PLEASE POST ON ALL BULLETIN BOARDS AS SOON AS POSSIBLE

Public Hearing Notice - No. 421

A Career Service Board Public Hearing has been scheduled regarding the proposed revision of Career Service Rule 13 PAY FOR PERFORMANCE and related rules.

The scheduled time for the public hearing is THURSDAY, NOVEMBER 18, 2010, at 9:00 A.M., in the CSA Board Room, 4.F.6., Webb Municipal Building, 201 West Colfax Avenue.

If anyone wishes to be heard by the Board on this item, please contact Leon Duran at 720-913-5168 no later than 12:00 Noon on MONDAY, NOVEMBER 15, 2010.

If anyone wishes to submit written comments, please submit them

IN PERSON NO LATER THAN 12:00 NOON ON
MONDAY, NOVEMBER 15, 2010, TO:

Pete Garritt
HR Supervisor
Career Service Authority
201 West Colfax, 4th Floor
Denver, Colorado 80202

BY MAIL TO BE RECEIVED NO LATER THAN 12:00 NOON ON
MONDAY, NOVEMBER 15, 2010, ADDRESSED TO:

Pete Garritt
HR Supervisor
Career Service Authority
201 West Colfax, Department 412
Denver, Colorado 80202

BY FAX, TO BE RECEIVED NO LATER THAN 12:00 NOON ON
MONDAY, NOVEMBER 15, 2010 TO: (720-913-5720)

OR BY E-MAIL TO BE RECEIVED NO LATER THAN 12:00 NOON ON
MONDAY, NOVEMBER 15, 2010 TO: Peter.Garritt@denvergov.org
PLEASE POST ON ALL BULLETIN BOARDS

AS SOON AS POSSIBLE

RULE PROPOSAL 410B

TO: Appointing Authorities, Managers, and Employees

FROM: Jeff Dolan, CSA Director

DATE: November 5, 2010

SUBJECT: Proposed revision to Career Service Rule 13 PAY FOR PERFORMANCE and related rules

THIS PROPOSED REVISION TO THE CAREER SERVICE RULES IS BEING POSTED FOR PUBLIC COMMENT AND HEARING TO BE HELD ON

THURSDAY, NOVEMBER 18, 2010, at 9:00 A.M.

CSA has been working with representatives from the Administration and City Council since 2009 in the Total Compensation Committee to change how pay and benefits are delivered to City employees. This committee proposed five modernizations to the City’s total compensation package. To date, three of these modernizations have been implemented:

- increasing the number of performance ratings from three to five;
- Establishing a PTO plan for new employees; and
- Simplifying pay ranges

The last two modernizations will be implemented at the beginning of 2011 if this rule change proposal is approved. They are:

- Establishing a common performance review date; and
- Establishing a flexible merit (performance) increase table.

CSA is proposing that beginning in 2011, all eligible Career Service employees will be evaluated and will receive any applicable pay increases at the same time. Supervisors and managers will be required to have evaluations of their employees’ 2010 performance completed in early March 2011. Merit increases can be awarded within a range of percentages rather than the one fixed step(s) required under previous versions of this rule. Supervisors and managers will be required to recommend a percentage increase for each employee at the same time evaluations are due.

Departments and agencies will not be able to give more than an average 2.2% increase to eligible employees. They will have approximately a month to submit spreadsheets with merit increase and merit payment information to CSA. Once that is done, supervisors can begin meeting with individual employees to discuss the employees’ ratings. It is anticipated that merit increases and merit payments will appear on paychecks issued on
May 13th. Since merit increases and merit payments will have an effective date of January 2nd, this amount is expected to include back pay reflecting the amount of pay increase between January and May.

In order to implement these changes the following revisions to Career Service Rule 13 PAY FOR PERFORMANCE are being proposed:

- Employees on leave for a calendar year or more (i.e., military leave or appointees on leave from Career Service job) will have their pay adjusted upon their return to reflect a “Successful” rating. Employees who miss part of a year will be evaluated on their performance during the time they were working.

- PEPRs that were due before January 1, 2011 will not be accepted after that date if they will result in a pay increase.

