

**Department of Personnel Administration
Memorandum**

TO: Personnel Management Liaisons (PML)

SUBJECT: 2006/07 CEA Salary Program	REFERENCE NUMBER: 2006-037
DATE ISSUED: 09/22/06	SUPERSEDES:

This memorandum should be forwarded to:

Personnel Officers

FROM: Department of Personnel Administration
Classification and Compensation Division

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Effective July 1, 2006, the guidelines for administering the 2006/07 CEA Salary Program are outlined in Section 8, Variable Compensation CEA, in the California State Civil Service Pay Scales (Pay Scales), and Pay Letters [06-35](#) and 06-35A. In addition, Sections 400 through 499 in the DPA Classification and Pay Manual provide guidelines and criteria regarding CEA allocations. Departments continue to have responsibility to justify the salary rate assigned to the incumbent based on level considerations, performance, and value to the department. Documentation for the justifications must be maintained by the departments and available for DPA review.

Key factors regarding the CEA Salary Program

1. A one-time \$1,000 bonus, as outlined in Pay Differential 328, is provided to CEA band (Class Code 7500) incumbents.
2. No automatic general salary increases (GSI) apply to incumbents in the CEA band (except as noted in #3). Departments continue to have discretion to adjust CEA salaries up to 10 percent in a fiscal year.
3. The new minimum salary rate for the CEA band is adjusted by 3.5 percent to \$5970. Only CEA incumbents below \$5970 will receive an automatic adjustment to reflect the revised minimum rate for the class, as outlined in Pay Letter 06-35A.
4. Within Level 5, the new maximum salary rate for nonphysicians, nonattorneys, and nonengineers is adjusted by 3.5 percent to \$10,174. (There are no automatic increases as a result of the revised maximum salary rate.)
5. There is no change to the maximum rate of \$12,941 for the CEA band. This maximum rate is reserved for CEA incumbents whose duties require them to possess the legal requirements to practice medicine in California, membership in The State Bar of California, or a valid certificate of registration as an engineer issued by the California State Board of Registration for Professional Engineers.

6. The alphabetical listing in the Pay Scales is adjusted to reflect the new minimum rate of the CEA band of \$5970 and the maximum rate of \$12,941 for all levels because DPA considers the CEA band as one class for salary purposes. Footnote 45 in the Pay Scales directs departments to Section 8, Variable Compensation, for instruction. This section also clarifies DPA's policy and identifies a separate maximum rate for nonphysician, nonattorney, and nonengineer CEAs.
7. Only CEA positions specifically required to oversee an engineering function and require a valid certificate of registration as an Engineer may receive up to a 12.4 percent adjustment this fiscal year. This 12.4 percent adjustment is to avoid compaction with subordinate staff. If applicable, departments need to initiate this transaction.
8. Attorney CEAs specifically required to perform the duties of an attorney and are active members of The State Bar of California may receive up to a 10.9 percent adjustment this fiscal year in order to avoid compaction with subordinate staff. If applicable, departments need to initiate this transaction. See Pay Letter [06-26](#).
9. Exceptions to exceed the 10 percent salary movement within a fiscal year (other than described in #7 and #8) or to exceed the maximum rate (\$10,174) for nonphysician, nonattorney, and nonengineer CEAs must be submitted to DPA's Classification and Compensation Division (CCD) for approval.

Adjustment to Levels used by SPB for Status Issues

SPB continues to use the five levels identified in the CEA band for status determinations. DPA has made adjustments to the salary rates within each of the levels. These adjustments do not impact an individual's salary rate in a CEA position, only the CEA level identified for status purposes.

1. The minimum rates of Levels 1 through 5 are adjusted by 3.5 percent.
2. The maximum rates of Levels 1 through 4 are adjusted by 3.5 percent.
3. The maximum rate of Level 5 remains at \$12,941. Within Level 5, the maximum rate for nonphysician/nonattorney/nonengineer is increased by 3.5 percent to \$10,174.

Attached are common questions and answers related to the CEA Salary Program. This information should be helpful in understanding and administering the CEA Salary Program. Please refer specific CEA compensation questions to your assigned CCD analyst. Questions related to CEA status issues should be directed to SPB.

/s/Daryll Tsujihara

Daryll Tsujihara, Chief
Classification and Compensation Division

Attachment

Common Questions and Answers Related to the 2006/07 CEA Salary Program

Common Questions and Answers

1. Will departments receive funding to pay for the \$1,000 bonus or for any discretionary salary increases for CEAs?

Response: The Department of Finance will issue instructions on the funding for the CEA Salary Program in a budget letter to be released soon.

2. If an eligible CEA incumbent transfers to another department, or is returned to another class/department, which department is responsible for issuing the \$1,000 bonus?

Response: The bonus will be paid from the department with which the incumbent is employed on June 30, 2006.

3. Why aren't CEAs receiving a 3.5 percent GSI like other managerial employees?

Response: The CEA salary structure provides optimum flexibility, as well as discretion, to departments in compensating incumbents. CEA incumbents are appointed at a flat salary rate, based on level considerations, performance, and value to the department. Departments already have discretion to adjust the salary of a CEA incumbent up to 10 percent in a fiscal year. Therefore, it is not necessary to provide a GSI for CEAs in this salary program.

