



Montgomery County Government

MONTGOMERY COUNTY COUNCIL
OFFICE OF LEGISLATIVE OVERSIGHT

REPORT #82-3

JUNE 1, 1982

TITLE

An Evaluation of Agency Policies and Procedures Relating to
Employee Service Increments and Performance Awards.

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I. SUMMARY AND MAJOR CONCLUSIONS/RECOMMENDATIONS

The Office of Legislative Oversight examined the policies and procedures governing the award of service increments and performance awards to full time employees of the following six County and bi-County public agencies:

- County Government
- Board of Education/Montgomery County Public Schools (BOE/MCPS)
- Montgomery College
- Washington Suburban Sanitary Commission (WSSC)
- Maryland-National Capital Park and Planning Commission (M-NCPPC)
- Housing Opportunities Commission (HOC)

The examination of these policies and procedures indicates more similarities than differences. Common to all agencies is the policy that most employees are eligible to receive annual pay increases or other awards (monetary and honorary) for satisfactory work performance. The specific performance requirements for the annual service increment and performance awards vary between agencies and between categories of employees within an agency. In every agency, monetary awards are not available to elected officials, members of Boards and Commissions or contract employees.

The major difference between agency service and performance policies is in the amount of the annual increment and the type monetary award (percentage increase or lump sum payment) available to employees.

The report recommends that each agency should review its policies and procedures relating to service increments and performance awards and those of the other public agencies within the County and modify and/or update where appropriate.

II. AUTHORITY, SCOPE AND METHODOLOGY

1. Authority. Council Resolution #9-1459, subject: FY 82 Work Program of the Office of Legislative Oversight, adopted September 15, 1981.

2. Scope. Catalogue the policies and procedures of the six County and bi-County public agencies concerning the awarding of service increments, longevity increases and performance awards to their employees. Not included in the scope of this report is an evaluation of any individual awards or an analysis of the justification for the awards. However, it should be noted that the Office of Legislative Oversight will be reporting this fiscal year on the employee performance evaluation systems currently in effect in the six County and bi-County public agencies. The agency employee performance evaluation systems are the basis for performance based salary increases.

performance. The Office of Legislative Oversight will be reporting this fiscal year on the employee performance evaluation systems currently in effect in the six County and bi-County public agencies.)

3. Methodology. This evaluation was conducted using regulations, documents and data provided by each public agency. In addition, each agency was invited to review a draft copy of the report to correct facts and make comments where appropriate.

III. DISCUSSION

1. General. This examination reviews the policies and procedures governing the award of service increments and performance awards to full and part time employees (merit and non-merit) of the following six County and bi-County public agencies:

- County Government
- Board of Education/Montgomery County Public Schools (BOE/MCPS)
- Montgomery College
- Washington Suburban Sanitary Commission (WSSC)
- Maryland-National Capital Park and Planning Commission (M-NCPPC)
- Housing Opportunities Commission (HOC)

Service increments of a specified percentage of the employee's pay are generally awarded annually on the anniversary date of the person's employment. Some agencies also provide longevity-related salary increments at the completion of a prescribed number of years of creditable service. Finally, some agencies also provide for an accelerated salary advancement.

Additional awards in the form of non-monetary honors, lump sum cash payments or a percentage of the employee's base salary are also authorized in some agencies for extraordinary performance, outstanding service or special achievement.

While there are certainly some costs associated with performance related salary increases, the annual cost increase for service increments (annual and longevity) is not significant, due to several factors: primarily, retirements of employees at the high end of the salary scale; lapse, i.e. delayed hiring for vacant positions and hiring at a lower salary; and reductions in force. For example, the total expenditure for salaries and wages for MCPS employees increased \$19,132,748 from FY 80 to FY 81. For the same period, service increments (annual and longevity) increased \$150,671, which is less than 1% of the \$19 million increase.

2. Overview of Agency Policies and Regulations. A review of the policies and procedures on service increment and other performance related award programs of the six public agencies indicates more similarities than differences. Common to all agencies is the policy that most employees are eligible to receive annual pay increases or other awards (monetary and honorary) for satisfactory work performance. The specific performance requirements for the annual service increment and performance awards vary between agencies and between categories of employees within an agency. Most agencies limit percentage increment increases to those employees whose pay does not exceed the maximum of the pay scale for the employees' grade. In every agency, monetary awards are not available to elected officials, members of Boards and Commissions (e.g. Montgomery College, HOC) or contract employees (e.g. Superintendent of Schools; President of Montgomery College; Director, HOC).

The major differences between agency service and performance policies are in the amount of the annual increment and the type monetary award (percentage increase or lump sum payment) available to employees.

At Exhibit A is an overview of the major provisions, policies and procedures of the six agencies as they relate to service increments and other performance related awards.

3. Specific Agency Policies and Procedures. Outlined in subsequent sections of this report are descriptions of each agency's policies and procedures relating to employee service increments and performance awards. Depending on the availability of data, agency expenditures are presented for two fiscal years. For each agency, the following information is provided:

- a) Type Awards (service increments, longevity, other performance related salary increases);
- b) Applicability (categorized by employee groups where applicable);
- c) Authority (document reference);
- d) Description of increments and awards;

- e) Number of employees receiving awards and costs; and
- f) Summary of agency expenditures for all service increments and other performance related salary increases.

COUNTY GOVERNMENT

a) Type Awards:

(1) Annual Service Increment. A 2% increase in the base salary of all employees who have performed satisfactorily and have not reached the maximum of the salary scale in their pay grade.

(2) Extraordinary Performance Award. A lump sum cash payment of 2% or 4% of the employee's base salary for exceptional performance.

(3) Accelerated Within Grade Advancement. A percentage increase of the employee's base salary for performance above the standard.

b) Applicability. Applies to all full time and part time County government employees, both merit and non-merit. Does not apply to elected officials.

c) Authority:

(1) Chapter 33, Montgomery County Code, 1972, as amended.

(2) Personnel Regulations, December 1980, Section A2 and A3.1-A3.3.

(3) Council Resolution No. 8-1935, adopted May 9, 1978.

(4) Letter to all Department Heads from the Personnel Director (Lloyd), June 16, 1978, subject: Provisions of Special Pay Policies--FY '79 Pay Plan.

(5) Administrative Procedure 4-14, Extraordinary Performance Awards, July 1, 1980.

(6) Letter to all Administrative Manual Holders from CAO (Wilson), July 7, 1980, subject: AP 4-14 and 4-15.

(7) Council Resolution No. 9-1072, adopted December 2, 1980.

Some of the above documents are out of date, with portions no longer applicable. All should be reviewed and consolidated into a clearer more easily understood procedure.

d) Description of Increments and Awards:

(1) Annual Service Increment. Each County government employee who has not reached the maximum of his/her pay grade is eligible for an annual salary increment equal to 2% of the employee's current base salary for satisfactory performance. An employee receiving the maximum salary for his/her pay grade is not eligible for this award. For performance less than satisfactory, the service increment can be delayed or even denied.