- A new merit table with a range of percentage increases associated with each rating above “Failing.”

- In 2011, the average amount of increases for all employees in a department or agency cannot exceed 2.2%.

- Employees hired in the previous year will have merit increases and merit payments pro-rated based on the month hired.

- The effective date of merit increases and payments will be the first Sunday of the year.

- There will no longer be forced merit increases.

- All eligible employees will be evaluated in first quarter of year for previous year’s performance.

- Supervisors and managers will have their merit increases reduced if they fail to comply with the timelines in the rule.

If you would like to schedule a meeting with a member of Career Service Authority to discuss this proposal prior to the Public Hearing, please contact Pete Garritt at 720-913-5671.
Section 9-40 Work Assignment Outside of Job Classification

D. 1. The employee’s job classification will not change as a result of a temporary assignment of higher level job duties and responsibilities. Employees receiving additional pay for working outside of their assigned classification shall not be eligible for re-allocation to the higher level classification.

2. If an employee’s Merit Date falls within the period of the temporary assignment and the employee receives a merit increase during the temporary assignment, the pay for the work assignment outside of job classification shall be re-calculated based on the employee’s base pay with including the merit increase. The re-calculated pay shall be effective as on the effective date of the merit increase.

10-43 Using Paid Leave

C. Use of PTO or sick and vacation leave shall not affect eligibility for a merit increase or merit payment.

10-67 Administrative Leave

C. Approved administrative leave shall not affect eligibility for a merit increase or merit payment.

11-51 Granting Military Leave Without Pay

Military leave without pay shall be subject to the following provisions:

F. Effect on eligibility for a merit increase:

Military leave without pay shall not affect eligibility for a merit increase.

11-52 Return From Military Leave Without Pay

Employees returning from military leave without pay after an absence of ninety (90) days or less shall return to their former position. Employees returning after ninety-one (91) days or longer shall return to their former position or a job of equal status and pay, that the employee would have attained with performance ratings of “Successful” had he or she not been on leave, subject to the following provisions:

11-83 Budget Required Furlough

G. Pay increases and employees benefits:

A mandatory furlough or voluntary furlough shall have no effect on the following:

1. Performance evaluations or merit increases;
RULE 13
PAY FOR PERFORMANCE

Purpose statement:

The purpose of this rule is to explain the Performance Enhancement Program ("PEP") and how the individual performance of eligible Career Service employees is evaluated, reported and rewarded with merit increases or merit payments.

Section 13-10 Definitions:

A. Eligible Employee: All Career Service employees are eligible for merit increases or merit payments as provided in this Rule, except:

13-62 On-call Employees and Employees in Other Pay Schedules

A 1. On-call employees, are not eligible for merit increases or merit payments

G 2. Employees holding positions in the Training pay schedule, which only has one pay rate and cannot support merit increases accordingly merit increases cannot be granted.

3. Employees who hold positions in classifications contained in the Undersheriff pay schedules.

4. Otherwise eligible employees who have been on a leave of absence from their position for all of the preceding calendar year. Such employees shall have their pay adjusted upon their return to work. This adjustment shall be equivalent to what the employee’s pay rate would have been if the employee had received the mid-point of the applicable “Successful” merit increase for the missed rating period(s). Employees who have been absent from their position for less than a calendar year shall have their performance while present at work evaluated as provided in this rule.

B. Anniversary Date: The effective date of an employment appointment or a re-employment appointment to a full or part-time limited or unlimited position in the Career Service, whichever is later; or the effective date of a re-instatement appointment.

C. Interim PEPR: A PEPR prepared prior to an employee’s merit date whenever an employee permanently changes supervisors, either by promotion, re-promotion, transfer, demotion, re-assignment, or other action.

D. B. Merit Increase: Periodic increase to an employee’s base rate of pay determined by an employee’s PEP performance rating and location in the applicable pay range current pay rate.

