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Memorandum

To: Cabinet Secretaries and Agency Directors

From: Eugene J. Moser, Director *EJM*

Date: May 13, 2014

Subject: FY2015 Classified Service Salary Increase Guidance

Laws 2014, Chapter 63, Section 8 authorizes the Department of Finance and Administration (DFA) to distribute funding to provide salary increases to employees in budgeted positions who have completed their probationary period. Salary increases are subject to satisfactory job performance and are to be effective the first full pay period after July 1, 2014, which begins July 5, 2014 or effective the first full pay period upon satisfactory completion of the probationary period as outlined below. Eligible employees will see this salary increase on their paycheck July 25, 2014, or on the paycheck that corresponds to the first full pay period after the completion of their probationary period.

Classified employees who meet the specified eligibility parameters outlined below in agencies governed by the Personnel Act, other than commissioned officers in the Department of Public Safety, will receive a three percent (3%) salary increase.

Prior to the implementation of the FY15 salary increase the classified service salary schedule will be adjusted upward and the legislatively authorized salary increase will be subsequently processed.

Eligibility parameters for the FY15 salary increase are as follows:

- Employees who have completed their probationary period by July 1, 2014 are eligible for the FY15 salary increase. The increase includes employees in over-fill, under-fill, and equal-fill status.

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- Salary increases are subject to satisfactory performance. The legislative language referring to "Satisfactory Performance" is interpreted to mean a final evaluation rating of Exemplary, Exceeds Performance Standards or Achieves Performance Standards.
 - A completed Employee Evaluation (EE) or Management Evaluation (ME) form approved by the State Personnel Office is the only acceptable appraisal document to be used to record an employee's performance rating. A final evaluation rating, evaluation date and rating supervisor for FY14 must be entered into PeopleSoft by June 30, 2014, with an evaluation date between July 1, 2013 and June 30, 2014.
 - Employees receiving a Does Not Achieve Performance Standards final evaluation rating are not eligible for a legislatively authorized salary increase.
- Employees who complete their probationary period after July 1, 2014 and have satisfactory performance demonstrated by a current completed EE or ME form, will receive the salary increase effective the first full pay period after they achieve non-probationary status. A final evaluation rating must be entered into the PeopleSoft system by the end of the pay period that the employee's probation completion date occurs. Valid performance evaluation dates are between July 1, 2014 and June 30, 2015.
- Employees' performance evaluation must be closed out prior to a transfer or promotion to a new position. If the employee's performance evaluation was not closed out prior to accepting a new position, it is assumed that they had satisfactory performance at the prior agency or an agency would not have hired them. As such, you are required to enter an appropriate evaluation rating into PeopleSoft.
- Employees on extended leave must have worked a minimum of three (3) months in FY14 in order to provide a sufficient period for evaluation of performance.
- Eligibility includes those employees in "budgeted" positions. This is interpreted to mean "non-temporary employees who have completed their probationary period."
- Temporary employees are not eligible for the FY15 increase.
- Please note that time served in the classified service is covered by the Personnel Act. Time served in another state organization (i.e. AOC, AODA, GOVEX, etc.) or "temporary" status does not count toward completion of an employee's probationary status.
- Percentage-based Multiple Component of Pay (MCOP) rates will not change; however, the dollar value of the MCOP will automatically calculate off an employee's higher hourly rate in PeopleSoft after the FY15 salary increase is implemented.



- Employees on Military Leave as of July 1, 2014 are eligible for this salary increase as defined under USERRA federal guidelines.
- If the employee is represented by the American Federation of State, County and Municipal Employees (AFSCME), Communications Workers of America (CWA) or the Fraternal Order of Police (FOP), there is a unique process that must be followed if a union represented employee is being disciplined for unsatisfactory performance. The intent of the Collective Bargaining Agreement language is to give an employee an adequate amount of time to address and correct performance issues. This preserves the time period provided for in the CBAs.
 - If the employee is under a performance development plan, and *if* they obtain satisfactory or better job performance, their salary increase will be retroactive back to the effective date of the salary increase.
 - If the employee is in the situation of being rated and disciplined for unsatisfactory performance and the employee will not complete their performance plan prior to July 1, 2014 management may not close out the performance evaluation.
 - Management must complete the 180 day cycle (AFSCME and CWA) or 120 day cycle (FOP) before closing out the performance evaluation on that particular employee.

For those state employees whose salaries are referenced in or received as a result of non-General Fund appropriations in the General Appropriations Act of 2014, the DFA shall transfer from the appropriate fund to the appropriate agency the amount required for the salary increase equivalent to those provided for in this section, and such amounts are appropriated for expenditure in FY15. Any unexpended or unencumbered balance remaining at the end of FY15 shall revert to the general fund.

If you have any questions, please contact your SPO Agency Consultant. Additionally, feel free to contact any member of the SPO Compensation and Classification Team to answer any of your questions.

EJM/JN

cc: Keith Gardner, Chief of Staff, Office of the Governor
Jessica Hernandez, Deputy Chief of Staff, Office of the Governor
Tom Clifford, Cabinet Secretary, Department of Finance and Administration
Agency Human Resource Officers

