George Deukmejian, Governor

TO: PERSONNEL OFFICERS AND LABOR RELATIONS OFFICERS

REFERENCE CODE : 83-4-1
EFFECTIVE DATE : 2-1-83
EXPIRATION DATE: Indefinite
DATE OF ISSUE : 2-11-83

SUBJECT: Career Executive Assignment (CEA) Red Circle Rates

The purpose of this memo is to restate the standards under which payment of a salary rate above the maximum of a class (red circle rate) may be authorized to a former CEA appointee who is reinstating to a civil service classification.

Rule 548.25 mandates a red circle rate for an employee who has 10 years of State service, one year of which is under CEA appointment(s) and who is terminated from a Career Executive Assignment unless the termination was voluntary or based on unsatisfactory performance.

The Budget Act of 1982 (Sec. 26.80) describes the intent of the Legislature in granting funds for CEA red circle rates:

> No funds appropriated by this Act may be encumbered for paying a civil service employee a salary which is above the maximum of the salary range of the employee's present classification for a period of more than 90 calendar days following termination of a CEA appointment. The intent of the Legislature in permitting payment above the maximum of the salary range for the 90-day period is to facilitate the employee's adjustment to a lower salary level. The provisions of this section shall not apply with respect to an employee who accepted any CEA appointment on or after June 20, 1976, and before July 1, 1977, and any such employee, who is otherwise eligible, shall receive a salary rate pursuant to the provisions of Rule 548.25, adopted by the State Personnel Board on May 18, 1976, based upon the highest CEA level held by such employee during such period.

For the purpose of interpreting the legislative directive, employees are eligible or will be eligible for either an extended red circle rate or a 90-day red circle rate if they meet all of the following criteria:

EXTENDED RED CIRCLE RATE

An extended red circle rate applies to an incumbent being terminated from a CEA assignment where any CEA appointment was effective within the "window period" of June 20, 1976 through June 30, 1977. The incumbent must meet the criteria listed below:

1. Termination IS NOT voluntary nor is it based on unsatisfactory performance; and

2. The employee had a bona fide appointment during the "window period" of June 20, 1976 through June 30, 1977; and

3. The employee has at least 10 years of total State service; and

4. The employee has at least one year of total CEA service; and

5. The CEA service has been continuous since the qualifying "window period" appointment.

6. CEA service immediately before and after an exempt appointment shall be qualifying for meeting the one year requirement. However, time served in an exempt appointment shall not count towards the one year total CEA service requirement.

An incumbent who meets the above criteria shall be eligible for a salary rate above the maximum of the class (red circle rate) to which the incumbent is being mandatorily reinstated. The red circle rate is based upon the highest CEA level held by such employee during the "window period", less one step.

If the employee has not had a year of service at the highest CEA level held during the "window period", but has a cumulative year of CEA service, the red circle rate shall be one step less than the highest step achieved in the range of the lowest level for which service is counted.

The eligibility for an extended red circle rate based on any "window period" appointment may be used only once. An employee who received a "window period" appointment and who has since received an appointment to a regular civil service class no longer qualifies for an extended red circle rate.

For those persons eligible for an extended red circle rate, duration is determined as follows:

| Length of C.E.A. Service | | Maximum Duration |
|---|---|---|
| At Least | But Less Than | of Red Circle Rate |
| 12 mos. | 24 mos. | One year |
| 24 mos. | 48 mos. | Two years |
| 48 mos. | 72 mos. | Four years |
| 72 mos. or more | | Until absorbed by any salary range changes |

90-DAY RED CIRCLE RATE

A 90-day red circle rate is 90 calendar days and applies to an incumbent being terminated from a CEA assignment who does not have a CEA appointment within the "window period".

The incumbent must meet the criteria listed below:

1. Termination IS NOT voluntary nor is it based on unsatisfactory performance; and

2. The employee has at least 10 years of total State service; and

3. The employee has at least one year of total CEA service.

4. CEA time served immediately before and after an exempt or a civil service appointment shall be qualifying for meeting the one year requirement.

An incumbent who meets the above criteria shall be eligible for a salary rate above the maximum of the class (red circle rate) to which the incumbent is being mandatorily reinstated. The red circle rate is based upon the rate last received in the CEA level from which terminated, less one step.

If the employee has not had a year of service at the level from which termination occurs, but has a cumulation year of CEA service, the red circle rate shall be one step less than the highest step achieved in the range of the lowest level for which service is being counted.

All requests for CEA red circle rates must be approved by the Personnel Services Branch, Department of Personnel Administration.

If you have any questions regarding CEA red circle rates, please contact either Bruna Finatti or Judy O'Day at (916) 324-0439, ATSS 454-0439.

R. L. RUTHERFORD, CHIEF
Personnel Services Branch