is being amended to improve the clarity of term definitions as used in current practice in alignment with section 599.661.1, and to specify differences between monthly paid employees and biweekly paid employees.

Necessity: Amending this section is necessary to provide clarity around the definition of “step,” “rate,” and “range differential” as well as providing clear definitions for use in administering state employee personnel functions and programs within both the existing monthly payroll cycle and the future biweekly payroll cycle in CSPS.

Section 599.666.1. The Pay Plan – Non-represented Employees

Purpose: This section defines various terms related to compensation as used in the pay plan for state non-represented employees. This section is being amended to add “biweekly” pay as a compensation pattern for non-represented employees.

Necessity: Amending this section is necessary to provide clear rules for concurrently administering state employee personnel functions and programs within both the existing monthly payroll cycle and the future biweekly payroll cycle in CSPS.

Section 599.667. The 10-12 Pay Plan and 10-26 Pay Plan

Purpose: This section defines the pay parameters for “10-month employees” who elect to be paid on an annual salary basis. This section is being amended to specify pay procedures in relation to both the current monthly payroll cycle “10-12” (subsection a) as well as in relation to the future biweekly payroll cycle “10-26” (subsection b). Specific agency names are being removed to clarify that this section applies to all “10-month employee” civil service positions that require teacher certification qualifications and perform teaching duties. References to repealed sections are also being removed.

Necessity: Amending this section is necessary to provide clear rules for concurrently administering state employee personnel functions and programs within both the existing monthly payroll cycle and the future biweekly payroll cycle in CSPS.

Section 599.669. Full-Time and Less than Full-Time Rates

Purpose: This section defines full-time and less than full time pay rates and use thereof. This section is being amended to specify full-time and less than full-time pay rates in relation to both the current monthly payroll cycle (subsection a) as well as in relation to the future biweekly payroll cycle (subsection b). This amendment also abolishes (subsection d)

to align to current practice. Subsection d allowed for compensation above established pay rates to compensate employees for external private practice overhead expenses.

Necessity: Amending this section is necessary to provide clear rules for concurrently administering state employee personnel functions and programs within both the existing monthly payroll cycle and the future biweekly payroll cycle in CSPS.

Section 599.670. Conversion of Rates

Purpose: This section defines the conversion of various rates of pay from one to the other. This section is being amended to specify conversion of rates in relation to both the current monthly payroll cycle (subsection a) as well as in relation to the future biweekly payroll cycle (subsection b). This change also removes references to outdated and unused conversion rates.

Necessity: Amending this section is necessary to provide clear rules for concurrently administering state employee personnel functions and programs within both the existing monthly payroll cycle and the future biweekly payroll cycle in CSPS.

Section 599.682. Qualifying Service for Merit and Special in-Grade Salary Adjustment

Purpose: This section defines when qualifying service credit shall be counted for the purpose of granting Merit and Special in-Grade salary increases. This section is being amended to include reference to “calendar month” as established in 599.608(b) for use with a biweekly payroll cycle.

Necessity: Amending this section is necessary to provide clear rules for concurrently administering state employee personnel functions and programs within both the existing monthly payroll cycle and the future biweekly payroll cycle in CSPS.

Section 599.683. Merit Salary Adjustment

Purpose: This section defines the criteria and procedure for awarding a merit salary adjustment to an employee. This section is being amended to specify the merit salary adjustment effective date in relation to both the current monthly payroll cycle and the future biweekly payroll cycle. This update also removes “step” from the “maximum” definition as the two are mutually exclusive.

Necessity: Amending this section is necessary to provide clear rules for concurrently administering state employee personnel functions and programs within both the existing monthly payroll cycle and the future biweekly payroll cycle in CSPS.

Section 599.685. Special In-Grade Salary Adjustment

Purpose: This section defines the criteria and procedure for awarding a Special In-Grade Salary Adjustment. This section is being amended to specify the special in-grade salary adjustment effective date in relation to both the current monthly payroll cycle and the future biweekly payroll cycle. This update also removes “step” from the “maximum” definition as the two are mutually exclusive. This update also replaces “to the second step of the salary range” with “of one step” as Special In-Grade Salary Adjustments can be made to more than just the “second” step of a salary range.