(2) Extraordinary Performance Award (EPA). A lump sum cash award equal to 2% or 4% of an employee's current salary (base plus any salary differentials*) for exceptional performance for a specific project, event or period of service (usually 12 months). An EPA can be awarded to an employee who is at the maximum pay grade, as it is an award separate and distinct from the Annual Service Increment.

*Note: Salary differentials are paid for education, shift and special duties, etc.

(3) Accelerated Within Grade Advancements. Current Personnel Regulations (Sec. A.3) provide for three accelerated within grade advancements: Outstanding Service Increment Award, Excellent Performance Increment Award and Superior Performance Increment Award; and one Special Within Grade advancement. Currently, only the Outstanding Service Increment Award is being awarded. The Excellent Performance Increment Award apparently was last presented in FY 80 when four employees were awarded a combined total of \$2,160. Finally, although provision for awarding a Superior Performance Award is still listed in the current Personnel Regulations (A3.13-A3.14), a June 1978 memorandum from the Personnel Director suspended this award. The Special Within Grade advancement is available to merit employees who are performing in an acceptable manner in an occupational class which is considered in short supply.

(4) The Outstanding Service Increment Award (OSI). This award is available to an employee who is not at the maximum of his/her base salary and who performs duties and responsibilities in a "sustained" outstanding manner. The award is in the form of an advancement of 2% or 4% of the employee's salary base plus any current salary differentials. The current Personnel Regulations specifically authorizes this award for merit employees; however, non-merit employees have been presented the OSI under the Executive's Charter authority to set compensation for Executive branch non-merit employees. While the minimum period of service necessary to qualify for an OSI is not specifically covered in the cited Personnel Regulations, the Chief Administrative Officer has announced in a July 7, 1980, memorandum (para. c)(6) above) that justification for an OSI must be for outstanding performance over a period of two or more years. Neither the current Personnel Regulations nor any other document outlines the specific standards or criteria which must be met to justify the award of either the 2% OSI or the 4% OSI.

e) Number receiving awards and costs:

(1) Annual Service Increment. Historical statistics on the number of employees eligible for this award, i.e. all employees who have not reached the maximum salary for their assigned grade, are not readily available. However, general conclusions can be extrapolated from data available as of February 9, 1982. At that time, of approximately 4,700 full time County Government employees, 540 employees had reached the maximum of their pay grade. Thus, approximately 4,160 employees were eligible for a 2% service increment. At this same time (February 1982), the average annual salary of all employees was \$22,907; and two percent of that average salary would be \$458.

In summary, for approximately 4,160 employees, the annual expenditure for the 2% service increment is extrapolated as \$1,905,280. This equates to 1.7% of the FY 81 gross salary of \$114,148,000.

(2) Extraordinary Performance Award--Lump sum cash award equal to 2% or 4% of recipient's salary:

| | <u>FY 80</u> <u>(actual)</u> | <u>FY 81</u> <u>(actual)</u> |
|---|---------------------------------|---|
| (a) Number eligible to receive this award. | <u>*</u> | <u>all merit/ non-merit employees</u> |
| (b) Number receiving a 2% EPA. | <u>*</u> | <u>119</u> |
| (c) Number receiving a 4% EPA. | <u>*</u> | <u>127</u> |
| (d) One-time cost of the 2% & 4% EPAs. | <u>*</u> | <u>\$151,393</u> |
| (e) Cost of the EPAs as a % of total salaries & wages (less fringe) FY 81: \$114,148,000. | <u>*</u> | <u>.13%</u> |
| (f) Average award per recipient. | <u>*</u> | <u>\$ 615</u> |

Note: *Award not authorized until 1981.

(3) Accelerated Within Grade Advancement--Outstanding Service Increment Awards of 2% or 4% of recipient's salary:

| | <u>FY 80 (actual)*</u> | <u>FY 81 (actual)</u> |
|--|----------------------------|---------------------------|
| (a) Number of employees All employees who eligible to receive the OSI. have not reached the maximum pay of grade | | |
| (b) Number receiving a 2% OSI. | <u>131</u> | <u>36</u> |
| (c) Number receiving a 4% OSI. | <u>63</u> | <u>17</u> |
| (d) Cost of the OSIs awarded in fiscal year. | <u>\$48,947</u> | <u>\$29,193</u> |
| (e) Cost of advancements as a % (of total) salaries & wages (less fringe) FY 81: \$114,148,000. | <u>*</u> | <u>.03%</u> |
| (f) Average per recipient. | <u>\$ 252</u> | <u>\$ 551</u> |

Note: *Partial year data only.

(f) Summary of expenditures for all performance based salary increases. Complete data are not available. However, using FY 81 data on performance awards and FY 82 projections on employees eligible for service increments, extrapolations are possible. In FY 81, a total of 299 performance awards were made for a total of \$180,586. Using FY 82 estimates, approximately 4,160 service increments will be awarded for a total of approximately \$1,900,000. The sum of the awards and service increments would be approximately \$2,080,000, which is 1.8% of the FY 81 expenditure for gross salaries and wages of \$114,148,000.

BOARD OF EDUCATION/MONTGOMERY COUNTY PUBLIC SCHOOLS

a) Type Awards:

(1) Annual Service Increment. An annual salary increase of one step within grade available to MCPS personnel whose performance is judged to be at least satisfactory.

(2) Longevity Increment. An annual salary increase of one step within grade for Supporting Services and Professional employees who complete a specified number of years of satisfactory performance.

(3) Outstanding Service Award. An award of cash, in grade advancement, accelerated salary increment or certificate available to Supporting Services employees for outstanding service.

(4) Accelerated Increment. An award available to Administrative and Supervisory employees for exceptional service.

b) Applicability. With the exception of approximately twelve contract employees, all Montgomery County Public Schools' personnel are assigned to one of three employee categories: Professional (teachers), Administrative and Supervisory (A & S) and Supporting Services. The applicability of the above awards to each employee category is as follows:

| Type Award | Employee Groups* | | |
|-----------------------|---------------------|-------|--------------|
| | Supporting Services | A & S | Professional |
| Service Increment | X | X | X |
| Longevity Increment | X | | X |
| Outstanding Service | X | | |
| Accelerated Increment | | X | |

*Prior to FY 83, MCPS employees were organized into two collective bargaining groups: MCCSSE (Supporting Services) and MCEA (Administrative and Supervisory and Professional). Beginning in FY 83, there will be three bargaining groups: MCCSSE (Supporting Services), MCEA (Teachers and approximately 100 other professionals) and MCAASP (Administrative and Supervisory).

c) Authority. MCPS Reg. 470-2, Honors and Awards Program, October 24, 1972; MCPS Reg. 415-4, Wages and Salaries for Supporting Services Employees, December 19, 1980; and MCPS Reg. 465-1, Salaries and Other Monetary Benefits of Professional Personnel, December 28, 1978.

d) Description of Increments and Awards:

(1) Service Increment:

(a) Supporting Services Employees. An annual salary increase of one step in the employee's salary schedule for satisfactory, continuous employment in a permanent or conditional position. The percentage increase of a one step increment varies between 3.5% and 5.4%, depending upon the recipient's grade and step on the salary schedule. The arithmetic mean for the Supporting Services group is 4.5%.

