

**SUPERIOR COURT OF CALIFORNIA
COUNTY OF SACRAMENTO**

DATE:	May 4, 2026	DEPT. NO.:	32
JUDGE:	Hon. James P. Arguelles	CLERK:	D. Ward
ERIC HOOD and similarly situated Supervising Fraud Investigators, Petitioners, v. CALIFORNIA DEPARTMENT OF HUMAN RESOURCES (CalHR); ERAINA ORTEGA, in her official capacity as Director of CalHR; and DOES 1-20, Respondents.		Case No.: 25WM000134	
Nature of Proceedings:		RULING ON SUBMITTED MATTER AND ORDER	

RULING ON SUBMITTED MATTER AND ORDER

On April 23, 2026, the Court posted a tentative ruling. The parties came before the Court for hearing on April 24, 2026, after which the matter was taken under submission. The Court now rules as follows.

Petitioners seek a writ of mandate compelling Respondents to: (1) vacate the 5% Special Salary Adjustment given to employees of the Department of Insurance (DOI), namely, the Supervising Fraud Investigator I & II, and Chief Fraud Bureau classifications; (2) adjust salaries for these employee classifications to achieve "like salaries" with the Department of Justice (DOJ) Special Agent Supervisor, Special Agent-In-Charge, and Assistant Bureau Chief, Division of Law Enforcement positions; and retroactively grant Petitioners back pay.

The Petition is GRANTED.

Petitioners' request for judicial notice is DENIED.

Respondents' motion to strike is DENIED.

I. Background

Petitioners are Supervising Fraud Investigators employed by DOI.

Respondents are California Department of Human Resources and Erania Ortega in her official capacity as director thereof (collectively, CalHR). CalHR is the state agency responsible for setting and adjusting salary ranges for supervisory and excluded state employees pursuant to Government Code section 19826, subd. (a).¹

On February 1, 2024, Petitioners requested a Pay Parity Hearing from CalHR.² (Petition, ¶7.) Petitioners claimed that a pay disparity existed between the positions of CDI Supervising Fraud Investigator I (7541), CDI Supervising Fraud Investigator II (7542), and CDI Chief Fraud Bureau (7545) (collectively, DOI classifications) and the salaries paid to DOJ Special Agent Supervisor (8524), Special Agent-In-Charge (8523), and Assistant Bureau Chief, Division of Law Enforcement (8681) (collectively, DOJ classifications). Petitioners claimed that the duties and responsibilities of the DOI classifications and DOJ classifications are comparable, yet the DOI positions were paid between 9% and 24% less. (AR, Tab 4 [Decision, p. 2].)³

A Pay Parity Hearing was held on April 17 and 18, 2024, before Administrative Law Judge Karla Broussard-Boyd (the ALJ). (Petition, ¶8.)

On June 28, 2024, the ALJ issued a proposed decision. (AR, Tab 4.)

The ALJ's proposed decision summarized the testimony of the six witnesses and summarized the analysis of the Personnel Management Division (PMD) of CalHR, presented at the hearing. Based on this testimony and summary, the ALJ's proposed decision considered 11 allocation factors used by CalHR to assess the value of any given set of duties and responsibilities. These allocation factors include: (1) variety and scope of responsibility; (2) supervision and guidelines received; (3) supervision exercised; (4) complexity of work; (5) knowledge and abilities required; (6) responsibility for decisions and actions; (7) personal contacts/relationships; (8) working conditions/environment; (9) consequence of error; (10) area of responsibility; and (11) administrative responsibility.

¹ "Department of Personnel Administration (now CalHR) manages the nonmerit aspects of the state's personnel system. [Citation.] In general, [CalHR] has jurisdiction over the state's financial relationship with its employees, including matters of salary, layoffs and nondisciplinary demotions. [Citations.] ¶ The Legislature has delegated to [CalHR] the authority to set salaries for state employees excluded from collective bargaining. [Citations.] Employees excluded from collective bargaining include employees classified as supervisors. [Citations.] ¶ [CalHR] must establish salaries for these employees based on the principle that similar salaries shall be paid for similar work." (*California Ass's of Prof'l Scientists v. Department of Finance* (2011) 195 Cal.App.4th 1228, 1231-1232 [citations and quotations omitted].)