Necessity: Amending this section is necessary to provide clear rules for concurrently administering state employee personnel functions and programs within both the existing monthly payroll cycle and the future biweekly payroll cycle in CSPS.

Section 599.687. Effects of Breaks in State Service on Merit and Special In-Grade Salary Adjustments

Purpose: This section defines the effects of breaks in service on merit and special in-grade salary increases. This section is being amended to specify the effects of breaks in service in relation to both the current monthly payroll cycle (subsection a) as well as in relation to the future biweekly payroll cycle (subsection b).

Necessity: Amending this section is necessary to provide clear rules for concurrently administering state employee personnel functions and programs within both the existing monthly payroll cycle and the future biweekly payroll cycle in CSPS.

Section 599.702. Authorization Required

Purpose: This section defines the requirement of gaining appointing authority prior approval for overtime, prior to issuing cash or compensating time off. This section is being amended to specify authorization direction in relation to both the current monthly payroll cycle which is done “in writing” (subsection a), as well as in relation to the future biweekly payroll cycle which will be done electronically via the California State Payroll System (subsection b).

Necessity: Amending this section is necessary to provide clear rules for concurrently administering state employee personnel functions and programs within both the existing monthly payroll cycle and the future biweekly payroll cycle in CSPS.

Section 599.705. Compensating Time Off

Purpose: This section defines rules for accrual and use of compensating time off by an employee. This section is being amended to remove references to obsolete Work Week Groups 1 and 4. The reference to Work Week Group 1 has been replaced with the current Work Week Group 2 name. This update also removes a condition that forced an employee to waive their right to compensation under specified circumstances. This update also clarifies that compensating time off can be earned on an hour for hour (straight time) in addition to time and one-half (premium time) basis. This update also replaces the reference to “pay period” with “calendar months” to facilitate usage across multiple pay period durations. This update removes “or 30 days of authorized overtime” since overtime is earned on a hourly basis and the accumulation limit applies only to worked overtime vs. simply authorized.

Necessity: Amending this section is necessary to update obsolete references used for administering state employee personnel functions and programs.

Section 599.705.1. Compensating Time Off - Excluded Employees

Purpose: This section allows for extending the period in which CTO may be granted for excluded employees. This section is amended to remove references to obsolete Work Week Groups 1, 4, and 4A. The references to Work Week Group 1, 4, and 4A have been replaced with the current Work Week Group 2 name. This update also clarifies that compensating time off can be earned on an hour for hour (straight time) in addition to time

and one-half (premium time) basis. This update also replaces the reference to “pay period” with “calendar months” to facilitate usage across multiple pay period durations.

Necessity: Amending this section is necessary to update obsolete references and provide clear rules for concurrently administering state employee personnel functions and programs within both the existing monthly payroll cycle and the future biweekly payroll cycle in CSPS.

Section 599.706. Cash Compensation

Purpose: This section defines the rate of cash compensation paid for overtime. This section is being amended to specify cash compensation paid for overtime in relation to both the current monthly payroll cycle (subsection a) as well as in relation to the future biweekly payroll cycle (subsection b). This update also replaces references to obsolete Work Week Groups 1, 4, 4A, 4B, and 4D, with the current designation of Work Week Group 2. This update also clarifies that overtime can be earned on an “hourly equivalent” (straight time) basis as well as a “time and one half” (premium) basis. This update also removes the word “compensable” when describing overtime to improve clarity as all overtime is compensable.

Necessity: Amending this section is necessary to update obsolete references and provide clear rules for concurrently administering state employee personnel functions and programs within both the existing monthly payroll cycle and the future biweekly payroll cycle in CSPS.