(b) Administrative and Supervisory Employees. An annual salary increase of one step in the employee's salary schedule for satisfactory performance. The percentage increase of a one step increment varies between 2.4% and 4.7% depending upon the recipient's years of service and grade. The arithmetic mean for the Administrative and Supervisory group is 2.9%.

(c) Professional Employees. A one step salary increase for each year's creditable experience, provided the teacher holds a first class certificate. The percentage increase of a one step increase varies between 3.4% and 6.0% depending upon the years of service and academic degree. The arithmetic mean for the Professional group is 4.6%.

(d) For all MCPS personnel, regardless of the employee group, the above service increments cannot be awarded to an employee in the first year of service or to an employee who has reached the top step in the salary schedule assigned to the employee's group. (The percentage of employees at the top of the salary range is high for each employee group: Supporting Services: FY 80--57%, FY 81--57%; Administration and Supervisory: FY 80--61%, FY 81--67%; and Professional: FY 80--39%, FY 81--42%. In FY 83, the Professional group will have an additional step added to their salary schedule. In FY 84, the Supporting Services group will receive an additional step in their salary schedule. And in FY 85, the Administrative and Supervisory group salary schedule will be increased by an additional step.) In addition, service increments are prorated on the anniversary date the employee was hired; and are prorated for part-time employees.

(2) Longevity Increment:

(a) Supporting Service Employees. An award equal to a one step salary increment at the completion of ten, fourteen and eighteen years of creditable service. Creditable service includes all permanent and conditional employment within MCPS, Montgomery College and certain Montgomery County governmental positions.

(b) Administrative and Supervisory Employees. These employees are not eligible for a longevity increment.

(c) Professional Employees. All teachers on schedules C & D (i.e. holders of an MA or MA + 30 degree) are eligible for longevity pay according to the following criteria: (Note: the increases are not cumulative):

| <u>Longevity Payment (LP)</u> | <u>% Salary Increase</u> |
|---|--|
| <u>LP I</u> - Beginning of 10th creditable year of employment with MCPS and the 19th year of total creditable experience. | 5% of 1st step on bachelor's salary schedule. |
| <u>LP II</u> - Beginning of 15th creditable year of employment with MCPS and the 24th year of total creditable experience. | 10% of 1st step on bachelor's salary schedule. |
| <u>LP III</u> - Beginning of 20th creditable year of employment with MCPS and the 29th year of total creditable experience. | 15% of 1st step on bachelor's salary schedule. |

(3) Outstanding Service Award. An award available only to Supporting Services employees in recognition of sustained outstanding performance. The award can be the following:

- (a) Certificate of recognition and letter of commendation; and
- (b) Early implementation of next salary increment with a change of salary increment date; or
- (c) A within grade advancement, normally of one step, with no change of salary increment date; or
- (d) A lump sum cash award.

(4) Accelerated Increment. An award available only to Administrative and Supervisory employees in recognition of exceptional service over a period of time. The award simply advances the recipient's increment date by a specified number of months.

e) Number receiving awards and costs:

(1) Supporting Services Employees--Annual one-step service increment for satisfactory performance.

| | <u>FY 80 (actual)</u> | <u>FY 81 (actual)</u> |
|---|---------------------------|---------------------------|
| (a) Number eligible for the increment. | <u>2,575</u> | <u>2,500</u> |
| (b) Number receiving the increment. | <u>2,569</u> | <u>2,488</u> |
| (c) Cost of the increments. | <u>\$686,115</u> | <u>\$728,597</u> |
| (d) Annual cost of the increments as a % of salaries and wages (less fringe) for all Supporting Service employees FY 80: \$55,721,892; FY 81: \$62,100,304. | <u>1.23%</u> | <u>1.17%</u> |
| (e) Average per recipient. | <u>\$267</u> | <u>\$293</u> |

(2) Supporting Services Employees--Longevity salary increment of one-step for completing 10, 14 and 18 years of creditable service:

| | <u>FY 80 (actual)</u> | <u>FY 81 (actual)</u> |
|---|---------------------------|---------------------------|
| (a) Number eligible for the increment. | <u>569</u> | <u>553</u> |
| (b) Number receiving the increment. | <u>569</u> | <u>553</u> |
| (c) Cost of the increments. | <u>\$327,724</u> | <u>\$348,016</u> |
| (d) Annual cost of the longevity increments as a % of salaries & wages (less fringe) for all Supporting Service employees FY 80: \$55,721,892; FY 81: \$62,100,304. | <u>.59%</u> | <u>.56%</u> |
| (e) Average per recipient. | <u>\$576</u> | <u>\$629</u> |

(3) Supporting Services Employees--A lump sum cash award for sustained outstanding performance:

| | <u>FY 80 (actual)</u> | <u>FY 81 (actual)</u> |
|---|---------------------------|---------------------------|
| (a) Number eligible for the award. | <u>5,801</u> | <u>5,760</u> |
| (b) Number receiving the award. | <u>6</u> | <u>6</u> |
| (c) One-time cost of the awards. | <u>\$2,511</u> | <u>\$1,600</u> |
| (d) Annual cost of the awards as a % of salaries & wages (less fringe) for all Supporting Service employees FY 80: \$55,721,892; FY 81: \$62,100,304. | <u>.005%</u> | <u>.003%</u> |
| (e) Average per recipient. | <u>\$419</u> | <u>\$267</u> |

(4) Administrative and Supervisory Personnel--Annual advancement of one step for satisfactory performance:

| | <u>FY 80 (actual)</u> | <u>FY 81 (actual)</u> |
|--|---------------------------|---------------------------|
| (a) Number eligible for the advancement. | <u>223</u> | <u>178</u> |
| (b) Number receiving the advancement. | <u>223</u> | <u>178</u> |
| (c) Cost of the advancements. | <u>\$135,529</u> | <u>\$134,251</u> |
| (d) Annual cost of the advancements as a % of salaries & wages (less fringe) of all Administrative & Supervisory employees FY 80: \$20,141,510; FY 81: \$21,306,996. | <u>.67%</u> | <u>.63%</u> |
| (e) Average per recipient | <u>\$608</u> | <u>\$754</u> |

