

Career Service Rule Section 2-20 B. - Adoption, Amendment or Repeal of Career Service Rules ("Rules"). When the Board or the OHR Executive Director determines that a change in the Rules is necessary or desirable, the procedure shall be as follows:
... 2) The proposed rule change shall be posted on the same bulletin boards as the local, state, and federal- mandated posters, as well as the Career Service Board's internet page, and made available to appointing authorities, employees, and the general public for comments and suggestions. A short summary of the proposed rule change and the reason(s) for the proposed change shall be posted with the proposed rule change...
4) A public hearing on the proposed rule change shall be held by the Board.

Please Post on All Bulletin Boards
As Soon As Possible

Public Hearing Notice - No. 694

A Career Service Board Public Hearing has been scheduled regarding the proposed adoption of revisions to **Career Service Rule 13 (Pay for Performance)**.

A Career Service Board Meeting regarding Public Hearing Notice No. 694 is scheduled for **Thursday, October 17, 2024**. The public hearing starts at **9:00 a.m.** and will be held at the Career Service Hearings Office, located on the first floor in the Wellington Webb Municipal Building at 201 West Colfax, Denver, Colorado.

If anyone wishes to submit written comments or talk to OHR staff regarding this notice, please contact:

Lori Smith
Administrator
Office of Human Resources
(720) 337-6185
lori.smith@denvergov.org

Written comments regarding this notice should be submitted **no later than 12:00 p.m. on Monday, October 14, 2024**.

If anyone wishes to address the Board regarding this notice, please contact Lori Smith at (720) 337-6185 or at lori.smith@denvergov.org, no later than **12:00 p.m. on Monday, October 14, 2024** to get on the agenda. You are encouraged to submit written comments regarding the subject matter of your testimony at this time so that the Board has time to adequately consider your input.

Please Post on All Bulletin Boards
As Soon As Possible

Rule Revision Proposal 92D

To: Appointing Authorities, Managers, and Employees
From: Kathy Nesbitt, OHR Executive Director
Date: Friday, October 4, 2024
Subject: Proposed Adoption of Revisions to Career Service Rule 13 Pay for Performance

This Proposed Provisional Revision to the Career Service Rules is being posted for Public Comment and Hearing to be held on

Thursday, October 17, 2024, 9:00 a.m.

Current Rule

RULE 13
PAY FOR PERFORMANCE
(Revised October 19, 2023; Rule Revision Memo 90D)

Purpose statement:

The purpose of this rule is to explain the performance review program and how the individual performance of eligible Career Service employees is evaluated, reported, and rewarded with merit increases and merit payments.

Section 13-10 Definitions:

- A. **Eligible Employee:** All Career Service employees are eligible for merit increases and merit payments as provided in this Rule, except:
1. On-call employees.
 2. Employees holding positions in the Training pay table, which only has one pay rate.
 3. Employees who hold positions in classifications contained in the Undersheriff pay tables. and
 4. Employees hired into the city after September 30th of the previous year.
- B. **Merit Increase:** Periodic increase to an employee's base rate of pay as determined by an employee's performance rating and location in the applicable pay range.
- C. **Merit Payment:** Lump sum payment is a percentage of an employee's current annual base salary. 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 individual goals 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.

Section 13-20 Goal Setting and Performance Reviews

13-21 Purpose

The purposes of goal setting and performance reviews are to outline job expectations, establish performance outcomes and measures, encourage, and support professional development, provide ongoing performance feedback, and evaluate performance in a timely manner.

13-22 Written Goal Setting

An eligible employee's supervisor shall work with the employee to identify the goals for the performance outcomes and measures against which the employee's performance is evaluated every year. This shall be done annually for current employees, as well as upon appointment to a new position, or the assignment of substantially different duties to an employee. These goals shall be provided to the employee in writing.