Section 599.737. Accumulation - Represented Employees

Purpose: This section defines the accumulation limits for unused vacation for represented employees and specific criteria where those accumulation limits may be exceeded. This section also defines how accumulated vacation shall be paid upon separation from state service. This section is being amended to specify vacation accumulation in relation to both the current monthly payroll cycle (subsection a) as well as in relation to the future biweekly payroll cycle (subsection b). This update also replaces the general stated maximum with the appropriate reference to the employee’s applicable Memorandum of Understanding.

Necessity: Amending this section is necessary to provide clear direction for accumulation maximums and rules for concurrently administering state employee personnel functions and programs within both the existing monthly payroll cycle and the future biweekly payroll cycle in CSPS.

Section 599.737.5. Voluntary Personal Leave Program - Excluded Employees

Purpose: This section defines the criteria for Voluntary Personal Leave Program (VPLP) for excluded employees. This section is being amended to specify the administration of the VPLP program in relation to both the current monthly payroll cycle (subsection a) as well as in relation to the future biweekly payroll cycle (subsection b). This update clarifies that the Department will set accumulation maximums for the program and eligibility criteria following removal from the program. This update also removes reference to individual agencies setting program conditions and procedures as those are set by CalHR. This update also replaces the excluded employee definition reference from GOV Code section 3527 to the more appropriate and consistent section 599.615(b).

Necessity: Amending this section is necessary to set reasonable guardrails for program participation, and to provide clear rules for concurrently administering state employee personnel functions and programs within both the existing monthly payroll cycle and the future biweekly payroll cycle in CSPS.

Section 599.738. Accumulation - Excluded Employees

Purpose: This section defines the accumulation limits for unused vacation for excluded employees and specific criteria where those accumulation limits may be exceeded. This section also defines how accumulated vacation shall be paid upon separation from state service. This section is being amended to specify vacation accumulation in relation to both the current monthly payroll cycle (subsection a) as well as in relation to the future biweekly payroll cycle (subsection b). This update also replaces the accumulation maximum of "80 vacation days" to the more specific limit of "640 hours" which is used in current practice.

Necessity: Amending this section is necessary to provide clear rules for concurrently administering state employee personnel functions and programs within both the existing monthly payroll cycle and the future biweekly payroll cycle in CSPS.

Section 599.739. Credit for Full-Time Employment (vacation)

Purpose: This section defines how credit for vacation with pay is earned for full-time employment for state civil service employees. This section is being amended to specify how credit for vacation with pay is earned in relation to both the current monthly payroll cycle (subsection a) as well as in relation to the future biweekly payroll cycle (subsection b).

Necessity: Amending this subdivision is necessary to provide clear rules for concurrently administering state employee personnel functions and programs within both the existing monthly payroll cycle and the future biweekly payroll cycle in CSPS.

Section 599.739.1. Credit for Full-Time Employment - Excluded Employees (vacation)

Purpose: This section defines how credit for vacation with pay is earned for full-time employment for excluded employees. This section is being amended to specify how credit for vacation with pay is earned in relation to both the current monthly payroll cycle (subsection a) as well as in relation to the future biweekly payroll cycle (subsection b).

Necessity: Amending this section is necessary to provide clear rules for concurrently administering state employee personnel functions and programs within both the existing monthly payroll cycle and the future biweekly payroll cycle in CSPS.

Section 599.740. Credit for Less Than Full-Time Employment

Purpose: This section defines how credit for vacation with pay is earned for the different types of less than full-time state civil service employees. This section is being amended to specify how credit for vacation with pay is earned in relation to both the current monthly payroll cycle (subsection a) as well as in relation to the future biweekly payroll cycle (subsection b).

Necessity: Amending this section is necessary to provide clear rules for concurrently administering state employee personnel functions and programs within both the existing monthly payroll cycle and the future biweekly payroll cycle in CSPS.

Section 599.746. Credit for Full-Time Employment

Purpose: This section defines how sick leave with pay is earned for full-time employees. This section is being amended to specify how sick leave with pay is earned in relation to both the current monthly payroll cycle (subsection a) as well as in relation to the future biweekly payroll cycle (subsection b).