(5) Administrative and Supervisory Personnel--Accelerated
increment for exceptional service:

| | <u>FY 80 (actual)</u> | <u>FY 81 (actual)</u> |
|---|---------------------------|---------------------------|
| (a) Number eligible for an increment. | <u>223</u> | <u>178</u> |
| (b) Number receiving the increment. | <u>13</u> | <u>10</u> |
| (c) Cost of the increments. | <u>\$5,686</u> | <u>\$7,794</u> |
| (d) Annual cost of the accelerated increments as a % of salaries & wages (less fringe) for all Administrative & Supervisory employees FY 80: \$20,141,510; FY 81: \$21,306,996. | <u>.03%</u> | <u>.04%</u> |
| (e) Average per recipient. | <u>\$437</u> | <u>\$779</u> |

(6) Professional Personnel--Annual advancement of one step
for teachers holding first class certificate:

| | <u>FY 80 (actual)</u> | <u>FY 81 (actual)</u> |
|---|---------------------------|---------------------------|
| (a) Number eligible for the increment. | <u>4,427</u> | <u>4,236</u> |
| (b) Number receiving the advancement. | <u>4,419</u> | <u>4,227</u> |
| (c) Cost of the advancements. | <u>\$2,020,813</u> | <u>\$2,080,249</u> |
| (d) Annual cost of the advancements as a % of salaries & wages (less fringe) for all professional employees FY 80: \$126,945,906; FY 81: \$138,534,756. | <u>1.59%</u> | <u>1.50%</u> |
| (e) Average per recipient. | <u>\$457</u> | <u>\$492</u> |

(7) Professional Personnel--Longevity Payments:

| | <u>FY 80</u> <u>(actual)</u> | <u>FY 81</u> <u>(actual)</u> |
|---|---------------------------------|---------------------------------|
| (a) Number eligible for the increment. | <u>453</u> | <u>459</u> |
| (b) Number receiving longevity payment I. | <u>210</u> | <u>213</u> |
| Number receiving longevity payment II. | <u>145</u> | <u>142</u> |
| Number receiving longevity payment III. | <u>98</u> | <u>104</u> |
| (c) Cost of the above longevity payments. | <u>\$249,150</u> | <u>\$277,695</u> |
| (d) Annual cost of the above longevity payments as a % of salaries & wages (less fringe) for all Professional employees FY 80: \$126,945,906; FY 81: \$138,534,756. | <u>.20%</u> | <u>.20%</u> |

f) Summary of expenditures for all performance based salary increases:

(1) Supporting Service Personnel:

| | <u>FY 80</u> <u>(actual)</u> | <u>FY 81</u> <u>(actual)</u> |
|--|---------------------------------|---------------------------------|
| (a) Total expenditure for all awards and incentive programs. | <u>\$ 1,016,350</u> | <u>\$ 1,078,213</u> |
| (b) Total expenditure for all awards and incentive programs. | <u>\$55,721,892</u> | <u>\$62,100,304</u> |
| (c) Total expenditure for all awards and incentives as a % of salaries & wages for Supporting Service personnel. | <u>1.82%</u> | <u>1.74%</u> |

(2) Administrative & Supervisory Personnel:

| | <u>FY 80</u> <u>(actual)</u> | <u>FY 81</u> <u>(actual)</u> |
|--|---------------------------------|---------------------------------|
| (a) Total expenditure for all awards and incentive programs. | <u>141,215</u> | <u>\$ 142,045</u> |
| (b) Total expenditure for salaries & wages (less fringe). | <u>\$20,141,510</u> | <u>\$21,306,996</u> |
| (c) Total expenditure for all awards & incentives as a % of salaries & wages for Administrative & Supervisory personnel. | <u>.70%</u> | <u>.67%</u> |

(3) Professional Personnel:

| | <u>FY 80</u> <u>(actual)</u> | <u>FY 81</u> <u>(actual)</u> |
|--|---------------------------------|---------------------------------|
| (a) Total expenditure for all awards and incentive programs. | <u>\$ 2,269,963</u> | <u>\$ 2,357,944</u> |
| (b) Total expenditure for salaries and wages (less fringe). | <u>\$126,945,906</u> | <u>\$138,534,756</u> |
| (c) Total expenditure for all awards and incentives as a % of salaries and wages for Professional Personnel. | <u>1.79%</u> | <u>1.70%</u> |

(4) All MCPS Personnel:

| | <u>FY 80</u> <u>(actual)</u> | <u>FY 81</u> <u>(actual)</u> |
|--|---------------------------------|---------------------------------|
| (a) Total expenditure for all awards and incentive programs. | <u>\$ 3,427,528</u> | <u>\$ 3,578,199</u> |

| | FY 80 <u>(actual)</u> | FY 81 <u>(actual)</u> |
|--|--------------------------|--------------------------|
| (b) Total expenditure for salary & wages (less fringe). | <u>\$202,809,308</u> | <u>\$221,942,056</u> |
| (c) Total expenditure for all awards & incentives as a % of salaries and wages (less fringe). | <u>1.69%</u> | <u>1.61%</u> |

MONTGOMERY COLLEGE

a) Type Awards:

(1) Annual Service Increment. An annual salary increase is available to Montgomery College personnel whose performance is rated at least satisfactory or competent. For exceptional service, additional service awards and combinations are available depending upon which personnel category the employee is assigned: Faculty, Administrators or Staff.

(2) Outstanding Service Award. Available only to Staff employees, this award can be a lump sum cash payment or a non-monetary award.

(3) Sustained Service Award. A newly established award for Staff employees which replaces a previous award based on longevity.

b) Applicability. With the exception of the College President who serves under contract with the Board of Trustees, all Montgomery College personnel are assigned to one of three employee categories: Faculty, Administrators or Staff. Awards apply to each employee category as follows:

| <u>Type Award</u> | <u>Staff</u> | <u>Administrators</u> | <u>Faculty</u> |
|---------------------------|--------------|-----------------------|----------------|
| Annual Service Increment | X | X | X |
| Additional Service Awards | | X | X |
| Outstanding Service Award | X | | |
| Sustained Service Award | X | | |

c) Authority. Montgomery College Policies and Procedures Manual, Sections 3.06ff, 4.14ff, 4.30ff, 4.34ff and 7.131.

d) Description of Increments and Awards:

(1) Annual Service Increment:

(a) Staff Personnel. On the basis of an annual performance evaluation, a Staff Employee who has not reached the maximum of his/her salary grade is eligible for an award for satisfactory performance. The award can be in the form of a percentage increase of the staff employee's present salary or a fixed dollar amount. For FY 82, the Board of Trustees approved a \$600 salary increase prorated on the anniversary date the Staff employee was hired. However, the actual FY 82 expenditure

will not average out to \$600 for all staff employees for several reasons. First, prorating the salary increase on the anniversary date the staff employee was hired reduces the expenditure proportionally. Second, some staff employees are at the top of the salary scale and are ineligible for a service increment. Finally, staff employees who do not work a full work year have their service increments reduced proportionally.