² "A pay parity hearing is [CalHR's] procedure for addressing excluded employee or employee representative requests for salary range adjustments under Government Code section 19826 and the principle that 'like salaries shall be paid for comparable duties and responsibilities.'" (Cal. Code Regs., tit. 2, § 599.860.)

³ The Administrative Record is not Bates-Stamped. Accordingly, the Court cites to the Tab numbers and pages therein.

The proposed decision noted that for 10 of these 11 factors, the PMD agreed with claimants that there is no difference in those allocation factors. For the first allocation factor, variety and scope of responsibility, the PMD stated that there was a “minute differentiation” between the DOI and DOJ classifications. The PMD stated “there was not a significant difference except that the [DOJ] Special Agent Supervisor would potentially be utilized in a specialist capacity overseeing a specific type of task force, while the Supervising Fraud Investigator would always be a supervisor over a team.” However, the PMD also concluded that “the variety and scope of responsibility of [DOI] Supervising Investigators falls within that of what is expected of DOJ’s supervising investigators [Special Agents].” (AR, Tab 4 [Decision pp. 16-19].)

The ALJ found that “the duties and responsibilities of the claimants overlap with DOJ Special Agents, however the scope of responsibilities may differ based on which division a DOJ Special Agent is assigned.” The ALJ concluded that the salary gap between the DOI classifications and the DOJ Special Agent classifications should be reduced. (AR, Tab 4 [Decision p. 19].)

The ALJ’s proposed decision further determined that “no reallocation is warranted as the claimants are working within their respective job classifications.” However, the ALJ recommended that “claimant’s salary be further reviewed by CalHR to determine whether a Special Salary Adjustment, Pay Differential, or Alternative Range Criteria may be an appropriate mechanism to bring the salary into closer alignment with DOJ Special Agents.” (AR, Tab 4 [Decision p. 19].)

CalHR adopted the ALJ’s proposed decision on June 28, 2024. (Petition, ¶9; Answer ¶9; *see also* Opposition Brief, p. 7:14-16.)

On December 11, 2024, CalHR issued a letter. The letter stated that as a result of CalHR’s June 28, 2024 decision (adopting the ALJ’s proposed decision), it authorized a 5% Special Salary Adjustment for the DOI classifications. The letter further stated that the adjustment was retroactive to October 1, 2024. (Petition, ¶10; Answer ¶10; *see also* Petitioners’ Opening Brief, Exh. C.)

Petitioners allege that they sought rehearing of CalHR’s decision, and CalHR denied their request for reconsideration on March 26, 2025. (Petition, ¶13.)

This Petition followed.

II. Discussion

a. Motion to Strike

The Court preliminarily addresses CalHR’s motion to strike.

On April 3, 2026, months after briefing was completed, CalHR filed a motion to strike statements in Petitioners' Opening and Reply Briefs, and evidence relied on in support of the statements therein.

Also on April 3, 2026, CalHR filed an objection to Petitioners' request for judicial notice.⁴

Notwithstanding Petitioners' decision to pursue this matter in *propria persona*, CalHR has chosen to pursue a "scorched earth" policy of litigation, as evidenced by this motion to strike, and other conduct. The Court concludes that CalHR's motion lacks merit, and is not made in good faith.

At the outset, CalHR's motion to strike is not only belated, it is untimely. The hearing date on the merits of the Petition is April 24, 2026. Respondents filed this motion on April 3, 2026. Code of Civil Procedure section 1005 requires moving papers to be filed 16 court days before the hearing. However, CalHR chose to file this motion 15 court days before the hearing. The motion therefore is untimely. CalHR's argument that Petitioners waived this defect by objecting to the motion to strike on the merits is not well-taken.