Necessity: Amending this section is necessary to provide clear rules for concurrently administering state employee personnel functions and programs within both the existing monthly payroll cycle and the future biweekly payroll cycle in CSPS.

Section 599.747. Credit for Less Than Full-Time Employment

Purpose: This section defines how sick leave with pay is earned for the different types of less than full-time employees. This section is being amended to specify how sick leave with pay is earned for employees with less than full-time status in relation to both the current monthly payroll cycle (subsection a) as well as in relation to the future biweekly payroll cycle (subsection b).

Necessity: Amending this section is necessary to provide clear rules for concurrently administering state employee personnel functions and programs within both the existing monthly payroll cycle and the future biweekly payroll cycle in CSPS.

Section 599.752. Annual Leave Program

Purpose: This section defines the Annual Leave Program. This section covers the program's: eligibility criteria, conversion of vacation and sick leave, credit allowances, accumulation limits, accumulation exceptions, and how accumulated vacation shall be paid upon separation from state service. This section is being amended to define the Annual Leave Program in relation to both the current monthly payroll cycle (subsection a) as well as in relation to the future biweekly payroll cycle (subsection b). This update also replaces the accumulation maximum of "80 annual leave days" to the more specific limit of "640 annual leave hours" which is used in current practice.

Necessity: Amending this section is necessary to provide clear rules for concurrently administering state employee personnel functions and programs within both the existing monthly payroll cycle and the future biweekly payroll cycle in CSPS.

Section 599.752.1. Annual Paid Leave - Board, Commission and Panel Members

Purpose: This section defines the annual paid leave program options for nonelected members of state boards, commissions, and panel members whose annual salaries are fixed by law. This section is being amended to define the annual paid leave program options for board, commission, and panel members in relation to both the current monthly payroll cycle (subsection a) as well as in relation to the future biweekly payroll cycle (subsection b). In addition, this section is being updated to remove outdated board name references.

Necessity: Amending this section is necessary to provide clear rules for concurrently administering state employee personnel functions and programs within both the existing monthly payroll cycle and the future biweekly payroll cycle in CSPS.

Section 599.752.2. Absence Reports -- Board and Commission Members

Purpose: This section requires any employee accruing paid leave under section 599.752.1 to submit an attendance and absence report to document all applicable absences. This section requires appointing authorities to reduce the employee's pay when there are not sufficient leave credits to cover all of the absences recorded. This section is being amended to add language in (subsection a) that comparable timekeeping formats and platforms are acceptable for use, in addition to the Absence and Additional Time Worked Report (STD. Form 634).

Necessity: Amending this section is necessary to provide clear rules for concurrently administering state employee personnel functions and programs within both the existing monthly payroll cycle and the future biweekly payroll cycle in CSPS.

Section 599.752.3. Lump-Sum and Partial Salary Payments -- Board and Commission Members

Purpose: This section defines payment for accumulated unused vacation or annual leave when a board or commission member separates from service. This section is being amended to define payment in relation to both the current monthly payroll cycle (subsection a) as well as in relation to the future biweekly payroll cycle (subsection b). This update also removes the January 1, 1994 effective date reference as it is in the past and the section is now operative for all separating employees.

Necessity: Amending this section is necessary to provide clear rules for concurrently administering state employee personnel functions and programs within both the existing monthly payroll cycle and the future biweekly payroll cycle in CSPS.

Section 599.770. Eligibility

Purpose: This section defines eligibility requirements for the state's nonindustrial disability insurance benefits. This section is being amended to specify employee eligibility for nonindustrial disability insurance in relation to both the current monthly payroll cycle as well as in relation to the future biweekly payroll cycle.

Necessity: Amending this section is necessary to provide clear rules for concurrently administering state employee personnel functions and programs within both the existing monthly payroll cycle and the future biweekly payroll cycle in CSPS.