(b) Administrators. On the basis of an annual performance evaluation, an Administrator whose salary has not exceeded the maximum of his/her salary grade is eligible for a within grade salary advancement for satisfactory or better performance. The amount of the award is approved annually by the President of the College and is awarded as a percentage of the employee's salary. Administrators are also eligible once every four years for consideration of a one time lump sum award, not to exceed \$1,000, for superior performance. This Special Salary Merit Award is highly selective--none has been awarded in FY 80 or FY 81. This is the only consideration for salary increase for Administrators. No annual cost of living (COL) is paid to this group of employees.

(c) Faculty Personnel. On the basis of an annual evaluation, a faculty member who is rated competent may be granted a salary increment within grade, provided the faculty member is not at the maximum of the salary schedule for his/her grade. Faculty members who demonstrate superior performance, and who have not reached the maximum in the salary grade, may be awarded a salary advancement plus a one time lump sum cash award in an amount approved by the Board of Trustees. The award of a within grade advancement for superior performance is only available after the faculty member has served four years since a previous advancement for superior performance. Finally, an award for superior performance is available to a tenured faculty member who is at the top of his/her grade and who has not received an advancement for superior performance during the previous four years of service. The award is an advancement to a higher grade plus a one time lump sum payment of an amount approved by the Board of Trustees.

(2) Outstanding Service Award. Staff employees who are rated as performing in a sustained outstanding manner are eligible every three years for an award of a lump sum cash payment equivalent to an annual merit increment or an appropriate non-monetary award.

(3) Sustained Service Award. This newly created award for Staff employees replaces a type of longevity increment. To be eligible, a Staff employee must be at the maximum of his/her salary grade for a minimum of three years and performed duties in an acceptable manner.

e) Number receiving awards and costs:

(1) Staff Personnel--Annual Service Increment for satisfactory performance:

| | <u>FY 81</u> <u>(actual)</u> |
|--|---------------------------------|
| (a) Number eligible for the increment. <u>Appx 300</u> | |
| (b) Number receiving the increment. <u>Approx 269</u> | |
| (c) Cost of the increments awarded in FY 81. <u>\$43,400</u> | |
| (d) Cost of increments as a % of salaries & wages (less fringe) for staff personnel (FY 81: \$7,139,355) <u>.61%</u> | |
| (e) Average per recipient. <u>\$161</u> | |

(2) Staff Personnel--Outstanding Service Award of a lump sum cash payment:

| | <u>FY 81</u> <u>(actual)</u> |
|---|---------------------------------|
| (a) Number eligible to receive the award. <u>556</u> | |
| (b) Number receiving the award. <u>13</u> | |
| (c) One time cost of awards. <u>\$9,750</u> | |
| (d) Cost of award as a % of salaries & wages for staff personnel (FY 81: \$7,139,335) <u>.14%</u> | |
| (e) Average per recipient. <u>\$750</u> | |

(3) Staff Personnel--Sustained Service Award: This is a new program initiated in FY 82.

(4) Faculty Personnel--Within-grade advancement for competent performance:

| | FY 81 (actual) |
|--|-------------------|
| (a) Number eligible for the advancement. | <u>326</u> |
| (b) Number receiving the advancement. | <u>322</u> |
| (c) Cost of advancements awarded in FY 81. | <u>\$103,548</u> |
| (d) Cost of advancements as a % of salaries & wages (less fringe) for Faculty personnel (FY 81: \$9,467,403) | <u>1.1%</u> |
| (e) Average per recipient | <u>\$322</u> |

(5) Faculty Personnel. Within grade advancement or cash award for superior performance. Two Faculty members were eligible to receive this award in FY 80 and one was eligible in FY 81. Only the Faculty member eligible in FY 81 received the award, a within grade advancement of \$2,769 and a lump sum cash payment of \$750.

(6) Faculty Personnel. Advancement from one grade to the next higher grade for superior performance:

| | FY 81 (actual) |
|---|-------------------|
| (a) Number eligible for the advancement. | <u>54</u> |
| (b) Number receiving the advancement. | <u>35</u> |
| (c) Cost of the advancements awarded in FY 81. | <u>\$83,956</u> |
| (d) Cost of advancement as a % of salaries & wages (less fringe) for Faculty personnel (FY 81: \$9,467,403) | <u>.89%</u> |
| (e) Average per recipient. | <u>\$2,399</u> |

(7) Administrators--Within grade advancement for satisfactory or better performance. (Note, Administrators do not receive an annual COL.)

| | FY 81 (actual) |
|---|-------------------|
| (a) Number of Administrators eligible to receive the advancement. | <u>54</u> |
| (b) Number receiving the advancement. | <u>53</u> |
| (c) Cost for the advancements awarded in FY 81. | <u>\$153,270</u> |
| (d) Cost of the advancements as a % of salaries & wages (less fringe) for Administrators (FY 81: \$1,954,728) | <u>7.8%</u> |
| (e) Average per recipient. | <u>\$2,892</u> |

(8) Administrators: Special Salary Merit Award: No Administrator received this award in FY 80 or FY 81.

f) Summary of expenditures for all performance based salary increases:

(1) Staff Personnel

| | FY 81 (actual) |
|---|--------------------|
| (a) Total expenditures for all awards and incentive programs. | <u>\$53,150</u> |
| (b) Total expenditure for salaries and wages (less fringe) for all three employee groups. | <u>\$7,139,335</u> |

(c) Total expenditures
for all awards and
incentives as a %
of salaries & wages
(less fringe) for
all three employee
groups. .74%

(2) Faculty Personnel

FY 81
(actual)

(a) Total expenditures
for all awards and
incentive programs. \$191,023

(b) Total expenditure
for salaries and
wages (less fringe)
for all three
employee groups. \$9,467,403

(c) Total expenditures
for all awards and
incentives as a %
of salaries & wages
(less fringe) for
all three employee
groups. 2.02%

(3) Administrators

FY 81
(actual)

(a) Total expenditures
for all awards and
incentive programs. \$153,270

(b) Total expenditure
for salaries and
wages (less fringe)
for all three
employee groups. \$1,954,728

(c) Total expenditures
for all awards and
incentives as a %
of salaries & wages
(less fringe) for
all three employee
groups. 7.84%

(4) All Montgomery College Personnel

FY 81
(actual)

- (1) Total expenditures
for all awards and
incentive programs. \$397,443
- (2) Total expenditure
for salaries and
wages (less
fringe) for all
three employee
groups. \$18,561,466
- (3) Total expenditures
for all awards and
incentives as a %
of salaries & wages
(less fringe) for
all three employee
groups. 2.14%

WASHINGTON SUBURBAN SANITARY COMMISSION

a) Type Awards:

(1) Annual Merit Increases. A 2%, 4% 6% or 8% increase based on the employee's performance.