Proposed revisions to Career Service Rule 13 PAY FOR PERFORMANCE and related rules
Prepared for public hearing notice, 10/5/10
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PAY FOR PERFORMANCE
and related rules
Prepared for public hearing notice, 10/5/10

C. Merit Payment: Lump sum payment of one percent (1%) of an employee’s current annual base salary (before any applicable withholding) provided to employees at the range maximum who receive either an “Outstanding” or “Exceeds expectations” rating determined by the employee’s PEP rating and current pay rate. A merit payment will not increase an employee’s base rate of pay.

D. Performance Improvement Plan (“PIP”): A document which may be used at any time during an employee’s evaluation period to supplement the employee’s PEP plan that may include, but is not limited to, levels of performance that must be achieved to obtain a successful rating, current performance deficiencies, support that may be provided by the department or agency, actions the employee must take to address the performance deficiencies, and a timeline for completion of the actions.

E. Merit Date: The date an employee’s annual evaluation period concludes and the date an employee’s PEPR is due. For employees hired prior to January 1, 2008, it is the PEPR Evaluation End date the employee had as of December 31, 2007. For employees hired or rehired on or after January 1, 2008, the merit date will either be the sixteenth of the month in which the employee’s anniversary date occurred or the first of the month following the employee’s anniversary date, whichever date is closest after the anniversary date. Employees hired on the first or sixteenth of a month on or after January 1, 2008 will retain the date of hire as the employee’s merit date.

F. PEP Plan: The written plan that is provided to an employee setting forth the performance standards and measures against which an employee’s performance is evaluated each year in an employee’s PEPR.

G. PEPR Review Date: The date an employee’s PEPR is reviewed with an employee.

H. Performance Enhancement Program (PEP): The performance evaluation system used by the City and County of Denver for Career Service employees.

I. Performance Enhancement Program Report (PEPR): The report of an employee’s performance evaluation that is provided to an employee each year by the employee’s supervisor.

J. Performance Rating: The rating that is included in an employee’s PEPR which is either “Outstanding,” “Exceeds expectations,” “Successful,” “Below expectations,” or “Failing.”

Section 13-20 Performance Enhancement Program

13-21 Purpose

The purposes of the Performance Enhancement Program PEP are to outline job expectations, establish performance standards outcomes and measures, encourage and support professional development, provide ongoing performance feedback, and evaluate performance in a timely manner.

A 13-22 Written PEP Plan

Upon appointment to a position, or the assignment of substantially different duties, the an eligible employee’s supervisor shall provide the employee with a written PEP plan setting forth the performance outcomes and measures against which an employee’s performance is evaluated every year complete a PEP plan and review it with the employee.

Proposed revisions to Career Service Rule 13 PAY FOR PERFORMANCE and related rules
Prepared for public hearing notice, 10/5/10
Section 13-30 PEP Process

A. 13-23 PEP Reporting Requirement

4. All eligible employees, except those holding on-call positions, shall have their performance for the previous calendar year formally evaluated and rated in a PEP Report (“PEPR”). This evaluation shall occur once every year according to the schedule attached as Appendix A once a year.

B. 13-24 Interim PEPRs

4 A. Whenever an eligible employee permanently changes supervisors, either by promotion, re-promotion, transfer, demotion, re-assignment, or other action, an interim PEPR shall be completed by the employee’s former supervisor immediately preceding the change. When the employee’s current supervisor terminates employment with the City, the next level manager will be responsible for completing the interim PEPR. The interim PEPR shall cover the period from the beginning of the year until last merit date to the effective date of the transaction and shall be given to the receiving supervisor.

2 B. If an employee’s supervisor or next level manager fails to complete an interim PEPR and submit it to the receiving supervisor CSA within thirty (30) calendar days after the transaction date, a rating of “Successful” shall be granted for the relevant period.

3 C. The receiving supervisor shall prepare a PEPR for the period between the effective date of the interim PEPR and the end of the year merit date. The overall performance rating should take into account the performance rating on the interim PEPR and the employee’s current performance in proportion to the time spent in each assignment. Nothing herein shall prevent an employee from receiving an overall annual rating of “Failing” or “Below expectations,” even if the interim PEPR was “Successful,” “Exceeds expectations” or “Outstanding.”