Section 599.772. Calculation of Benefit

Purpose: This section defines how to determine the salary rate for the duration of an employee's non-industrial disability benefit. This section is being amended to remove the specific reference to "monthly" when determining an employee's salary rate to facilitate usage across multiple pay period durations.

Necessity: Amending this section is necessary to provide clear rules for concurrently administering state employee personnel functions and programs within both the existing monthly payroll cycle and the future biweekly payroll cycle in CSPS.

Section 599.776.1. Nonindustrial Disability - Annual Leave - Excluded Employees

Purpose: This section defines the Nonindustrial Disability benefits and annual leave supplementation for excluded employees. This section is being amended to include the term “qualifying service month” in addition to “monthly pay period” to facilitate usage across multiple pay period durations.

Necessity: Amending this section is necessary to provide clear rules for concurrently administering state employee personnel functions and programs within both the existing monthly payroll cycle and the future biweekly payroll cycle in CSPS.

Section 599.785. Informal Leave of Absence (Dock)

Purpose: This section defines the criteria for granting an informal leave of absence without pay. This section is being amended to define informal leave of absence criteria in relation to both the current monthly payroll cycle (subsection a) as well as in relation to the future biweekly payroll cycle (subsection b).

Necessity: Amending this section is necessary to provide clear rules for concurrently administering state employee personnel functions and programs within both the existing monthly payroll cycle and the future biweekly payroll cycle in CSPS.

Section 599.786. 10-12 Leave and 10-26 Leave

Purpose: This section defines allowable leaves of absence for “10-month employees” as defined in section 599.667. This section is being amended to define allowable leaves of absence for 10-month employees in relation to both the current monthly payroll cycle (subsection a) as well as in relation to the future biweekly payroll cycle (subsection b). This update also removes the limitation of 75 calendar days or less for specified departments so that the standard “two month” structure based on two consecutive monthly pay periods or calendar months applies to all departments.

Necessity: Amending this section is necessary to provide clear rules for concurrently administering state employee personnel functions and programs within both the existing monthly payroll cycle and the future biweekly payroll cycle in CSPS.

Section 599.787. Paid Educational Leave - Accumulation and Retention

Purpose: This section defines educational leave with pay benefit for employees in classifications that require teaching certifications. This section is being amended to specify the educational leave with pay benefit in relation to both the current monthly payroll cycle (subsection a) as well as in relation to the future biweekly payroll cycle (subsection b). This update also updates the allowances of “15 days” and “one and one quarter day” to the more specific allowances of “120 hours” and “10 hours,” respectively, which is used in current practice.

Necessity: Amending this section is necessary to provide clear rules for concurrently administering state employee personnel functions and programs within both the existing monthly payroll cycle and the future biweekly payroll cycle in CSPS.

Section 599.840. Seniority Credit

Purpose: This section defines how seniority credits are granted. This section is being amended to refer to “qualifying service month” in addition to “qualifying pay period” to facilitate usage across multiple pay period durations.

Necessity: Amending this section is necessary to provide clear rules for concurrently administering state employee personnel functions and programs within both the existing monthly payroll cycle and the future biweekly payroll cycle in CSPS.

Section 599.937.4. Mandatory Personal Leave – Excluded Employees

Purpose: This section defines the Mandatory Personal Leave program for excluded employees. This section is being amended to eliminate or replace the term “month” with “pay period” to facilitate usage across multiple pay period durations. This update also moves language from subsection (g) up into subsection (c) to improve clarity.

Necessity: Amending this section is necessary to provide clear rules for concurrently administering state employee personnel functions and programs within both the existing monthly payroll cycle and the future biweekly payroll cycle in CSPS.

Section 599.997. Seniority Credits

Purpose: This section defines how seniority credits are granted for Career Executive Assignments (CEAs). This section is being amended to specify how seniority credits are granted for CEAs in relation to both the current monthly payroll cycle as well as in relation to the future biweekly payroll cycle.

Necessity: Amending this section is necessary to provide clear rules for concurrently administering state employee personnel functions and programs within both the existing monthly payroll cycle and the future biweekly payroll cycle in CSPS.