(2) Longevity Increases. A 5%, 10% or 15% increase for a fully satisfactory performance for employees who serve for a specified number of years.

b) Applicability. All full and part time Day Labor and Bi-Weekly Employees are eligible for these merit and longevity increases. Four Contract Employees (General Manager, Director of Maintenance, Treasurer and General Counsel) are not eligible for any of these programs.

c) Authority. WSSC Personnel Policy and Benefits Program 4.4, July 1979.

d) Description of Increments and Awards:

(1) Annual Merit Increases. All Day Labor and Bi-Weekly employees whose base salary does not exceed the maximum of the pay grade (excluding longevity compensation) are eligible for one of the following increases:

(a) Acceptable overall performance: 2%

(b) Fully satisfactory overall performance: 4%

(c) Commendable overall performance: 6%

(d) Outstanding overall performance: 8%

A limitation on the merit increases is that no more than 20% of the employees can be awarded a 6% or 8% increase.

The annual merit increase is usually awarded on the employee's employment anniversary date. However, an Off-Anniversary Merit Increase of 4%, 6% or 8% can be awarded prior to the annual anniversary date, with the award date becoming the new anniversary date.

(2) Longevity Increases. All employees hired before July 1, 1976, whose overall performance has generally been at the fully satisfactory or higher level (comparable to a 4%, 6% or 8% annual merit increase) are eligible for a longevity increase as follows:

(a) A 5% increase in the employee's current base salary after 10 years service.

(b) An additional 5% increase in the employee's current base salary after 15 years service (for a total of 10%).

(c) An additional 5% increase in the employee's current base salary after 20 years service (for a total of 15%).

Each time an employee's salary is adjusted (up or down) the dollar amount of the employee's longevity pay is automatically adjusted so that the longevity pay will always correspond to the appropriate percentage of the current base pay of the employee.

(3) The Washington Suburban Sanitary District does not have any other performance based award programs.

e) Number of employees receiving annual merit and longevity increases.

(1) Annual Merit Increases*:

| | FY 80 (actual)** | FY 81 (actual) |
|------------------------------|---------------------|-------------------|
| (a) Number eligible. | <u>1,364</u> | <u>1,204</u> |
| (b) Number (%) receiving 8%. | <u>27 (2%)</u> | <u>25 (2%)</u> |
| (c) Number (%) receiving 6%. | <u>250 (18%)</u> | <u>230 (19%)</u> |
| (d) Number (%) receiving 4%. | <u>954 (70%)</u> | <u>843 (70%)</u> |
| (e) Number (%) receiving 2%. | <u>84 (6%)</u> | <u>73 (6%)</u> |
| (f) Number (%) receiving 0%. | <u>49 (4%)</u> | <u>33 (3%)</u> |

Note: *Includes Off-Anniversary Merit Increases.

**In FY 80, WSSC paid annual merit increases of 0%, 1%, 3%, 5% and 7% to Day Labor personnel and the 0%-8% to the Bi-Weekly personnel. These figures combine the two different percentages.

(2) Longevity Increases:

| | FY 80 (actual) | FY 81 (actual) |
|--|-------------------|-------------------|
| (a) Number receiving 5% after 10 years service. | <u>115</u> | <u>72</u> |
| (b) Number receiving 10% after 15 years service. | <u>33</u> | <u>66</u> |
| (c) Number receiving 15% after 20 years service. | <u>19</u> | <u>25</u> |

f) Summary of expenditures for annual merit and longevity increases:

| | <u>FY 80 (actual)</u> | <u>FY 81 (actual)</u> |
|---|---------------------------|---------------------------|
| (1) Cost of all merit and longevity increases. | <u>\$685,964</u> | <u>\$838,210</u> |
| (2) Total salaries & wages expenditure (less fringe) for all employees. | <u>\$35,322,131</u> | <u>\$37,046,999</u> |
| (3) Cost of all merit and longevity increases as a % of salaries & wages (less fringe) for FY 80 and FY 81. | <u>1.94%</u> | <u>2.26%</u> |

MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

a) Type Awards:

(1) Anniversary Pay Increment: An annual increase of 3% of base salary for performance rated as good or an award of 3% of base salary plus a cash bonus for performance rated as very good or exceptional.

(2) Longevity Pay Increase. A 5% increase of base salary for those employees in the top level of their pay grade for three consecutive years and whose performance is rated as good or better.

(3) Special Achievement Award. A lump sum cash award not to exceed 5% of base salary for outstanding performance or achievement by an employee or group of employees.

(4) Employee Recognition and Awards. Special award of cash, incentives or honors to an employee or group of employees to stimulate exceptional performance.

b) Applicability. All full and part time merit employees of the Commission.

c) Authority. The Merit System Rules and Regulations of the M-NCPPC, Chapter 900, Employee Performance Evaluation and Chapter 1200, Pay and Awards, January 9, 1980, as amended in January 1982.

d) Description of Increments and Awards:

(1) Anniversary Pay Increment. Each career merit employee is given an annual performance evaluation in which an overall rating from unsatisfactory to exceptional is possible. Based on the overall rating of this annual evaluation, an employee is eligible for one of the following anniversary pay increases:

| Overall Rating | % or Base Pay* | Lump Sum Cash Award |
|----------------|---------------------|--|
| Exceptional | 3%** | Plus cash award of 6% of base pay, limited to once every two years or cash award of 3% of base pay in the intervening years. |
| Very good | 3% | Plus a cash award of 3% of base pay. |
| Good | 3% | None |
| Marginal | 0% | None |
| Unsatisfactory | 0% and dismissal | None |

Note: *An employee at the top of the pay grade is not eligible to receive a percentage increase in base pay but can receive the cash award. These percentages were effective January 3, 1982.

**These percentages were effective January 3, 1982. Prior to that date, 3% increase was 2-1/2% and 6% increase was 5%.

(2) Longevity Pay Increase. Career employees are eligible to receive a longevity pay increase of approximately 5% of base pay provided:

(a) The employee is at the top of the pay grade for three consecutive years;

(b) The employee received overall performance rating for these three years of good, very good or exceptional; and

(c) The employee has not already earned three longevity pay increases.

(3) Special Achievement Award. An employee or group of employees may be granted a lump sum cash award not to exceed the equivalent to a 5% increase in base pay for outstanding performance, achievement, special act or service in the public interest. Because this is a cash award, an employee in the top increment of the pay grade is eligible to receive the Special Achievement Award.

(4) Employee Recognition and Awards. An employee may be recognized individually or in groups with an award to stimulate high quality, outstanding and exceptional performance. Awards can be of several types: cash, honors in the form of certificates or emblems, or incentives such as temporary assignments, special training, etc.

e) Number receiving awards and costs. (Note: The number of employees and related costs are for the Montgomery County Planning and Parks Department and for half of the bi-County employees working in the Commission's administrative offices of which 50% of the costs are funded by Montgomery County.)