13-23 Performance Reviews

(Revised February 24, 2023; Rule Revision Memo 85D)

- A. All eligible employees shall have their performance for the previous calendar year formally evaluated and rated in a written performance review. This evaluation shall occur once every year according to the schedule attached as Appendix A.
 - 1. Eligible employees who have been absent from their position for less than a calendar year shall have their performance evaluated based on the time they were present at work.
 - 2. Eligible employees who have been on a leave of absence from their position for all of the preceding calendar year shall not receive a performance evaluation. These employees shall have their pay adjusted to reflect the merit increase they would have received with a "Thriving" performance rating, based upon the approved merit increase percentage pool for the applicable merit cycle. (Revised May 22, 2018; Rule Revision Memo 42D)
- B. Whenever an eligible employee changes supervisors, the employee's former supervisor should evaluate the employee's performance in relation to the employee's goals. Each goal should be rated individually, and no overall rating is required. If the change in supervisors is the result of the employee's former supervisor terminating employment with the City, the next level manager is responsible for evaluating the employee's performance. These ratings shall cover the period from the beginning of the year until the effective date of the change in supervisors.
 - 1. The employee's current supervisor, as well as the employee, will receive the interim evaluation electronically.
 - 2. At the end of the evaluation year, the employee's current supervisor shall prepare a performance review for the entire calendar year. This performance rating should consider the information provided by the previous supervisor, and the employee's current performance in proportion to the time spent in each assignment.

Section 13-30 Performance Review Process

13-31 Performance Ratings

(Revised February 24, 2023; Rule Revision Memo 85D)

- A. An eligible employee's performance shall be evaluated in an employee's review as one of the following:

Rating	Rating Name	Definition
3	Excellent	Significantly exceeds performance standards and goals on continuous basis. Frequently delivers outcomes that are superior. This rating reflects a level of performance that is truly superb throughout the rating period.
2	Thriving	Effectively achieves performance standards and on a consistent basis. Regularly delivers outcomes that are good or better than expected. This rating reflects a level of performance that are good or better than expected. This rating reflects a level of performance that is solid or in some respect even stronger than expected.
1	Development Needed	Falls short of performance standards and goals on a consistent basis. Delivers outcomes that are less than expected in terms of quality and/or consistency. This rating reflects a level of performance that needs improvement. It may also reflect that the employee has not spent enough time in the position to develop the knowledge or proficiencies needed to meet established standards.

13-32 Merit Increases and Merit Payments
 (Revised October 19, 2023; Rule Revision Memo 90D)

- 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 the City Council and the Mayor. In case of a conflict between ordinance and these rules, the ordinance will prevail.
- B.
 - 1. Departments and agencies are responsible for determining the percentage increase associated with each employee rating. The percent increase for all eligible employees shall average 4.00% for merit increases and merit payments delivered in 2024.
 - 2. When there is a change to an employee's pay rate on the same effective date as the merit increase, the merit increase will be applied before any other pay rate change(s).
- C. Merit Table:
 - 1. Eligibility for merit increases and merit payments is based on an eligible employee's overall annual performance rating as measured by a performance review.

2023 Performance Rating	2024 Merit Increase Percent	2024 Lump Sum Merit Payment Percent
3. Excellent	3.20% - 5.20%	3.20% - 5.20%
2. Thriving		
1. Development Needed	0.00% - 2.00%	0.00%

- 2. An eligible employee whose current pay rate is within the pay range of the pay grade assigned to the employee's job classification shall receive a merit increase in accordance with the above table.
- 3. An eligible employee whose current pay rate is at or above the pay range maximum of the pay grade assigned to the employee's job classification shall receive a lump sum merit payment in accordance with the above table.
- 4. No eligible employee shall receive a merit increase that exceeds the range maximum of the pay grade assigned to the employee's job classification. If the application of this sub-paragraph results in an employee receiving a merit increase that is less than the percentage

increase awarded to the employee, the employee shall receive the difference between the merit increase awarded and the merit increase received in the form of an additional merit payment.

- 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 performance reviews 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 1st and on or before September 30th will have their merit increase pro-rated to the employee's start date.

13-34 Effective Date of Merit Increase (Revised on August 4, 2023; Rule Revision Memo 89D)

- A. Merit increases and merit payments will be calculated from an employee's annual base salary as of December 31st of the previous year and will be effective in 2024 on Monday, January 1st.
- B. An employee's merit increase shall not be included as part of another pay change (such as a promotional increase) and must be applied as a separate merit increase.

13-35 Performance Review Schedule

Departments and agencies shall submit proposed merit increases and merit payments to the Office of Human Resources ("OHR") as provided in the schedule attached as Appendix A.

13-36 Review of Performance with Employee

Each employee's written performance review shall be reviewed with the employee as provided in the schedule attached as Appendix A.

13-37 Official Records

The annual performance review and any supporting documentation shall be made a permanent part of the employee's official personnel record.

13-38 Discipline

The written performance review and/or PIP(s) may be used as a basis for disciplinary action under Rule 16 **CODE OF CONDUCT AND DISCIPLINE**, up to and including dismissal, if an employee's performance fails to comport with the standards set forth in any of these documents.