13-25 PEPRs from Previous Years

PEPRs that were due prior to 2011 will not be accepted by the Career Service Authority (“CSA”) after December 31, 2010 if the rating awarded in the PEPR will result in a merit increase in excess of any forced merit increase the employee received when the PEPR first became overdue.
Section 13-30 PEP Process

C. 13-31 Performance Ratings

A. An eligible employee’s overall performance shall be rated in an employee’s PEPR as one of the following:

1. Failing: Work does not meet expectations in most, if not all, areas.
2. Below expectations: Meets many, but not all job requirements. Outcomes are generally less than expected, with improvement required in one or more specific areas.
4. Exceeds expectations: Consistently performs well above expected job requirements. Outcomes frequently surpass expectations.
5. Outstanding: Consistently delivers outcomes not often achieved by others; always exceeds standards.

Section 13-40 B. “Failing” Rating Procedure:

A 1. If an eligible employee’s annual performance rating is expected to be “Failing,” the department or agency shall advise the employee of the expected rating a reasonable time in advance, but not less than seven (7) calendar days prior to the date of the meeting scheduled to review the employee’s PEPR review date, and shall allow representation at the meeting to review the PEPR in accordance with the provisions of Rule 15 CODE OF CONDUCT.

B. If an employee’s annual performance rating is “Failing,” the employee will not be eligible for a merit increase or merit payment for that evaluation period unless the PEPR is more than thirty (30) calendar days late, in which case the provisions of subsection 13-61 C Failure to File PEPR will determine the employee’s eligibility for a merit increase.

C 2. The employee shall be provided with a PIP no later than ten (10) calendar days after the PEPR review date the PEPR is reviewed with the employee.
Section 13-60 Eligibility for **13-32** Merit Increases and Merit Payments

**B A.** The funding for merit increases and merit payments is provided in the annual appropriation ordinance. The pay increase associated with a particular performance rating shall be reviewed annually and adjusted as necessary to reflect prevailing practices in the community. The award of merit increases and merit payments is contingent upon this annual appropriation being approved by City Council and the Mayor. In case of a conflict between ordinance and these rules, the ordinance will prevail.

2. Merit increases and merit payments will not be awarded on PEPRs due in 2010.

**B.** Departments and agencies are responsible for determining the percentage increase associated with each employee rating within each quartile. The average percent increase for all eligible employees in a department or agency shall not exceed 2.2% for merit increases and merit payments delivered in 2011.

**C.** **Merit Table:**

1. Eligibility for merit increases and merit payments is based on an eligible employee’s overall annual performance as measured by a PEPR in accordance with the following table:

<table>
<thead>
<tr>
<th>Quartile</th>
<th>1st Quartile</th>
<th>2nd Quartile</th>
<th>3rd Quartile</th>
<th>4th Quartile</th>
<th>Range Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>5. Outstanding</strong></td>
<td>3.5-3.9%</td>
<td>2.9-3.3%</td>
<td>2.4-2.8%</td>
<td>1.9-2.3%</td>
<td>Merit Payment</td>
</tr>
<tr>
<td><strong>4. Exceeds</strong></td>
<td>2.9-3.3%</td>
<td>2.4-2.8%</td>
<td>1.9-2.3%</td>
<td>1.4-1.8%</td>
<td>Merit Payment</td>
</tr>
<tr>
<td><strong>Expectations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>3. Successful</strong></td>
<td>2.4-2.8%</td>
<td>1.9-2.3%</td>
<td>1.4-1.8%</td>
<td>0.8-1.2%</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>2. Below</strong></td>
<td>1.4-1.8%</td>
<td>0.8-1.2%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Expectations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>1. Failing</strong></td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

2. However, no eligible employee shall receive a merit increase that exceeds the range maximum of the pay grade assigned to the employee’s job classification. Employees who hold positions in classifications contained in the Undersheriff pay schedules are not eligible for merit increases or merit payments under this Rule 13.
D. In the case of a declared fiscal emergency by the Mayor, and upon the request of the Mayor, there will be no merit increases or merit payments awarded for increments of at least one year. During the declared fiscal emergency appointing authorities, managers and supervisors shall complete PEPRs for eligible employees, but no merit increases or merit payments will be awarded during this time.