(1) Anniversary Pay Increments:

| | <u>FY 80</u> <u>(actual)</u> | <u>FY 81</u> <u>(actual)</u> |
|---|---------------------------------|---------------------------------|
| (a) Number eligible for the increment. | <u>628</u> | <u>564</u> |
| (b) Number (%) "Exceptional." | <u>31</u> (5%) | <u>40</u> (7%) |
| (c) Number (%) "Very Good." | <u>367</u> (58%) | <u>375</u> (66%) |
| (d) Number (%) "Good." | <u>227</u> (36%) | <u>144</u> (26%) |
| (e) Number (%) "Marginal" or "Unsatisfactory" | <u>3</u> (<1%) | <u>5</u> (1%) |

| | <u>FY 80</u> <u>(actual)</u> | <u>FY 81</u> <u>(actual)</u> |
|--|---------------------------------|---------------------------------|
| (f) Cost of all increments and cash awards. | <u>\$469,943*</u> | <u>\$485,958*</u> |
| (g) Cost of all increments as a % of the total expenditures for salaries & wages (less fringe) for FY 80: \$11,596,386; for FY 81: \$12,720,384. | <u>4.05%</u> | <u>3.82%</u> |

*These data are based on award percentages of 2-1/2% and 5% which were in effect prior to January 3, 1982.

(2) Longevity Pay. No awards were issued in FY 80. In FY 81, three employees were eligible and received awards totaling \$5,348 or .04% of the expenditures for salary and wages.

(3) Special Achievement Awards. In FY 80, a total of \$13,325 was awarded to 34 employees. In FY 81, a total of \$17,765 was awarded to 38 employees. These awards were .11% and .14% respectively of the FY 80 and FY 81 expenditure for salaries and wages.

(4) Employee Recognition and Awards. None was issued in either FY 80 or FY 81.

f) Summary of expenditures for all performance related salary increases:

| | <u>FY 80</u> <u>(actual)</u> | <u>FY 81</u> <u>(actual)</u> |
|--|---------------------------------|---------------------------------|
| (1) Total cost of all increments and awards. | <u>\$483,268</u> | <u>\$509,071</u> |
| (2) Total expenditures for salaries & wages (less fringe) for all employees. | <u>\$11,596,386</u> | <u>\$12,720,384</u> |
| (3) Cost of all increments and awards as a % of total expenditures for salaries and wages (less fringe) for FY 80 and FY 81. | <u>4.17%</u> | <u>4.00%</u> |

HOUSING OPPORTUNITIES COMMISSION

a) Type Awards:

(1) Annual Service Increment. An annual salary increase of 2% available to all employees whose performance is rated as good/satisfactory or better. In addition, employees can receive an additional cash bonus for performance rated as very good or outstanding.

(2) Special Project Award. A lump sum cash award of up to \$1,000 for high performance on a specific project.

b) Applicability. All full and part time employees with the exception of the Executive Director who is a contract employee.

c) Authority. HOC Manual for Performance Appraisal, January 1, 1982. HOC Personnel Procedures, PS-13 (undated), Special Project Award.

d) Description of Increments and Awards:

(1) Annual Service Increment. All Commission employees are evaluated annually and rated as to individual performance. There are five rating levels ranging from unsatisfactory to outstanding. Within these five levels, there are seven numerical rating ranges. It is these performance numerical ratings which are used to determine an employee's annual salary increase and performance bonus. As of January 1982, the salary increases are determined as follows:

| Overall Rating | Point Rating | Salary Increase | |
|----------------|--------------|------------------|--|
| | | % of Salary Base | Lump Sum Cash Performance Bonus |
| Outstanding | 4.8-5.0 | 2% | Greater of \$850 or 3.4% of salary base* |
| | 4.5-4.7 | 2% | Greater of \$638 or 2.6% of salary base* |
| Very good | 4.1-4.4 | 2% | Greater of \$425 or 1.7% of salary base* |
| | 3.6-4.0 | 2% | Greater of \$255 or 1.7% of salary base* |
| Good | 2.8-3.5 | 2% | N/A |
| Marginal | 1.9-2.7 | 0% | N/A |
| Unsatisfactory | 1.0-1.8 | 0% | N/A |

Note: *Performance Bonus is based on the employee's base before the 2% increment is applied.

(2) Special Project Award. A special project award is used to recognize an employee with a lump sum cash payment for performance beyond that which is expected in carrying out a specific task or project. The supervisor's recommendation for an award includes the amount of money recommended to be awarded, up to a maximum of \$1,000. If the Division Head of the recommended employee concurs in the award, the recommendation is forwarded to the Special Project Award Committee, comprised of HOC employees, both supervisory and non-supervisory, representing all HOC divisions. The Special Project Award Committee makes its recommendation thru the Executive Director to the HOC Board of Commissioners which has approval authority.

e) Summary of the number receiving awards and costs:

(1) Annual Service Increments and Performance Bonus. In FY 82 the policies and procedures were revised. For FY 82, \$70,000 has been budgeted for the 2% salary increase and an additional \$43,500 budgeted for the performance bonus for approximately 180 eligible employees. The cost of these increases and bonuses will be \$113,500 which is 3.36% of the total FY 82 budget of \$3,376,580 for salaries and wages (less fringe).

(2) Special Projects Awards. These awards have been authorized since FY 80. Since that time, only five awards have been made:

FY 80 - two awards: \$1,000 and \$300

FY 81 - three awards: \$1,000, \$300 and \$300

FY 82 - none as of end of the 3rd quarter (March 1982)

IV. CONCLUSIONS

1. A review of the policies and procedures of the six public County and bi-County agencies relating to employee service increments and performance awards revealed:

a) An overall similarity in the basic purposes and goals of the service increment and awards programs in the six agencies.

b) The principal differences concerned the type and amount of increments and performance awards available to employees in the six agencies.

2. The formal policies and procedures of the County government relating to employee service increments and the Accelerated Within Grade Advancements (Outstanding Service Increment Award) are unclear and out of date.

V. RECOMMENDATIONS

1. Each agency should review its policies and procedures relating to service increments and performance awards and those of the other public agencies within the County and modify and/or update where appropriate.

2. County government should clarify and update its policies and procedures relating to the employee service increments and the Accelerated Within Grade Advancements.

VI. AGENCY COMMENTS AND OLO RESPONSE

Before submitting this report to the County Council, a draft copy was sent to each of the six agencies for comments and recommendations. All recommended factual changes have been incorporated into the final report. The following additional comments were received from two agencies.

1. Comments from the Personnel Director, County Government

M E M O R A N D U M

APR 23 1982
April 23, 1982

TO: Clinton A. Hilliard
Personnel Director

FROM: E. Hilton Wade, Jr. *EHW/guc*
Chief, Division of Employee Services

SUBJECT: Andrew Mansinne, Jr., OLO, Report #82-3

I have reviewed the above captioned report. Most of my comments relate to Montgomery County Government for the obvious reason.

It is my opinion that Montgomery County Government is the least generous with the annual service increment. Housing Opportunities Commission has a 2% increment but also gives an additional lump sum cash performance bonus for a very good and outstanding rating. This varies from the greater of 1.7% to 3.4% or \$255 to \$850.