13-39 Grievances and Appeals Relating to Performance Reviews

(Revised on February 24, 2023; Rule Revision Memo 85D)

- A. An eligible employee may grieve any performance rating pursuant to Rule 18 **DISPUTE RESOLUTION**.
- B. Grievances of performance ratings may not be appealed.
- C. An eligible employee may not grieve or appeal any other aspect of the performance review program.

APPENDIX 13.A

2023 PERFORMANCE REVIEW SCHEDULE

DUE DATE	TASK
December 15, 2023	Deadline for performance evaluations for the <u>2023</u> calendar year to be completed by supervisors, second level managers, and agency approvers.
January 12, 2024	Deadline for appointing authorities to submit merit increase and merit payment recommendations to OHR. All eligible employees must be accounted for in these recommendations. The percent increase for all eligible employees in a department or agency should average 4.00% for merit increases and merit payments delivered in 2024.
February 16, 2024	Merit increases and merit payments appear on employee paychecks, as well as retroactive merit increases and merit payments for the period from January 1 st until February 10 th .

This Appendix is provided for informational purposes and is not considered a part of the Rules.

Revised Rule

Deletions are indicated by ~~strike through~~ and additions are indicated by underline.

~~RULE 13~~
~~PAY FOR PERFORMANCE~~
Rule 13
Pay for Performance

Purpose statement:

The purpose of this rule is to explain the performance review program and how the individual performance of eligible Career Service employees is evaluated, reported, and rewarded with merit increases and merit payments.

Section 13-10 Definitions:

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

1. On-call employees;~~;~~
2. Employees holding positions in the Training pay table, which only has one pay rate;~~;~~
3. Employees who hold positions in classifications contained in the Undersheriff pay tables;~~;~~ and
4. Employees hired into the city after September 30th of the previous year.

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

C. Merit Payment: Lump sum payment is a percentage of an employee's current annual base salary. 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 individual goals that may include, but is not limited to, levels of performance that must be achieved to obtain a successful rating, current performance deficiencies, to identify 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.

Section 13-20 Goal Setting and Performance Reviews

13-21 Purpose

The purposes of goal setting and performance reviews are to outline job expectations, establish performance outcomes and measures, encourage, and support professional development, provide ongoing performance feedback, and evaluate performance in a timely manner.

13-22 Written Goal Setting

An eligible employee's supervisor shall work with the employee to identify the goals for the performance outcomes and measures against which the employee's performance is evaluated every year. This shall be done annually for current employees, as well as within 90 days of~~upon~~ appointment, promotion, demotion or transfer to a new position, or within 90 days of the assignment of substantially different duties to an employee. These goals shall be provided to the employee ~~in writing~~through the human resource information system managed by the Office of Human Resources.

13-23 Performance Reviews

~~(Revised February 24, 2023; Rule Revision Memo 85D)~~

- A. All eligible employees shall have their performance for the previous calendar year formally evaluated and rated in a written performance review. This evaluation shall occur once every year according to the schedule attached as Appendix A to this Rule 13 Pay for Performance.
1. Eligible employees who have been absent from their position for less than a calendar year shall have their performance evaluated based on the time they were present at work.
 2. Eligible employees who have been on a leave of absence from their position for all of the preceding calendar year shall not receive a performance evaluation ~~and. These employees~~ shall have their pay adjusted to reflect the merit increase pool's average percentage.~~they would have received with a "Thriving" performance rating, based upon the approved merit increase percentage pool for the applicable merit cycle. (Revised May 22, 2018; Rule Revision Memo 42D)~~
- B. Whenever an eligible employee changes supervisors, within 90 days of the change, the employee's former supervisor should evaluate the employee's performance in relation to the employee's goals. Each goal should be rated individually, and no overall rating is required. If the change in supervisors is the result of the employee's former supervisor ~~separating from terminating employment with~~ the City, the next level manager is responsible for evaluating~~providing feedback regarding~~ the employee's performance within 60 to 90 days of the former supervisor's separation. These ratings shall cover the period from the beginning of the year until the effective date of the change in supervisors.

~~1. The employee's current supervisor, as well as the employee, will receive the interim evaluation electronically.~~

2.1. At the end of the evaluation year, the employee's current supervisor shall prepare a performance review for the entire calendar year. This performance rating should consider the information provided by the previous supervisor, and the employee's current performance in proportion to the time spent in each assignment.