13-33 Pro-ration for New Hires

Employees hired after January in the previous year shall have their merit increase or merit payment reduced by $\frac{1}{12}$ for the number of months after January their hire or re-hire date occurs. For instance, employees hired in February shall have their merit increase or merit payment for that year reduced by $\frac{1}{12}$. Employees hired in December shall have their merit increase or merit payment for that year reduced by $\frac{11}{12}$.

13-34 Merit Date: Effective Date of Merit Increase

Merit increases and merit payments will be effective on the first Sunday of the calendar year.

A. General Provision: If an employee is eligible to receive a merit increase or merit payment, it will be effective on the merit date.

B. If a department or agency prepares an employee’s PEPR after the merit date, any merit increase or merit payment to be awarded as a result of the performance rating shall be granted retroactively to the merit date.

C. Failure to file PEPR:

1. If a PEPR is not received in the office of CSA within thirty (30) calendar days after the merit date, a merit increase, equivalent to the pay increase the employee would have received for a "Successful" rating, shall be granted retroactively to the merit date. (Revised effective October 2010; Rule Revision Memo 47C)

2. If the PEPR is received after the thirty (30) calendar days and it shows an "Exceeds expectations" or "Outstanding" rating, any corresponding increase in merit pay shall be granted retroactively to the merit date.

3. If the PEPR is received after the thirty (30) calendar days and it shows a "Below expectations" or "Failing" rating, the employee shall continue to receive the merit increase, if any, associated with a "Successful" rating, but the PEPR evidencing the "Below expectations" or "Failing" rating will become part of the employee’s record.

4. Supervisors or managers who are responsible for the submission of PEPRs to CSA and file a PEPR more than thirty (30) calendar days after the merit date may be subject to discipline for failure to perform assigned duties.
13-35 Enforcement of PEPR Schedule

A. Departments and agencies shall submit proposed merit increases and merit payments to CSA as provided in the schedule attached as Appendix A.

B. If a supervisor’s or manager’s failure to meet the deadlines set forth in Appendix A is a contributing reason to an appointing authority’s failure to meet the deadline for submitting recommended merit increases and merit payments to CSA, the supervisor’s or manager’s rating shall be reduced as follows:

1. If the supervisor or manager has missed a deadline by less than eight calendar days, the overall performance rating that supervisor or manager would otherwise have received for the previous calendar year shall be reduced by one rating.

2. Each additional seven day period of delay shall result in the supervisor’s or manager’s rating being reduced one rating for each additional seven day period.

3. Should this delay result in the supervisor or manager receiving a “Failing” rating, the process described in this Rule 13 regarding “Failing” ratings shall apply.

C. Supervisors or managers who fail to meet the deadlines set forth in Appendix A may also be subject to discipline for failure to perform assigned duties.

Section 13-30 PEP Process

A. PEP Reporting Requirement

13-36 Review of PEPR with Employee

2. Each employee’s performance rating PEPR shall be reflected in an official CSA PEPR form, which shall be reviewed with the employee as provided in the schedule attached as Appendix A and submitted to CSA no later than thirty (30) calendar days after an employee’s merit date.

3. Documentation specifically detailing the reason(s) for an employee’s performance rating shall be provided to CSA and the employee. Failure to provide such documentation to CSA shall result in the PEPR being returned to the appointing authority.

13-37 Official Records

4. The PEPR and any supporting documentation shall be made a permanent part of the employee’s official personnel record.

Proposed revisions to Career Service Rule 13 PAY FOR PERFORMANCE and related rules
Prepared for public hearing notice, 10/5/10
13-38 Discipline

Section 13-20 Performance Enhancement Program

B. The PEP plan and PEPR may be used as a basis for disciplinary action under Rule 16 DISCIPLINE AND DISMISSAL if an employee’s performance fails to comport with the standards set forth in the PEP plan.

