Louisiana Department of State Civil Service

Human Resources Advisory Committee

July 15, 2009

Meeting Notes

Attendees: Marianne Covington, Becky Cresap, Burgundy Cummings, Robert Boland, Ken Landry, Ann Coulon, Glenn Balentine, June Gillis, Christy Boustany, Corliss Dupuy, Julie Ryan, Gavin Coldwell, Susan Pellegrin, Kenyetta Sewell, Shannon Duplessis, Karen Schexnayder, Byron Decoteau, Katie Hodgin, Terry Boykin, Dwuena Wyre, Lynette Mack, Stacy Louque, Rainette Stephens, Genie Silva, Sandi Ellis, Shelia Metoyer, Gwen Jones, Dave Hurlbert, Frankie Grant

1. Marianne Covington welcomed all of the attendees and presented the proposed changes to the Chapter 6 Rules.

   Many of the rule changes will be cosmetic changes focusing on using fewer words and more easily understood language. Some rules will be combined into larger groupings and some new rules will be created. The proposed rules will combine individual pay adjustments and perquisites into the same rule. The current draft limits agencies by not allowing them to pay anything outside of the rules without Commission approval.

   The Compensation Division is proposing changes to the way SERs and Extraordinary Qualifications and Credentials are included in the Rules. Instead of having special hire rates, pay will be set up as special hiring rates for individuals vs. special hiring rates for specific jobs. This would distinguish between a person's pay and the pay structure and eliminate single position SERs. The Director would have full authority for approval of these special hiring rates. The Compensation Division is also planning to have SERS set based on market data for jobs possibly on a statewide basis instead of so many individual agency SERs. Agencies would then have the option of using the SER or not instead of to what extent they will be used.

   Proposed Promotion (From One Schedule to Another):

Current		**Proposed**	
% Difference	Pay Increase	% Difference	Pay Increase
<14%	7%	<7%	0%
=14<21%	10.5%	=7<14%	7%
>or= 21%	14%	=14<21%	10.5%
		>or= 21%	14%

The proposed rules will address employees that voluntarily demote but maintain their current rate of pay and then later promote or reallocate to a job with a higher maximum rate of pay. The proposed rules would eliminate the opportunity for employees to receive promotional pay for 2 years or until the maximum rate of pay of the job they demoted from exceeds the maximum rate of pay of the job they are promoting to. This would not apply to a detail to special duty since the pay increase would be temporary. The group wanted to know if this would apply to employees that switched from a non professional to professional job. Compensation will look into this.

Current rules require that a red circle rate must be reduced to the maximum of the job range after 2 years if the rate exceeds the maximum by 28% or more. The proposed rules would not contain this limitation on time or amount.

The Compensation Division is also considering a realignment of the flexible pay options. They will fall under one Rule with 4 major categories:

1. Achievement
2. Proficiency- would include rewards and recognition payments, gainsharing and optional pay
3. Incentive- would include current rule 6.16d and open to agency policy
4. Compression- this would retain the current optional pay rule and be used for SERs and extra qualification and credential payments- would be limited to a total of 15% as opposed to the current percent difference calculations.

Additional duty payments would be capped at a total of 7% and the award amount would be at the discretion of the appointing authorities, up to that limit. Compensation is also discussing limiting total special payments to an employee not to exceed 15% in 3 consecutive years for additional duties. Matching job offers would be expanded to 15% without Civil Service Commission approval. There would also no longer be a 20% limit on gainsharing payments. Representative Henderson is working on legislation to make the use of gainsharing easier. The group recommended a “current” vs. “proposed” chart to compare the current and proposed rules for agencies.

Agency pay policies may need to be revised once the rules are changed. The Department expects to undergo a major training effort in early spring prior to the effective date of the rule changes. The need for SER quartiles was discussed and Compensation agreed to look into this.

Pay for Performance:

The Department wants to get away from using the term “merit increase.” The proposed rules use the term “performance adjustments.” The proposed rules will include language specifically addressing the option of focused rating dates. An Appointing Authority may choose to not award performance adjustments for the following reasons:

1. Layoff avoidance measure with the Director's approval (must be uniformly applied)
2. Individual rating element of "Poor" or "Needs Improvement" on a single factor
3. Demonstrable, rational business reason related to the function of the agency

Some agencies would like the 3rd option not written too narrowly to continue to allow for flexibility. All 3 options would still allow for employees to retain the 3-year eligibility to their missed merit increases that they were eligible for.

Cost of living adjustments might be proposed on an every 3 year basis and the recommendation would be based on the Employment Cost Index, not to exceed 4%. The hope is that when market adjustments would be granted, that the minimums of all pay grades would be moved by that same amount. The market adjustment would need to be approved by the Governor.

Some of the options the Department is looking at when considering variable pay for performance include:

1. Meets 2%
   Exceeds 4%
   Outstanding 6%
2. Combine the payment for Meets and Exceeds with a flat rate of 3% and Outstanding 6% or Meets and Exceeds receiving somewhere between 1 and 3% and Outstanding receiving between 1 and 6%.

The majority of the group liked the idea of merging the Meets and Exceeds ratings into the same payment amount.

There was a question of how agencies would budget for this. One method would be to look at the previous fiscal year. Any agencies that would have significantly different ratings than the previous year would have to be prepared to justify this to the Legislature. There is also a possibility that agencies would use forced distributions. Agencies could also require peer reviews, or extra documentation for ratings of Outstanding.

Compensation will work with Program Assistance on PPR training.

Additional options include:

3. Everyone receives 3% base pay with an option of Outstanding employees receiving an additional 3% to base.
4. Everyone receives a 3% base pay increase with some receiving a lump sum payment between 4 and 7%.

If using lump sum payments, these would need to be retirement eligible wages. The majority of the group voted in favor of not having the lump sum component.

There was discussion regarding agencies being able to pay different amounts. The group had mixed reactions regarding this.

Group members suggested that the sooner employees become aware that variable merits are coming, the better they will handle the news. There was some concern that this will only encourage employees to bombard HR with questions they don't have answers to yet.

If any members have anything else to comment on or suggest, please email Marianne Covington at marianne.covington@la.gov.

2. **Next Meeting:** Wednesday, August 19th at 1:30 PM in the Marbois Room #1-137