Section 13-30 Performance Review Process

13-31 Performance Ratings

~~(Revised February 24, 2023; Rule Revision Memo 85D)~~

A. An eligible employee's performance shall be evaluated, in an employee's review, as one of the performance ratings set forth in Appendix A attached to this Rule 13 Pay for Performance.~~one of the following:~~

Rating	Rating Name	Definition
3	Excellent	Significantly exceeds performance standards and goals on continuous basis. Frequently delivers outcomes that are superior. This rating reflects a level of performance that is truly superb throughout the rating period.
2	Thriving	Effectively achieves performance standards and on a consistent basis. Regularly delivers outcomes that are good or better than expected. This rating reflects a level of performance that are good or better than expected. This rating reflects a level of performance that is solid or in some respect even stronger than expected.
4	Development Needed	Falls short of performance standards and goals on a consistent basis. Delivers outcomes that are less than expected in terms of quality and/or consistency. This rating reflects a level of performance that needs improvement. It may also reflect that the employee has not spent enough time in the position to develop the knowledge or proficiencies needed to meet established standards.

13-32 Merit Increases and Merit Payments
 (~~Revised October 19, 2023; Rule Revision Memo 90D~~)

- 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 the City Council and the Mayor. In case of a conflict between ordinance and these rules, the ordinance will prevail.
- B. 1. Departments and agencies are responsible for determining the percentage increase associated with each employee rating. The percent increase for all eligible employees shall be the average ~~4.00%~~ for merit increases and merit payments delivered in the calendar year following the performance cycle~~2024~~.
2. When there is a change to an employee's pay rate on the same effective date as the merit increase, the merit increase will be applied before any other pay rate change(s).
- C. Merit Table:
1. Eligibility for merit increases and merit payments is based on an eligible employee's overall annual performance rating as measured by a performance review. Merit increase percentages and lump sum merit payment percentages are to be paid as set out in Appendix A attached to this Rule 13 Pay for Performance.

2023 Performance Rating	2024 Merit Increase Percent	2024 Lump Sum Merit Payment Percent
3-Excellent	3.20% - 5.20%	3.20% - 5.20%
2-Thriving		
1-Development Needed	0.00% - 2.00%	0.00%

2. An eligible employee whose current pay rate is within the pay range of the pay grade assigned to the employee's job classification shall receive a merit increase in accordance with the above table.
3. An eligible employee whose current pay rate is at or above the pay range maximum of the pay grade assigned to the employee's job classification shall receive a lump sum merit payment in accordance with the ~~above-merit~~ table set out in Appendix A attached to this Rule 13 Pay for Performance.

4. No eligible employee shall receive a merit increase that exceeds the range maximum of the pay grade assigned to the employee's job classification. If the application of this sub-paragraph results in an employee receiving a merit increase that is less than the percentage increase awarded to the employee, the employee shall receive the difference between the merit increase awarded and the merit increase received in the form of an additional merit payment.

4.5. On or before November 1st of each calendar year, the Office of Human Resources shall post notice, on its website and in any existing employee newsletter, the merit increase program for the following calendar year. At a Board meeting the Executive Director shall report to the Board the merit increase program for the following calendar year.

D. If no merit increases and merit payments are to be awarded in a particular fiscal year due to City Council and the Mayor not appropriating funds for that purpose, or due to an intervening fiscal emergency declaration by the Mayor during which the Mayor requests that merit increases and merit payments be suspended, 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 performance reviews for eligible employees, but no merit increases, or merit payments will be awarded for that period of time during this time.

13-33 Pro-ration for New Hires

Employees hired after January 1st and on or before September 30th will have their merit increase pro-rated to the employee's start date.

13-34 Effective Date of Merit Increase

~~(Revised on August 4, 2023; Rule Revision Memo 89D)~~

- A. Merit increases and merit payments will be calculated from an employee's annual base salary as of December 31st of the previous year and will be effective on the first Sunday of the following calendar year in 2024 on Monday, January 1st.
- B. An employee's merit increase shall not be included as part of another pay change (such as a promotional increase) and must be applied as a separate merit increase.

13-35 Performance Review Schedule

Departments and agencies shall submit proposed merit increases and merit payments to the Office of Human Resources ("OHR") as provided in the schedule attached as Appendix A to this Rule 13 Pay for Performance.

13-36 Review of Performance with Employee

Each employee's written performance review shall be reviewed with the employee as provided in the schedule attached as Appendix A to this Rule 13 Pay for Performance.