PROPOSED OTHER REGULATORY AMENDMENTS

Section 599.701. Work Week Group Definitions

Purpose: This section defines Work Week Groups for each class or position in state service. This section is being updated to remove references to obsolete Work Week Groups and to insert the correct references to current Work Week Groups 2, E, and SE. The term “biweekly” is also being added to the list of annual salary ranges.

Necessity: Amending this section is necessary to conform the regulation to current practice.

Section 599.703. Work Week Group 4 (Repealed)

Purpose: This section defines Work Week Group 4 subgroups of 4A, 4B, 4C, and 4D. This section is being repealed since these work week groups are obsolete and all Work Week Groups are now defined in 599.701.

Necessity: Repealing this section is necessary to remove obsolete rules for administering state employee personnel functions and programs.

Section 599.703.1. Salary Assurance -- Excluded Employees (Repealed)

Purpose: This section provided salary assurance for excluded employees Work Week Groups 4 subgroups 4C and 4D. This section is being repealed since these work week groups are obsolete.

Necessity: Repealing this section is necessary to remove obsolete rules for administering state employee personnel functions.

Section 599.704. Compensable Overtime

Purpose: This section defines how overtime is counted, accumulated, and compensated. This section is being amended to remove references to obsolete Work Week Groups 1, 4A, and 4B.

Necessity: Amending this section is necessary to remove obsolete rules for administering state employee personnel functions and programs.

Section 599.708. Call Back Time.

Purpose: This section defines the minimum time credited to employees when ordered back to work. This section is being amended to remove obsolete references to Work Week Group 1, 4A, 4B, and 4D and replace them with the current Work Week Group 2.

Necessity: Amending this section is necessary to update obsolete references used for administering state employee personnel functions and programs.

Section 599.791. Paid Educational Leave - Determining Eligibility for Current Employees Section (Repealed)

Purpose: This section defines educational leave credits for employees in classifications requiring teaching certifications on November 8, 1967. This section is being repealed, as the effective timeframe of this regulatory section is no longer applicable to current state employees.

Necessity: Repealing this section is necessary to provide clear and current rules for administering state employee personnel functions and programs.

Section 599.831. Supplemental Time Off (Repealed)

Purpose: This section defines the Supplemental Time Off (STO) program requirements for full-time civil service employees to request supplemental time off in exchange for a commensurate reduction in pay. This section is being repealed due to its overlaps and conflicts with the Voluntary Personal Leave Program (VPLP).

Necessity: Repealing this section is necessary to remove an obsolete program that is redundant with the current VPLP Program. In reviewing its policies for efficiency and effectiveness in preparation for the California State Payroll System (CSPS) Project, the Department has found that the STO regulation lacks clarity and is duplicative of the more modern VPLP.

Both STO and VPLP programs provide a means for employees to earn additional leave credits (time off) in exchange for a salary reduction. The STO regulation was established in 1984 and has not been updated since. The VPLP was created in 2016 to permit employees

to voluntarily continue the Personal Leave Programs of 1993, 1994, and 2004 in order to have more time for personal pursuits. The VPLP is actively maintained with participation by the majority of employees who desire additional leave time. The VPLP provides the same benefits as the STO program while providing additional program guidance, structure, and benefits to participating employees.

Section 599.844. Procedure

Purpose: This section defines the notice procedure when reducing a workforce via layoff. This section is being amended to require 30 days' notice for all employees when issuing a notice of layoff, regardless of compensation frequency.

Necessity: This section is being amended to make conforming changes to GOV Code section 19997.13 as amended by Stats. 2024, Ch. 52, Sec. 17. (AB 171).

Section 599.913. Transfer of Leave Credits

Purpose: This section allows for the transferring of eligible leave credits between family members to care for another family member or individual within the same household and defines the procedures related thereto. This update expands the allowed transferable leave types as well as extends the duration of the program. This update also corrects outdated references to legislation with references to the applicable statute.

