



George Deukmejian, Governor

TO: PERSONNEL MANAGEMENT LIAISONS

REFERENCE CODE: MM-90-11
EFFECTIVE DATE: January 31, 1991
EXPIRATION DATE: Indefinite
DATE OF ISSUE: December 21, 1990

THIS MEMORANDUM SHOULD BE DISTRIBUTED TO:

Personnel Officers
Labor Relations Officers

SUBJECT: Change in the application of Department of Personnel Administration
Rule 599.681

Based upon a review of salary movements between alternate ranges since the establishment of the universal salary schedule, it was determined that the current method used to calculate the range differential is unnecessarily cumbersome to personnel transactions staff as well as inequitable to employees. Therefore, the Department of Personnel Administration (DPA) is changing the method used in determining the range differential when applying DPA Rule 599.681 - Movement Between Alternate Ranges.

To determine the range differential using the current method, the percentage differential between the ranges is calculated. The "to" rate is determined by multiplying the "from" rate by the percentage difference. Because employees are at different rates when eligible for the differential, the amount of the differential will vary, and often times is less than the dollar difference between the maximum salary rates of the ranges.

Since DPA Rule 599.681 reads, "when an employee qualifies under established criteria and moves from one alternate range to another alternate range of a class, the employee shall receive an increase or a decrease equivalent to the total of the range differential between the maximum salary rates of the alternate ranges", any method resulting in a differential other than the actual difference between the maximum salary rates is inappropriate.

Therefore, effective January 31, 1991, the amount of the range differential shall be the dollar difference between the maximum salary rates of the alternate ranges. This method is consistent with the language of the rule and establishes one value for the differential which is, therefore, more equitable to employees as every employee receives the same amount for the differential. This method also greatly simplifies the personnel transaction process.



Following is an example of how the range differential is to be determined:

Employee is at the salary rate of \$3,330 in the class of Actuarial Statistician, Range A.

Actuarial Statistician

A \$3,171 - \$3,827

Alternate Range Criteria 161

B \$3,486 - \$4,205

1. Subtract the maximum salary rate of the "from" range from the maximum salary rate of the "to" range.
$$\$4,205 - \$3,827 = \$378$$
2. Upon movement to the higher range, the employee shall receive an increase equivalent to the dollar difference between the ranges.
$$\$3,330 + \$378 = \$3,708$$
3. Upon movement to the lower range, the employee shall receive a decrease equivalent to the dollar difference between the ranges.
$$\$3,708 - \$378 = \$3,330$$

Exceptions to applying the dollar difference between the maximum salary rates will be for those employees who moved to a higher range under the percentage method prior to January 31, 1991. Movement back to a lower range shall then be calculated by moving the employee to a rate they last received in the lower range adjusted to reflect any salary adjustments and salary anniversary dates they would have received if they had remained in the lower range.

As of January 31, 1991, once an employee moves to a higher range based on the new dollar difference method, movement back to the lower range will then be based on the dollar difference between the maximum salary rates.

Section 6 of the Pay Scales will be revised to reflect this change. Specific contract language would supersede this change. If you have any questions regarding this change, contact Olivia Hawkins at (916) 324-0439 or ATSS 454-0439.



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Classification and Compensation Division

