

04-06. Discretionary Salary Increases for USBE Employees

Internal Policies and Procedures of the Utah State Board of Education
Policy # 04-06
Subject: Discretionary Salary Increases for Employees
Effective Date: 7/1/2016 Revision Dates: 3/12/2018; 6/4/2018
Purpose: To provide guidelines for the discretionary award of administrative salary increases to select employees. The USBE may receive a discretionary amount from the Utah State Legislature for annual salary increases for employees. By this policy, the USBE establishes guidelines related to the award of discretionary salary increases, including internal rules and procedures.
Policy: USBE awards discretionary salary increases based on employee performance, as supported by individual performance evaluations, and not as a Cost of Living Adjustment (COLA). General increases are given as discretionary. COLAs are awarded to all employees when designated as COLAs by the Legislature.
References: Article X of the Constitution of the State of Utah.

Definitions:

- “Cost of living adjustment” or “COLA” means a periodic increase in wages or salaries, appropriated by the Utah State Legislature as a COLA, to compensate for loss in purchasing power of money due to inflation.
- “General increase” means the general salary increase percentage that was approved for executive branch employees by the legislature for the upcoming fiscal year.
- “Schedule AE” includes each employee of the State Board of Education hired after July 1, 2017 as exempt from the career service provisions.

Eligibility

- An employee who receives benefits is eligible to receive a discretionary salary increase.
- An employee who is not eligible for benefits is eligible for one bonus payment during any state fiscal year, subject to the availability of funds, after benefitted employees are considered for and receive the discretionary increase.
 - The non-benefitted employee is eligible for the bonus payment if the employee receives a successful or exceptional rating on the employee’s most recent performance evaluation.
- An employee is eligible for a discretionary salary increase only one time per state fiscal year, beginning the state fiscal year following the legislative appropriation.

Parameters for Discretionary Salary Increases

- Performance plans are the basis for the award of the discretionary salary increases, depending on legislative appropriation amounts and/or availability of funds.
- Individual performance evaluations have five ratings: 1-Unsatisfactory, 2-Improvement Needed, 3-Meets Expectations, 4-Exceeds Expectations, and 5-Exceptional.
- Superintendents and Directors shall award higher discretionary salary increase percentages based on the performance rating of employees since the award of a discretionary salary increase is performance-based with the intent to recognize high performers subject to budget constraints.
- Performance evaluations are required to support the recommended increase as it is processed through the system. The performance evaluation must have a “yes,” response to both questions regarding the evaluation process of the employee before the performance evaluation is final.
- Employees are awarded salary increases in percentages, up to 5%. Directors are authorized to provide half percentage increases within the 0.5-5% range. For example, 0.5%, 2.5%.
 - A Director, or other USBE employee awarding a discretionary salary increase, may award an employee an increase that is higher than the general increase, if the employee has a supporting rating of a 4 (Exceeds Expectations) or 5 (Exceptional) on the individual employee’s performance evaluation, depending on the availability of funds.
 - An employee who receives a 3 (Meets Expectations) is eligible for no more than the general increase, depending on the availability of funds.
 - An employee who receives a rating of 1 (Unsatisfactory) or 2 (Improvement Needed) is not eligible for a discretionary salary increase for the next state fiscal year. The employee may be eligible for a discretionary salary increase the following state fiscal year if the employee is rated appropriately at the end of the fiscal year. Any employee receiving a 1 shall be placed on a Performance Improvement Plan (PIP) in collaboration with Human Resources. The supervisor of an employee receiving a 2 shall consult with Human Resources for further direction.
- The Superintendent, by way of a joint review process with the Deputy, Associate, and/or Assistant Superintendents, may adjust a discretionary salary increase recommendation of a Director based on the need to provide equity in compensation levels of similar positions across the organization.
- Employees must be hired before March 1 and be awarded at least a 3 to qualify for a discretionary increase for the next fiscal year.
- An existing employee (one who has changed positions within the USBE during the fiscal year), may qualify for a discretionary increase if the employee receives a 3 or higher rating.

- A Director, or other USBE employee awarding a discretionary salary increase, may award the existing employee a discretionary salary increase based on the availability of funds and at the discretion of the Superintendency.
- A Director, or other USBE employee awarding a discretionary increase, may not award a discretionary salary increase or salary adjustments in excess of the amounts appropriated by the legislature in that fiscal year.
- Within the appropriated and identified amounts to the Superintendents and Directors, an employee may receive no more than a 5% salary increase per year unless that employee is promoted to another position.
 - Superintendents and Directors have the discretion of recommending an employee for up to that amount, subject to the availability of funds.
- The Superintendent has final approval authority of all discretionary salary increases.

Timeline

- A Director, or other USBE employee who oversees the performance plan of an employee, shall ensure that each of the Section's employees has a performance plan in place on or before August 30 for the upcoming (current) state fiscal year.
- A Supervisor shall establish a performance plan within 60 days of hiring an employee.
- Quantifiable goals are highly recommended to ensure the ability of the supervisor to effectively evaluate the performance of each individual employee and distinguish between employees for discretionary increases based on their performance.
- Following the end of each legislative session, the USBE Financial Operations Section receives the amount of the appropriation based on the percentage increase deemed appropriate by the Utah State Legislature.
- Beginning June 1, USBE Financial Operations will provide the amounts appropriated for discretionary salary increases to the Superintendents and Directors.
- Funds appropriated for compensation increases do not include funds to pay for increases in indirect costs.
 - Section Directors shall consider their budgets when awarding performance increases and either fund increases in indirect costs with existing budgets or from the funds appropriated for compensation increases.
- Beginning as early as April 1, USBE Superintendents and Directors proceed with the evaluation of all their employees.
 - Superintendents and Directors shall ensure that their employees' performance is evaluated using the Utah Performance Management (UPM) by the first week of June.
 - By the end of the second week in June, Directors shall make their recommendations for salary increases to the Superintendency using the available systems and within their respective amounts of funding provided to them for the salary increases.
 - By the end of the third week in June, the Superintendency shall submit final reviewed and approved recommendations to Financial Operations. Directors

may notify employees of approved salary increases, after receiving Superintendency approval.

- Financial Operations shall input recommendations into the State payroll system, to be effective July 1.

Employee Appeals:

- An employee may appeal the employee's performance rating by filing a written appeal to the employee's Division Deputy Superintendent.
 - The appeal shall include reasons for the appeal; evidence to support the appeal; and any other relevant information.
- Upon review of the appeal, the Deputy Superintendent may require the employee's Director to amend the employee's performance rating in UPM.
- The Deputy Superintendent shall review and respond to the employee's appeal within 10 days of receiving the appeal.
- The Superintendent may assign an employee's appeal to another Deputy, Associate, or Assistant Superintendent for review if:
 - the employee's Division Deputy Superintendent is unable to respond to the appeal within 10 days; or
 - the employee's Division Deputy Superintendent is part of the reason the employee is appealing the performance rating.