2. Comments from the Housing Opportunities Commission:

MEMORANDUM

April 13, 1982

TO: Andrew Mansinne, Director, Office of Legislative Oversight

FROM: Bernard L. Tetreault, Executive Director, *B. L. Tetreault*
Housing Opportunities Commission

SUBJ: OLO Report #82-3

The OLO Report #82-3, An Evaluation of Agency Policies and Procedures Relating to Employee Service Increments and Performance Awards has been reviewed.

The information on the Housing Opportunities Commission is correct. The comparative information is very interesting. Our evaluation system has been in place a little over one year and has been revised once. We are looking at it now to further revise it. Our goal is to have the pay and evaluation systems motivate employees, reward performance, be readily useable by supervisors and be affordable to the agency. We believe we have made substantial progress in that direction.

**Overview of Agency Basic Provisions
Policies and Procedures Relating to Employee
Service Increments and Performance Awards**

As of FY 81

| <u>Provision</u> | <u>County Gov't</u> | <u>BOE/MCPS</u> | <u>College</u> | <u>WSSC</u> | <u>M-NCPPC</u> | <u>HOC</u> |
|---|---|--|--|---|---|--|
| 1. Monetary Annual Service Increments. | <u>All employees:</u> 2½ for satisfactory performance. | <u>Support Services:</u> One step (avg. 4.5%) for satisfactory performance. <u>Admin. & Supervisory:</u> One step (avg. 2.9%) for satisfactory performance. <u>Professional:</u> One-step (avg. 4.7%) for creditable performance. | <u>Staff:</u> Board approved ½ increase or cash amount for satisfactory performance. <u>Faculty:</u> One step within grade advancement for competent performance. <u>Administrators:</u> Board approved within grade increases for satisfactory performance. | <u>All Day Labor & Bi-Weekly Employees:</u> 2½ for acceptable performance. 4½ for satisfactory performance. 6½ for commendable performance. 8½ for outstanding performance. | <u>All employees: *</u> 2-1/2½ for good performance. 2-1/2½ plus lump sum cash of 2-1/2½ of base pay for very good performance. 2-1/2½ plus lump sum cash of 5½ of base pay for exceptional performance. *Changed to 3½ & 6½ in January 1982. | <u>All employees:</u> 2½ for good performance. 2½ plus variable bonus of lump sum cash for very good or outstanding performance. |
| 2. Monetary Longevity Increments. | (None available) | <u>Support Services:</u> One step after 10, 14 & 18 years. <u>Admin. & Supervisory:</u> (None Available) <u>Professional:</u> 5½ of 1st step on the BS salary sch. after 9 years; 10½ after 14 years; & 15½ after 28 years. | (None available) | <u>All employees hired before FY 77 w/satisfactory or better performance:</u> 5½ after 10 yrs. 10½ after 15 yrs. 15½ after 20 yrs. | <u>All employees at top of pay grade for 3 years:</u> Approximately 5½ for performance of good or better for three years. Limited to three longevity increases. | (None Available) |
| 3. Additional Monetary Performance Awards. | <u>All employees:</u> Extraordinary Performance Award of 2½ or 4½ for exceptional performance. Outstanding Service Increment and Excellent Performance Increment of 2½ or 4½ every two years for outstanding performance. | <u>Support Services:</u> Lump sum cash for outstanding performance. <u>Admin. & Supervisory:</u> Accelerated increment for exceptional performance. <u>Professional:</u> (None Available) | <u>Staff:</u> Lump sum cash for outstanding performance. <u>Administrators:</u> Lump sum cash every four years for superior performance. <u>Faculty:</u> Lump sum cash and a within grade step every four years for superior performance; or lump sum cash and an advancement to a higher grade for superior performance. | (None Available) | <u>All employees & Employee Groups:</u> <u>Special Achievement Awards.</u> Lump sum cash equal to 5½ for outstanding performance. <u>Employee Recognition and Awards.</u> Cash incentives or honors to exceptional performance. | <u>All employees:</u> Special Project Awards of up to \$1,000 for high performance. |
| 4. Annual cost of all service and longevity increments and additional monetary performance awards. | FY 80: (incomplete data) FY 81: \$2,080,000 (thru extrapolation) | FY 80: \$3,427,528 FY 81: \$3,578,202 | FY 80: Incomplete data. FY 81: \$397,443 | FY 80: \$685,964 FY 81: \$838,210 | FY 80: \$483,268 FY 81: \$509,097 | FY 82 (budget): \$113,500 |

| <u>Provision</u> | <u>County Gov't</u> | <u>BOE/MCPS</u> | <u>College</u> | <u>WSSC</u> | <u>M-NCPPC</u> | <u>HOC</u> |
|---|--|------------------------------|---|------------------------------|------------------------------|-----------------------|
| 5. Annual cost of above as a % of salary and wages (less fringe). | FY 80: (Incomplete data) FY 81: 1.8% (thru extrapolation). | FY 80: 1.69% FY 81: 1.61% | FY 80: Incomplete data. FY 81: 2.14% | FY 80: 1.94% FY 81: 2.26% | FY 80: 4.17% FY 81: 4.00% | FY 82 (Budget): 3.36% |

| <u>Policy/ Procedure</u> | <u>County Gov't</u> | <u>BOE/MCPS</u> | <u>College</u> | <u>WSSC</u> | <u>M-NCPPC</u> | <u>HOC</u> |
|---|-------------------------|-----------------|----------------|-----------------|----------------|------------|
| 1. Does agency require that service increment be based upon some form of employee performance evaluation? | yes | yes | yes | yes | yes | yes |
| 2. Does agency require a formal written performance evaluation prior to a service increment? | no | yes | yes | yes | yes | yes |
| 3. Does agency have updated written policies and procedures on service increments and performance awards? | not current or complete | yes | yes | yes | yes | yes |
| 4. Can employee whose salary is at maximum of pay grade receive a percentage of pay as a service increment? | no | no | no | no | no | no |
| 5. Can employee whose salary is at maximum of pay grade receive a lump sum cash award for performance? | yes | yes | yes | none authorized | yes | yes |

| <u>Policy/ Procedure</u> | <u>County Gov't</u> | <u>BOE/MCPS</u> | <u>College</u> | <u>WSSC</u> | <u>M-NCPPC</u> | <u>HOC</u> |
|--|-------------------------|--|----------------|--|----------------|------------|
| 6. Does agency provide for Longevity Increments? | no | Only for Supporting Services and Professional employees. | no | Only for employees hired before FY 77. | yes | no |
| 7. Do percentage increments become part of total compensation for computing retirement? | yes | yes | yes | yes | yes | yes |
| 8. Do lump sum cash awards become part of the total compensation for computing retirement? | no | no | no | none authorized | no | yes |
| 9. Are non-supervisory employees included in the award selection process? | no | no | no | no | no | yes |
| 10. Are funds for service increments budgeted separately? | yes | yes | yes | yes | yes | yes |
| 11. Are funds for other monetary awards budgeted separately? | no | yes | yes | none authorized | yes | yes |