Moreover, CalHR failed to meet and confer with Petitioners prior to bringing this motion. (April 6, 2026 Declaration of Eric Hood, ¶2.) CalHR replies the meet and confer requirement in Code of Civil Procedure section 435.5 does not apply to this particular motion to strike because CalHR is not moving to strike the "pleading." Again, this argument is not well-taken.

Third, CalHR's objections raised in the motion to strike are baseless. CalHR's objections largely center on the argument that: (1) generally, extra-record evidence is not admissible to challenge a quasi-legislative administrative decision (*Western States Petroleum Ass'n v. Superior Court* (1995) 9 Cal.4th 559, 574), and (2) specific exhibits are impermissible extra-record evidence, or factual statements in Petitioners' briefing that rely on such extra-record evidence are impermissible.

Here, the pay parity process resulting in an administrative decision is a two-step sequence: first, a hearing occurs in which the ALJ (and potentially CalHR if it adopts the ALJ's proposed decision) determines if the job classifications are "comparable" under Government Code section 19826; second, based on the outcome of that pay parity hearing and CalHR's decision to adopt the ALJ's proposed decision, CalHR takes action accordingly. In this case, CalHR granted a 5% Special Salary Increase in response to the ALJ's recommendation that Petitioners' salary be further reviewed to determine whether a "Special Salary Adjustment, Pay Differential, or Alternative Range Criteria may be an appropriate mechanism to bring the salary into closer alignment with DOJ Special Agents." (AR, Tab 4 [Decision p. 19].)

⁴ Petitioners filed their Opening Brief on August 29, 2025, and their Reply Brief on January 12, 2026. Petitioners filed the Request for Judicial Notice in Support on January 12, 2026.

There is no statute specifying the contents of the administrative record, but logically, the administrative record is expected to contain the documents leading to CalHR's ultimate administrative decision. CalHR states that Petitioners knew the second "portion" of this administrative record reflecting the salary adjustment was prepared by another department with CalHR and faults Petitioners for not requesting this "portion." This argument is also not well-taken. Indeed, CalHR cites to a document in this "portion" of the administrative record that it did not provide. CalHR may not argue that such documents reflecting its administrative decision are extra-record evidence and may not be relied on by the Court.

CalHR's motion to strike is DENIED.

b. Judicial Notice

Petitioners seek judicial notice of the ALJ's proposed decision, two CalHR documents reflecting the 5% Special Salary Adjustment—a pay letter and civil service pay scales—and another CalHR decision rendered after an administrative hearing denying pay parity.

Petitioners' request for judicial notice is DENIED. The ALJ's decision is in the administrative record, and judicial notice thereof is not necessary. Additionally, the particular documents reflecting the 5% salary increase are not necessary for the Court's decision. Lastly, the other CalHR decision is extra-record evidence.

The Court does, however, *sua sponte* take judicial notice of Exhibit C attached to Petitioners' Opening Brief. (Evid. Code, § 459.) Exhibit C is the letter from CalHR stating that it is adopting a 5% salary raise as a result of its June 28, 2024 decision, and that such raise is retroactive to October 1, 2024. CalHR cites to this letter in its statement of the facts in its Opposition Brief. (Opposition Brief, p. 7:17-19.) As such, CalHR should have included this letter in the administrative record it provided to Petitioners. The letter's authenticity is not in dispute, and it is a proper subject for judicial notice under Evidence Code section 452, subdivision (c).

c. Standard of Review

CalHR's decision to set and adjust salary ranges under Government Code section 19826⁵ is quasi-legislative. (*California Ass'n of Prof'l Scientists, supra*, 195 Cal.App.4th at p. 1232.)

When a court reviews an agency's quasi-legislative action "the appropriate standard is whether the agency's action was arbitrary, capricious, entirely lacking in evidentiary support, or failed to follow the procedure required by law." (*Tracy Rural Fire Prot. Dist. v. Local Agency Formation Comm'n of San Joaquin County* (2022) 84 Cal.App.5th 91, 106.)