Section 13-50 39 Grievances and Appeals Relating to PEPRs

A. An eligible employee may grieve any performance rating pursuant to Rule 18 DISPUTE RESOLUTION.

B. An eligible employee may appeal a grievance of a “Failing” rating in accordance with Rule 19 APPEALS. Appeals of grievances of other ratings are not permitted.

C. An eligible employee may not grieve or appeal any other aspect of the PEP Performance Enhancement Program.

13-40 Employees in the Community Rate and Short-range Pay Schedules

43-62 On-call Employees and Employees in Other Pay Schedules

Employees holding positions in the Community Rate and Short-range pay schedules, are on-call, accordingly, merit increases or merit payments are not available. However, employees in these schedules may receive a two and one quarter percent (2.25%) pay increase (not to exceed the range maximum of the applicable range) upon the approval of the appointing authority, except during a declared fiscal emergency, after having served:

1 A. Two consecutive annual terms (an annual term is a minimum of three hundred (300) hours); or

2 B. One term and completion of a certificate program as approved by the appointing authority.
APPENDIX A
2010 PEPR SCHEDULE

<table>
<thead>
<tr>
<th>DUE DATE</th>
<th>TASK</th>
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</thead>
<tbody>
<tr>
<td>March 8, 2011</td>
<td>Deadline for performance evaluations for 2010 calendar year and recommended pay increases to be delivered to appointing authorities by subordinate supervisors.</td>
</tr>
<tr>
<td>March 10, 2011</td>
<td>CSA delivers employee data worksheets to Manager 2s and appointing authorities for distribution to subordinate supervisors and turns on the on-line Matrix tool.</td>
</tr>
<tr>
<td>March 11, 2011</td>
<td>Manager 2s and appointing authorities distribute employee data worksheets to subordinate supervisors for performance rating entry.</td>
</tr>
<tr>
<td>March 16, 2011</td>
<td>Deadline for subordinate supervisors to return completed employee data worksheets to Manager 2s and appointing authorities for review.</td>
</tr>
<tr>
<td>April 15, 2011</td>
<td>Deadline for appointing authorities to submit signed merit increase and merit payment recommendations to CSA. All eligible employees must be accounted for in these recommendations.</td>
</tr>
<tr>
<td>April 15, 2011</td>
<td>First day for supervisors to meet with employees to review PEPRs and merit increase amount.</td>
</tr>
<tr>
<td>May 12, 2011</td>
<td>Last day for supervisors to review PEPRs and merit increases or merit payments with employees.</td>
</tr>
<tr>
<td>May 13, 2011</td>
<td>Merit increases and merit payments appear on employee paychecks paid retroactively from January 2nd.</td>
</tr>
</tbody>
</table>
Section 18-10 Definitions

For the purposes of the Career Service Rules ("Rules"), the following terms apply:

C. Grievance

An issue raised by a Career Service employee relating to actions/inactions taken by the employee’s supervisor/manager that violate the employee’s rights under the Rules, the City Charter, ordinances relating to the Career Service, executive orders, or written agency policies. Notwithstanding the above definition, the following may not be grieved:

1. Issues for direct appeal (see Rule 19);

2. Complaints of discrimination, harassment or retaliation, because there is a separate process for an employee to follow to bring a complaint involving discrimination, harassment or retaliation (see Rule 15);

3. Verbal reprimands;

4. Any aspect of the Performance Enhancement Program other than an employee’s performance rating.

5. Bonus or incentive payments, or the lack thereof, or the criteria used by an agency or department to make or not make such payments, or any other aspect of the bonus or incentive program; and

6. The mediation process.

Section 18-40 Grievance Procedure

If a work-related issue was not taken to or resolved through the open door policy or mediation, and a Career Service employee has a grievance as defined in Section paragraph 18-10 C. of this rule, the following procedures shall apply:

E. Filing with Career Service Hearing Office:

1. Only grievances in conformance with and processed pursuant to the requirements of this Rule 18 may be appealed. Notwithstanding other provisions in these rules, written reprimands and PEPR ratings of “Successful Below expectations” or higher may not be appealed.