13-37 Official Records

The annual performance review and any supporting documentation shall be made a permanent part of the employee's official personnel record.

13-38 Discipline

A. If an employee receives an overall Development Needed rating on their annual evaluation, the employee should be placed on a PIP and/or issued a contemplation of discipline letter within 30 days of the employee receiving notice of their evaluation.

A.B. The written performance review and/or PIP(s) may be used as a basis for disciplinary action under Rule 16 Code of Conduct and Discipline~~CODE OF CONDUCT AND DISCIPLINE~~, up to and including dismissal, if an employee's performance fails to comport with the standards set forth in any of these documents.

13-39 Grievances and Appeals Relating to Performance Reviews

~~(Revised on February 24, 2023; Rule Revision Memo 85D)~~

- A. An eligible employee may grieve any performance rating of Thriving or Development Needed pursuant to **Rule 18 Dispute Resolution**~~DISPUTE RESOLUTION~~.
- B. Grievances of performance ratings may not be appealed.
- C. An eligible employee may not grieve or appeal any other aspect of the performance review program.

Appendix APPENDIX 13.A

This Appendix is provided for informational purposes and is not considered a part of the Rules.

2024 Performance Review Schedule 3 PERFORMANCE REVIEW SCHEDULE

<u>Due Date DUE DATE</u>	<u>Task TASK</u>
<u>December 6, 2024</u>	<u>Deadline to submit offers for internal appointments of current limited and unlimited CCD employees</u>
<u>December 15, 2024</u>	<u>Last day for internal appointments of current limited and unlimited CCD employees to be effective</u>
<u>December 15, 2023 13, 2024</u>	Deadline for performance evaluations for the <u>2024 2023</u> calendar year to be completed by supervisors, second level managers, and agency approvers.
<u>January 12, 2024 17, 2025</u>	Deadline for appointing authorities to submit merit increase and merit payment recommendations to OHR. All eligible employees must be accounted for in these recommendations. The percent increase for all eligible employees in a department or agency should average 4.00% for merit increases and merit payments delivered in <u>2025 2024</u> .
<u>January 12, 2025</u>	<u>First day for 2025 internal appointments of current limited and unlimited CCD employees to be effective after Workday Freeze</u>
<u>February 16, 2024 14, 2025</u>	Merit increases and merit payments appear on employee paychecks, as well as retroactive merit increases and merit payments for the period from January <u>5th 4st</u> until February <u>8th 10th</u> .

Merit Table for 2025

<u>2024 Performance Rating</u>	<u>2025 Merit Increase Percent</u>	<u>2025 Lump Sum Merit Payment Percent</u>
<u>3 - Excellent</u>	<u>3.20% to 5.20%</u>	<u>3.20% to 5.20%</u>
<u>2 - Thriving</u>	<u>3.20% to 5.20%</u>	<u>3.20% to 5.20%</u>
<u>1 – Development Needed</u>	<u>0.00% to 2.00%</u>	<u>0.00%</u>

Performance Ratings

<u>Performance Ratings</u>	<u>Rating Ranges</u>	<u>Rating Name</u>	<u>Definition</u>
<u>3</u>	<u>2.6 to 3</u>	<u>Excellent</u>	<u>Significantly exceeds performance standards and goals on a continuous basis. Frequently delivers outcomes that are superior. This rating reflects a level of performance that is truly superb throughout the rating period.</u>
<u>2</u>	<u>1.5 to 2.59</u>	<u>Thriving</u>	<u>Effectively achieves performance standards on a consistent basis. Regularly delivers outcomes that are good or better than expected. This rating reflects a level of performance that is good or better than expected. This rating reflects a level of performance that is a solid or in some respect even stronger than expected.</u>
<u>1</u>	<u>1 to 1.49</u>	<u>Development Needed</u>	<u>Falls short of performance standards and goals on a consistent basis. Delivers outcomes that are less than expected in terms of quality and/or consistency. This rating reflects a level of performance that needs improvement. It may also reflect that the employee has not spent enough time in the position to develop the knowledge or proficiencies needed to meet established standards.</u>

~~This Appendix is provided for informational purposes and is not considered a part of the Rules.~~

Revision Intention and Impact

The revision clarifies existing language; provides evergreen language regarding the awarding of merit increases and payments, as well as the performance rating process; and adjusts the presentation and formatting of the rule for accessibility purposes.