⁵ Unless otherwise specified, all statutory references shall be to the Government Code.

d. CalHR's decision not to establish comparable salaries violates Section 19826

Petitioners argue that CalHR's decision not to establish comparable salaries violates Section 19826. The Court agrees.

Section 19826 provides in part:

- (a) The department *shall* establish and adjust salary ranges for each class of position in the state civil service subject to any merit limits contained in Article VII of the California Constitution. *The salary range shall be based on the principle that like salaries shall be paid for comparable duties and responsibilities....*The department may make a change in salary range retroactive to the date of application of this change.

(Gov. Code, § 19826, subd. (a) [emphasis added].)

Petitioners contend, and the Court agrees, that Section 19826 imposes a ministerial duty upon CalHR to establish pay parity among state civil service employees if those employees perform comparable duties and have comparable responsibilities. This ministerial duty was noted in *State Trial Atty's Ass'n v. State of Cal.* (1976) 63 Cal.App.3d 298, 300.)

CalHR argues that the ALJ's proposed decision, adopted by CalHR, did not find comparability because the ALJ recommended that CalHR further review claimant's salary. When read in totality, the ALJ's proposed decision indicates otherwise. The ALJ's proposed decision found that: (1) 10 of the 11 allocation factors between the DOI classifications and the DOJ classifications were identical, and (2) there were only "minute" differences in the first factor—the variety and scope of responsibility. The proposed decision found that the DOI and DOJ classifications "overlapped." The proposed decision also noted that it was "clear from the testimony" of the DOI investigators that their job duties and responsibilities are comparable to that of DOJ Special Agents. (AR, Tab 4 [Decision pp. 16-19].)

Neither party has put forth law illustrating why the DOI and DOJ classifications do or do not share "comparable duties and responsibilities." Certainly, evidence showing material differences between multiple allocation factors for these classifications would not support a finding that these two classifications share "comparable duties and responsibilities." However, nor does the language of Section 19826 require that the classifications share identical duties and responsibilities, as CalHR suggests. The Legislature used the word "comparable," rather than the words "the same" or "identical." "[A] court construing [the Legislature's] use must assume that the Legislature was aware of the ramifications of its choice of language." (*Travelers Indemnity Co. v. Workers Comp. Appeals Bd.* (2025) 111 Cal.App.5th 568, 578 [citations and quotations omitted].) The ALJ's proposed decision overwhelmingly indicates that the classifications perform "comparable duties and responsibilities."

When CalHR adopted the ALJ's proposed decision, Section 19826 imposed a ministerial duty upon it to "establish and adjust salary ranges for each class of position in the state civil service...." (Gov. Code, § 19826, subd. (a).) CalHR was thus required to adjust the salaries of the DOI classifications, so that they matched the salary ranges for the DOJ classifications.

e. CalHR's Decision to Grant a 5% Pay Increase

Petitioners also argue that CalHR's decision to grant a 5% Special Salary Adjustment to the DOI classifications was arbitrary and capricious.

CalHR adopted the ALJ's proposed decision, which the Court has found establishes that the DOI and DOJ classifications perform "comparable duties and responsibilities." (Gov. Code, § 19826, subd. (a).) Once CalHR did so, Section 19826 imposed a ministerial duty upon CalHR to "establish and adjust salary ranges for each class of position in the state civil service...." (Gov. Code, § 19826, subd. (a).) The 5% pay increase reflects that CalHR did not perform this duty. It is undisputed that even after the 5% salary increases, the pay differences between the DOI and DOJ classifications were 21%, 18% and 4%. As the DOI and DOJ classifications share comparable duties and responsibilities, there should be no pay differences between these classifications.

III. CalHR's Argument that Sufficient Funds Must Be Allocated Before the Court Orders Relief

At oral argument, CalHR advanced an entirely new contention. Rather than contesting the merits of the Court's tentative ruling, CalHR argued that this Court is bound by Section 19826, subdivision (a), and may not order CalHR to adjust salaries until CalHR (through Department of Finance) determines that the Legislature has allocated sufficient funding for those salary adjustments.

