

3.07 DAS-PSB Approval of Requested Salary Increases (DRAFT)

Procedure Number: X.XX

Procedure Title: DAS-PSB Approval of Requested Salary Increase

Original Issue Date: XX/XX/2019

Revision Date:

Appendices:

Forms:

Statutory References: None

Ordinance References: 17.055

Department Responsible for Updates: DAS - PSB

Date for scheduled procedure review: TBD

1. OVERVIEW

All salary increases must comply with Human Resources rules and must be approved by the Department of Administration – Performance, Strategy & Budget Division (DAS-PSB), and the County Board if necessary due to state statute. Requests to increase the pay range of vacant positions must also be approved by DAS-PSB. This AMOP focuses exclusively on the approval process of DAS-PSB. Departments should submit salary change requests to HR-Compensation in the form and manner determined by HR-Compensation. HR-Compensation will not process any change to any employee salary unless approved by DAS-PSB.

2. OBJECTIVE

Central approval of salary change requests is required to:

- 1) Aid the County in appropriately planning for and funding employee salaries in future years, given the County's long-term structural deficit, and
- 2) Ensure that salary changes are equitable across all departments.

3. DEFINITIONS

- A. Position Change Reconciliation. A spreadsheet maintained by HR-Compensation that tracks all full-time personnel changes including but not limited to: reclassifications, reallocations, and advancements through the pay range. DAS-PSB uses this document to determine whether salary change requests may be approved.
- B. DOSAA Reconciliation. Spreadsheets maintained by DAS-PSB that are used to determine whether there is sufficient DOSAA funding available to approve requested salary increases.
- C. Departmental Other Salary Adjustment Allocation (DOSAA). A set of funds included within the Adopted Budget that are earmarked for salary increases to current

employees. DOSAA funding may be included in department budgets, based on availability, within the annual budget process. This funding is included in the budget to fund equity adjustments, performance increases, and urgent salary requests. The DOSAA allocation may only be available at a certain time of the year due to funding constraints and County policy. For example, the 2019 DOSAA is available in the 4th quarter of the year per the 2019 Adopted Budget.

- D. HR-Compensation. The Compensation Division of the Department of Human Resources
- E. Reclassification. A change in the pay grade of a position due to a change in duties of the position. Reclassifications must be approved by DAS-PSB and HR-Compensation.
- F. Reallocation. A change in pay grade of a position due to changing external market forces which require a different pay grade to be competitive in the market. Reallocation requests must be approved by DAS-PSB, HR-Compensation, and the Personnel Committee of the County Board.
- G. Movement through the pay range. Moving an employee from their current step in the pay range to a higher step for purposes of merit, equity, or retention. Movements through the pay range must be approved by DAS-PSB.
- H. Requesting Department. The department that has submitted a reclassification, reallocation, or movement through the pay range request to HR-Compensation and DAS-PSB. Department is defined by their agency number. Departments that are under the same general management may be considered as though they are a single department for funding purposes.

4. PROCEDURE FOR SUBMITTING SALARY INCREASES

When submitting salary increase requests to DAS-PSB and HR-Compensation, departments must include the following information. Incomplete submissions will be returned to requesting departments – if appropriate revisions are not available prior to the deadline, the request will not be considered.

- High Org and Low Org of the position
- Employee Name and Clock Number (if the position is filled)
- Current Title Code, Title, Pay Range, Step, and Annual Salary
- Proposed Title Code, Title, Pay Range, Step, and Annual Salary
- Type of change (Reclassification, Reallocation, Movement within the Pay Range)
- Proposed Funding Source

5. PROCEDURE FOR DAS-PSB APPROVAL

DAS-PSB approval of salary changes has three different tracks depending on the proposed funding source and the timing of the request. The mechanism for DAS-PSB approval is the same for reclassifications, reallocations, and movements within the pay range. DAS-PSB will not approve retroactive pay for any salary change requests.

A. DOSAA Funded Salary Requests.

i. DOSAA Allocation. After the annual budget is Adopted, DAS-PSB maintains a list of all DOSAA funding for the County. Each department may submit salary change requests up to the total DOSAA amount. In 2019, the DOSAA is allocated for the 4th quarter only. Salary changes processed in the 4th quarter will have 1/4th of the annual salary difference count against the DOSAA. For example, a department with \$5,000 in DOSAA funding may give five employees a \$4,000 annual salary increase in the 4th quarter to exhaust their DOSAA. If a department requests to increase the salary of a vacant position, the difference between the current budgeted salary of the position and the midpoint of the new range will count toward the DOSAA. This amount may be reduced by any Early Use DOSAA actions in Section 5.C.

ii. Criteria for DAS-PSB Approval.

1. The request must be submitted to DAS-PSB from HR-Compensation by the deadline as prescribed by DAS-PSB. In 2019, the DOSAA request deadline is the submission date for the 2020 Requested Budgets to DAS-PSB, expected to be July 2019.
2. All required information in Section 4 must be included.
3. The annual cost of the requested salary changes must not exceed the annualized DOSAA, less any Early Use DOSAA actions in Section 5.C.
4. The most recent projection from the Office of the Comptroller must not show the requesting department as potentially finishing the year with a deficit.
 - a. If the department has submitted a Corrective Action Plan to eliminate the projected deficit to DAS-PSB, the salary increase may be approved.

