

MEMORANDUM

TO: PERSONNEL MANAGEMENT LIAISONS

DATE: July 18, 1996
REFERENCE CODE: 96-033

THIS MEMORANDUM SHOULD BE DISTRIBUTED TO:

Personnel Officers
Labor Relations Officers

FROM: Department of Personnel Administration
Classification and Compensation Division

SUBJECT: Conversions of Managerial Positions to the Career Executive
Assignment Category

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This memorandum marks the conclusion of the joint review undertaken by Department of Personnel Administration (DPA) and departments for converting managers who meet the Career Executive Assignment (CEA) category criteria to the CEA category. Classification and Compensation Division (CCD) analysts of DPA will continue to work with departments whose conversions are not yet complete to bring closure to the conversion process. As of July 5, 319 positions have been submitted to the State Personnel Board (SPB) for conversion.

CEA Salary Cap: The CEA salary cap for each department shall be calculated upon completion of its conversions in accordance with the directions in Personnel Management Liaisons (PML) Memorandum 96-012. The CCD analyst assigned to your department will ask you to complete a "CEA Salary Cap Work Sheet and Report" form when conversions are complete and CEA positions are assigned to appropriate levels.

CEA Category Delegation: Government Code Section 19889 authorizes DPA to identify those positions that should be designated as CEA subject to SPB review. DPA will delegate its portion of the CEA category decisions, subject to continued satisfactory management of each department's CEA program, to departments by means of the CCD analysts signing the "CEA Salary Cap Work Sheet and Report" forms. If reasons exist why permanent delegation of category decisions is not to be made at the time a department's conversions are complete, the CCD analyst will attach an addendum to the "CEA Salary Cap Work Sheet and Report" form that states why delegation is not being made and what must happen for delegation to occur. SPB is still determining whether or not to delegate its portion of CEA category determinations. SPB will also determine what will be necessary to submit in future CEA packages. Current CEA category criteria will still apply.

CEA Level Delegation: CEA level determinations were already delegated to departments. The current CEA level criteria should be used as guides in making level determinations.

Final Conversion Report: In order to respond to inquiries about the CEA conversions, CCD analysts will ask departments to provide the following data upon completion of the conversions: number of managerial and supervisory civil service positions converted to the CEA band; number of new CEA positions established; number of special CEA class positions converted to the CEA band; number of managerial and supervisory civil service positions meeting the CEA category criteria whose incumbents would not convert to the CEA band; number of special CEA class positions not converted to the CEA band; number of managerial positions that do not meet the CEA category criteria; a summary of performance-based pay incentives offered to managers and supervisors who converted; and a summary of special CEA class employees or employees already in the CEA band who received pay increases during the conversion period.

Annual Reports: An annual report showing all CEA positions and salaries shall be made to DPA and the Department of Finance (DOF) each October 1 in accordance with PML Memorandum 95-053. These reports should be made on the "CEA Salary Cap Work Sheet and Report" form.

CEA Band Salary Rates: DPA treats the CEA band as one class for salary purposes. The five levels were retained for SPB to utilize in making decisions regarding status issues, such as reinstatement rights and distinguishing between transfers and demotions. The CEA band class has a salary grid of flat rates, as authorized by DPA Rule 599.985, from \$4811 to \$9732 per month. Normally the incumbent of a CEA position that does not require possession of the legal requirements to practice medicine in California or that does not require membership in the State Bar of California shall be compensated in the zone of the grid that extends from \$4811 to \$8199. The salary rate assigned to a CEA band position is the flat rate for that position based on the position's current value to the appointing power and the performance of the incumbent. Incumbents of CEA band positions are not entitled to merit salary adjustments (MSA) since each position is assigned a flat rate.

CEA Band Salary Movements

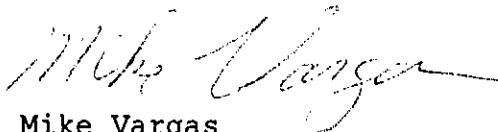
1. A managerial or supervisory employee who converted from a civil service class to the CEA band and was not at the maximum salary of the civil service class; an incumbent of a CEA position at one of the five levels prior to conversion who was not at the maximum salary of the CEA level; and an incumbent of a special CEA class who converted to the CEA band and was not at the maximum salary of the special CEA class had reasonable expectations that they would receive MSAs if their performance was successful until they reached

the top steps of their salary ranges in a accordance with DPA Rule 599.799.1 (DPA Rule 599.799.2 in the case of supervisors). To keep such employees whole, they shall be entitled, if their performance is successful, to receive annual salary adjustments equal to one step until they reach the salary rate that was the top step of their ranges when the conversions were effected.

2. All other CEA band employees, as well as those in paragraph 1. when they are "made whole", shall have their performances evaluated at least annually in accordance with DPA Rule 599.799.1. Appointing powers are not required to grant increases and are not limited in the amounts of increases that may be granted; however, departments must remain within their CEA salary caps or receive preapproval from DPA and DOF to increase the caps. SPB must also be consulted with, to determine when examinations must be conducted.

Annual CEA Salary Movements: We anticipate that annual salary movements of CEAs will not exceed a maximum of ten percent. Extraordinary circumstances must exist and be documented prior to increasing the salary of a CEA employee, who does not change jobs, more than ten percent during any fiscal year.

Please contact your CCD analyst, if you have any questions.



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