This argument was not in CalHR's briefing, nor did CalHR provide any meaningful response to Petitioners' argument in their Opening Brief that CalHR's decision was not justified by appropriation or other exemptions, and that sufficient monies were available to fund these salary adjustments. (*See In re S.S.* (2020) 55 Cal.App.5th 355, 371 fn.3. ["Ordinarily, we trust the parties to raise meritorious issues in their briefing, and don't address issues not raised until oral argument 'because such consideration would deprive the [other party] of an opportunity to counter the argument.'"]) Although this principle applies to cases in the Courts of Appeal, it is persuasive here. The Court finds that by failing to raise this issue in its briefs, CalHR deprived Petitioner of the opportunity to respond to it. The Court further finds by not responding Petitioners' argument on this issue, CalHR conceded its merits. (*See D.I. Chadbourne, Inc. v. Super. Ct.* (1964) 60 Cal.2d 723, 728, fn. 4 [where nonmoving party fails to oppose a ground for a motion "it is assumed that [nonmoving party] concedes" that ground]; *see also KCSFV I, LLC v. Florin County Water Dist.* (2021) 64 Cal.App.5th 1015, 1031 [stating the Court is not obligated to furnish legal arguments for a party].)

Additionally, CalHR's decision: (1) not to contest the Court's tentative ruling and effectively concede the merits of Petitioners' arguments that pay parity exists, and (2) its decision to raise a new argument that it may not act unless the conditions in Section 19826, subdivision (a) are satisfied, causes this Court to question CalHR's good faith in this litigation.

The Court recognizes that Section 19826, subdivision (a) provides that CalHR "shall establish and adjust salary ranges...[but] shall make no adjustments that require expenditures in excess of existing appropriations that may be used for salary increase purposes" (Gov. Code, § 19826, subd. (a)), and is aware of the Court of Appeal's interpretation thereof in *California Ass'n of Prof'l Scientists, supra*, 195 Cal.App.4th 1228.) However, if monies exist for salary increase purposes, a contention that CalHR has chosen not to dispute, once pay parity is established, CalHR has a ministerial duty to adjust Petitioners' salaries accordingly.

IV. Disposition

The Petition is GRANTED. Respondents' motion to strike is DENIED.

Subject to the provisions in Section 19826, subdivision (a), CalHR is ordered: (1) to adjust the salaries for the DOI classifications to achieve "like salaries" with the DOJ classifications, pursuant to Section 19826, and (2) retroactively adjust Petitioners' pay and provide for all necessary back pay to June 28, 2024, the date upon which CalHR adopted the ALJ's decision.

Petitioners are directed to prepare: (1) an order granting the Petition (incorporating this ruling as an exhibit to the order), (2) a separate judgment that includes the language required by Local Rule 2.15, and (3) a peremptory writ; submit them to counsel for approval as to form in accordance with California Rule of Court (CRC) rule 3.1312(a); and thereafter submit them to the Court for signature and entry in accordance with CRC rule 3.1312(b). Absent exceptional circumstances, the Court expects that the proposed submitted order will simply state either that judgment is entered, or that relief is granted, as set forth in the attached ruling of the Court. The writ of mandate shall be prepared for the signature of the Clerk of the Court.

CalHR shall file a return to the writ within sixty days of the order indicating what steps it has taken to comply with the writ.

The Court finds good cause to order that the administrative record be returned to the custody of the offering party. The custodial party is directed to contact the Clerk at 916-874-5682 or dept13A@saccourt.ca.gov within 30 days of receipt of this order to arrange

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for the return of the administrative record, and must maintain the administrative record and all exhibits and other materials in the same condition as received from the Clerk until 60 days after a final judgment, any appeal is completed, or dismissal of the entire case is entered.

May 4, 2026




James P. Arguelles
Judge of the Superior Court of California
County of Sacramento