4. Since CEAs are not receiving the 3.5 percent GSI, what can they expect to receive?

Response: CEAs will receive the \$1,000 one-time bonus. At the discretion of the appointing power, individual CEA incumbents may or may not receive an adjustment to their flat rate.

5. Why are some CEA incumbents at Level 1 receiving an automatic pay adjustment?

Response: The minimum rate of the CEA band is being adjusted by 3.5 percent to \$5970. Incumbents in the CEA band may not be paid below the minimum rate of the class, therefore, only incumbents who earn less than the new minimum rate will receive an automatic adjustment to the new minimum rate.

6. If a department grants an increase to one CEA, must an increase be provided to all CEAs in the department?

Response: No. Departments can determine the salary rate assigned to each incumbent based on level considerations, performance, and value to the department.

7. If a CEA has already received a 10% salary increase this fiscal year, can another increase such as 3.5 percent also be provided?

Response: Departments may not exceed the 10 percent salary increase in a fiscal year without DPA approval, and such requests must be compelling. Exceptions for Attorney and Engineer CEAs are outlined in Pay Letter [06-26](#) and this PML.

8. If a CEA received an adjustment during the period of July 2005 through June 2006, is it possible to provide another adjustment in July 2006?

Response: Yes. Up to a 10 percent adjustment may be applied each fiscal year, as outlined in Section 8, Variable Compensation of the Pay Scales. Departments are expected to apply sound fiscal practices in managing their CEA program.

Common Questions and Answers Related to the 2006/07 CEA Salary Program

9. Is DPA approval required in order to adjust CEA salaries above 10% for incumbents who meet the criteria for attorney or engineer?

Response: Departments have delegation to provide up to a 10.9 percent increase to eligible Attorney CEAs and up to 12.4 percent increase to eligible Engineer CEAs, without DPA approval, as outlined in Pay Letter [06-26](#) and this PML.

10. Regarding the statements: "Only CEA positions specifically required to perform the duties of an attorney and are active members of The State Bar of California may receive up to a 10.9% increase in order to avoid compaction with subordinate staff" (Pay Letter [06-26](#)). **and** "Only CEA positions specifically required to oversee an engineering function and requiring a valid certificate of registration as an Engineer may receive up to a 12.4 percent adjustment this fiscal year to avoid compaction with subordinate staff". If there is no compaction currently with subordinate staff, can the department still give a 10.9 percent adjustment to Attorney CEAs or a 12.4 percent adjustment to Engineer CEAs?

Response: No. If there is no compaction, only an adjustment of up to 10 percent in a fiscal year may be made.

11. Will DPA consider departmental requests for exceptions for nonphysician, nonattorney and nonengineers to exceed a 10 percent increase, or to exceed the maximum rate of \$10,174 in Level 5?

Response: Yes. DPA will carefully consider requests for salary exceptions that are compelling. The requests must involve extraordinary operational impact such as severe salary compaction or inversion with subordinate staff. Decisions will be made on a case-by-case basis.

12. Are CEAs entitled to Merit Salary Adjustments (MSAs)?

Response: No. CEA incumbents are not eligible for MSAs, as noted by Footnote 48 in the alphabetical portion of the Pay Scales and Section 8, Variable Compensation.

13. Do CEA incumbents automatically go to the top step of Level 5 when they are qualified as a registered engineer, licensed physician, or an attorney who is a member of The State Bar of California?

Response: There are no automatic salary movements for CEA incumbents. The salary rate assigned to the CEA position is a flat rate based on the position's current value to the department and performance of the incumbent.

14. Does the CEA salary cap still exist?

Response: No. The CEA salary cap was eliminated in February 2006, and outlined in [PML 2006-006](#).

15. Why do we still have CEA levels if the CEA Band is considered one class for salary purposes?

Response: The five levels are retained for SPB to use for status determinations, such as when movement into or within the band is a transfer, promotion, or reinstatement. SPB evaluates status issues based on the assigned level of the CEA position, not the salary of the individual.

16. Can a CEA incumbent be paid above or below the level of the assigned position?

Response: Yes. Regardless of the level of the assigned position, incumbents may be compensated either above or below the level. The compensation must be within the minimum

Common Questions and Answers Related to the 2006/07 CEA Salary Program

and maximum salary rates of CEA (\$5970 - \$12,941). Restrictions exist as outlined in the Pay Scales Section 8, Variable Compensation regarding a maximum rate for nonphysician, nonattorney and nonengineers. An incumbent's status is based on the level of the assigned position, not the individual's salary rate.

17. Do departments have delegation to make CEA salary adjustments?

Response: Yes. As long as the adjustments are no more than 10 percent per fiscal year, and meet the guidelines outlined in the Pay Scales Section 8, Variable Compensation, related pay letters, and this PML.

18. If a department makes several adjustments to a CEA incumbent's salary within a fiscal year, are the percentages compounded or tracked as a straight percentage when determining the 10 percent amount?

Response: The adjustments should be tracked as a straight percentage. Example: It is possible to give two 5 percent increases in a fiscal year. It is also possible to provide three increases such as 3 percent, 3 percent, and 4 percent in a fiscal year. The total adjustments in a fiscal year may not exceed 10 percent without DPA approval for an exception.

19. Does this CEA band Salary Program apply to the "Special CEA Classes"?

Response: No. The CEA band salary program does not apply to the Special CEA Classes. Special CEA Classes affiliated with specific bargaining units (e.g. M02, M09, etc.) are addressed specifically in related pay letters.