B. Non-DOSAA Funded Salary Change Requests.

i. Non-DOSAA funding. Non-DOSAA funded salary change requests may be approved by DAS-PSB. Internal pay equity is an important factor in all County salary change requests. Some departments have access to outside funding streams while others do not.

ii. Timeline. Requests for Non-DOSAA funded salary changes may be submitted on a rolling basis to DAS-PSB from HR-Compensation. DAS-PSB will review salary change requests starting on the standard DAS-PSB submission date for all periodic items (Fund Transfers, Position Studies, etc). The departmental request and the HR-Compensation recommendation must both be completed by the deadline. DAS-PSB will review the criteria for approval and approve the request, deny the request, or request additional information within one week. The requested salary increase may be implemented no earlier than the first pay period after DAS-PSB approves the request.

iii. Criteria for DAS-PSB Approval

1. The requesting department shall include all information in Section 4.
2. The department must identify a sustainable, verifiable funding source in writing for both the current year and in the future. The requesting department shall implement the expenditure reduction or revenue increase used to fund the salary increase in their subsequent budget request.

a. Funding sources that may be used to request a salary increase include:

- i. Abolishing a funded position
- ii. Reclassifications or Reallocations that decrease salary
- iii. Dedicated funding in the Adopted Budget. The department must also meet their levy target and comply with all other requirements of the budget instructions to utilize this funding source.
- iv. Direct budgetary expenditure reductions or revenue increases after a fund transfer has been processed. For example, if a department is reducing or eliminating an outsourced contract and this change requires an internal position to be created, reclassified or reallocated in order to continue the service the outside contract would have provided. The fund transfer request must specifically note that purpose of the transfer is to fund a salary increase. Prior to implementing the increase the department must either (a) receive a fund transfer approval from the County Board, or (b) re-appropriate funds from the contract line item to the salary line item during the annual budget process. Provided that (a) or (b) has been satisfied, PSB will approve. HR procedures must be followed to create, reclassify or reallocate the position.

b. Funding sources that may not be used to request a salary increase:

- i. Adjusting Vacancy and Turnover (V+T). V+T may not be adjusted during the year. Departments may adjust V+T during the annual budget and use that funding as "Dedicated funding in the adopted budget" in subsequent years subject to Section 6.

- ii. Contract savings without an approved fund transfer.
- iii. Indirect savings.
- iv. Overtime savings.
- v. Outside revenue that is not recurring.
- vi. Any other non-permanent expenditure reduction or revenue increase. (ex: a grant that will expire in 1 year)

C. DOSAA Funded Salary Requests – Early Use

- i. A department with an urgent or emergency need for a salary increase prior to the 4th quarter and no viable funding Non-DOSAA funding source (5.B) available may request to Early Use DOSAA funding. Utilizing DOSAA funding early will decrease the total amount of funds available for salary increases based on a multiplier. For example, an annual salary increase of \$1,000 implemented through the standard DOSAA submission in the 4th quarter decreases available DOSAA funding by \$250. The same \$1,000 annual salary increase processed on June 3, decreases available DOSAA funding by \$600 to account for the additional salary costs earlier in the year. A list of 2019 early use dates and the multipliers is below.

<u>Implementation</u>	<u>Multiplier x Annual Salary Increase</u>
3/11/2019	3.31
3/25/2019	3.16
4/8/2019	3.00
4/22/2019	2.85
5/6/2019	2.70
5/20/2019	2.54
6/3/2019	2.39
6/17/2019	2.24
7/1/2019	2.08
7/15/2019	1.93
7/29/2019	1.78
8/12/2019	1.62
8/26/2019	1.47
9/9/2019	1.32
9/23/2019	1.16
10/7/2019	1.00

- ii. Timeline. Requests for Early Use DOSAA salary changes may be submitted on a rolling basis to DAS-PSB from HR-Compensation. DAS-PSB will review salary change requests starting on the standard DAS-PSB submission date for all periodic items (Fund

Transfers, Position Studies, etc). The departmental request and the HR-Compensation recommendation must both be completed by the deadline. DAS-PSB will review the criteria for approval and approve the request, deny the request, or request additional information within one week. The requested salary increase may be implemented no earlier than the first pay period after DAS-PSB approves the request. Criteria for DAS-PSB Approval.

1. All required information in Section 4 must be included.
2. The annual cost of the requested salary changes (including the early use multiplier) must not exceed the available DOSAA.
3. The most recent projection from the Office of the Comptroller must not show the requesting department as potentially finishing the year with a deficit.
 - a. If the department has submitted a Corrective Action Plan to eliminate the projected deficit to DAS-PSB, the salary increase may be approved.

6. 2019 ADOPTED BUDGET CONSIDERATIONS

The 2019 Adopted Budget contains DOSAA funding in allocated contingency accounts within departments. DAS-PSB will not approve the use of any DOSAA funding until a fund transfer to move DOSAA funding from allocated contingency accounts to salary line items is processed.