Necessity: Amending this section is necessary to enhance clarity by aligning this leave transfer program to other leave transfer programs such as Catastrophic Leave and Natural Disaster Leave.

Section 599.922.3. Certified Public Accountant/Certified Internal Auditor Professional Competency Bonus -- Excluded Employees (Repealed)

Purpose: This section defines when an excluded employee may receive a bonus for passing the written portion of the Certified Public Accountant examination or the Certified Internal Auditor examination. This section is being repealed to eliminate redundancy with Pay Differential 126.

Necessity: Repealing this section is necessary to provide clear and consistent rules for administering state employee personnel functions and programs.

Section 599.925. Catastrophic Leave - Excluded Employees

Purpose: This section defines the procedure for the transfer of eligible leave credits to an excluded employee when a catastrophic illness or injury occurs. This section is being amended to: expand allowed transferable leave types, allow revocation by the donator in specified circumstances, and to clarify the return of unused donations. This update also replaces the excluded employee definition reference from GOV Code section 3527 to the more appropriate and consistent section 599.615(b).

Necessity: Amending this section is necessary to enhance clarity and to align this leave transfer program to other leave transfer programs such as Transfer of Leave and Natural Disaster Leave.

Section 599.925.1. Catastrophic Leave for Natural Disaster- Non-represented Employees

Purpose: The purpose of this section is to define the procedure for the transfer of eligible leave credits to an excluded employee when a catastrophic illness or injury occurs. This section is being amended to: expand allowed transferrable leave types, expand the allowed duration of natural disaster leave, allow revocation by the donator in specified circumstances, and to clarify the return of unused donations. The title of this section is also being corrected to use the “excluded” term in lieu of “non-represented” for consistency with other regulations.

Necessity: Amending this section is necessary to enhance clarity, expand the duration of natural disaster leave, and to align this leave transfer program to other leave transfer programs such as Transfer of Leave and Catastrophic Leave.

IV. STUDIES, REPORTS, OR DOCUMENTS RELIED UPON

None.

V. ECONOMIC IMPACT STATEMENT

In accordance with Government Code section 11346.3, subdivision (b), the Department has made the following assessments concerning the proposed regulation:

- The Department determined this regulation will not create or eliminate jobs within California. This regulation does not impact the private sector.
- The Department determined this regulation will not create new businesses or eliminate existing businesses within California. This regulation does not impact the private sector.
- The Department determined this regulation will not expand current California businesses. This regulation does not impact the private sector.

VI. REASONABLE ALTERNATIVES TO THE REGULATION

The Department has identified these regulations that explicitly reference only a monthly payroll cycle, which need to be updated as proposed to support the CSPS biweekly payroll cycle. As discussed throughout, this change is critical to addressing this complexity, reducing project risk, increasing the project's chances of success, while implementing operational efficiencies in State administrative operations.

The State is on track to begin solution design sessions with the selected vendor in early 2025. When design sessions begin, the State will be contractually obligated to design decisions made during those sessions. The State must configure the CSPS solution in accordance with existing statutes, regulations, and policy. Should the State not have approved regulations at the start of system design, the State may be at risk of repeating previously completed work effort if changes occur through the approval process.

It has been determined by the Department that reasonable alternative(s) to the proposed amendments do not exist. However, the Department will consider alternatives proposed during the written comment period. Reasonable alternatives to be considered include alternatives that are proposed as more effective, less burdensome and equally effective, or more cost effective and equally effective in effectuating the purpose of the statute. Any such alternatives must be considered if the alternatives achieve the purpose of the regulations and are in full compliance with the authorizing statute or other laws being implemented or made specific by these proposed regulations.

VII. EVIDENCE SUPPORTING FINDING OF NO SIGNIFICANT STATEWIDE ADVERSE ECONOMIC IMPACT DIRECTLY AFFECTING BUSINESS

The Department has found no evidence that the amendments would impose a significant Statewide adverse economic impact affecting business. The proposed revisions impact civil service employees and therefore do not apply to small businesses.