## STATE OF LOUISIANA DEPARTMENT OF STATE CIVIL SERVICE BATON ROUGE, LOUISIANA

## May 7, 2009

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General Circular No. 1762

To: Heads of State Agencies and Human Resource Directors

Subject: Proposal to Suspend Merit Increase Authority for One Year

Issue Date: May 7, 2009

The State Civil Service Commission and the state classified service were established in the Louisiana constitution to ensure that our citizens receive efficient and effective services from their state government. One of the goals of the classified system is to promote sound and prudent use of the tax dollars paid to state employees to deliver those services. Today, our state and our nation are suffering extraordinary financial difficulties. Our state government is facing an unprecedented budget crisis in fiscal year 2009/2010. These difficult and challenging times call for fiscal prudence and shared sacrifice among all of us who serve our fellow citizens.

The looming budget shortfalls may require the reduction of some state services and possible layoffs of the employees who provide those services. If salary increases are granted to state employees during fiscal year 2009/2010 the result may increase the need to conduct layoffs. Reductions in expenditures may help mitigate such layoffs.

Therefore, in an effort to preserve services to our citizens and the jobs of the classified employees who serve them, the State Civil Service Commission proposes to suspend the authority to award merit increases for one year, beginning July 1, 2009. By taking this action, the Commission seeks to ensure that the sacrifice necessitated by our state's current financial crisis is borne equally by all classified state employees.

During this year, the Commission directs the Department of State Civil Service to develop a plan to revise the current compensation system to place even greater emphasis on pay for performance.

Further, the Commission charges all appointing authorities, managers and supervisors in state government to exert even greater efforts to utilize the Performance Planning and Review system to measure employee effectiveness and thereby ensure greater accountability to our citizens for responsible management and delivery of effective service.

The Commission urges all appointed and elected state officials to join them in this effort to preserve state services to our citizens by exercising their authority to suspend the awarding of any salary increases to unclassified state employees during the 2009/2010 fiscal year.

If the state's financial crisis abates and it becomes evident that this financial sacrifice is no longer warranted, the Commission may consider reversing the proposed action at any time.

The State Civil Service Commission will hold a public hearing at 9:00 a.m. on Wednesday, June 3, 2009 to consider the proposed Rule suspending merit increase authority for one year, as described in detail below. The hearing will be in the Louisiana Purchase Room of the Claiborne Building, 1201 North Third Street, Baton Rouge. Individuals who wish to comment on this proposal may do so at public hearing in June, or by writing to the Director of the Department of State Civil Service at Post Office Box 94111, Baton Rouge, Louisiana, 70804-9111. Comments regarding this proposal should be directed to the attention of Glenn Balentine at glenn.balentine@la.gov or to Marianne Covington at marianne.covington@la.gov. If any accommodations are needed, please notify the Department at (225) 342-8272 prior to the meeting.

Proposed Rule Suspending Merit Increases

## Rule 6.14.1

All provisions of Rule 6.14 shall be suspended for the period from July 1, 2009 through June 30, 2010, with these exceptions: the calculation of an employee's anniversary date will remain the same; and that a former employee who is reemployed following certification from a department preferred reemployment list within a year of the layoff date shall retain the anniversary date earned under 6.14(b). During this period of suspension, no appointing authority may grant a merit increase to any employee nor may any employee gain eligibility for a merit increase.

## Explanation

Due to the financial crisis currently facing our state, the State Civil Service Commission has determined that the authority it has previously granted to appointing authorities to award merit increases to classified employees shall be suspended for a period of one year.

During this period of suspension, no classified employee will be eligible for a merit increase. This means that no classified employee may receive a merit increase from July 1, 2009 to June 30, 2010. Furthermore, after June 30, 2010, no employee will be eligible for a merit increase based on any performance evaluation he or she received from July 1, 2009 to June 30, 2010.

Note: Performance Planning and Review requirements remain unchanged by this action. Appointing authorities must continue to comply with all Civil Service Rules regarding performance planning and review of classified employees.

Sincerely,

<u>s/Anne S. Soileau</u> Director