



Utah Department of Government Operations

Everything you need to know about Pay for Performance (P4P)

Q. Why are we doing Pay for Performance (P4P)?

A. <u>House Bill 104.</u> "State Employment Amendments," passed in the 2022 Legislative Session. One of the bill's components included modernizing performance management with P4P, which means a plan for incentivizing an employee to meet or exceed production and performance goals. The P4P plan includes specific goals and targets for employees, measurement procedures, and specific incentives when goals and targets are met.

Q. Do we still get longevity increases?

A. Effective July 1, 2023, <u>UCA 63A-17-303</u>, which governs longevity increases, will be repealed in accordance with HB104 from the 2022 Legislative Session. This means that employees with longevity increases due before 7/1/23 may still have a longevity increase processed. Those due 7/1/23 or later will not be eligible as longevity increases will no longer exist. <u>However, employees at or over the maximum salary range may be eligible for P4P increases based on performance.</u>

Q. Do we still get a cost-of-living-adjustment (COLA)?

A. Maybe. The Utah State Legislature maintains the authority to approve COLAs during its annual general session.

Q. How will P4P work?

A. Employees will meet with their supervisors to set performance goals and discuss performance standards and behavioral expectations. (Performance plans will be completed by August 15th.) Throughout each quarterly evaluation period, employees work to meet or exceed the standards, expectations, and goals contained in their performance plans. Employees and supervisors document the employee's progress and document any relevant performance notation in their UPM. Documentation can occur at any time during the evaluation period.

Q. How will I be rewarded?

A. Pay increases are subject to available funds. A pay increase may be granted when an employee is current on all state-required training and has completed at least two consecutive quarterly evaluations with either a 2 or a 3 rating. The increase is determined with the use of a rating system.

- An employee whose <u>annual</u> performance evaluation rating is "One" will not receive pay for performance for that evaluation period.
- An employee whose <u>annual</u> performance evaluation rating is "Two" will receive pay for performance for that evaluation period.
- An employee whose <u>annual</u> performance evaluation rating is "Three" will receive pay for performance for that evaluation period. The pay for performance amount will exceed those given to employees with "Two" ratings.
- An employee supervisor submits requests for employee P4P increases to their manager at the end of each evaluation period.
- A manager reviews each request and performance evaluation, adjusts recommendations as necessary, and submits consolidated requests to the next-level manager or their division director.
- A division director review requests and performance evaluations, adjust recommendations, and submits a consolidated division request to the member of the executive director's office (EDO) assigned to oversee compensation.
- Upon review from the EDO, approved increases are sent to the HR Analyst assigned to the division for processing.

Q. Does this mean I will compete with my co-workers for a pay increase?

A. No. You are rewarded based on your personal performance.

Q. Will P4P equalize the parity of classifications?

A. P4P is not meant to be an equalizer. It's intended to give incentives to employees for meeting or exceeding production and performance. Pay inequities, retention, and other compensation issues may still be addressed; however, they will be addressed outside of money reserved for P4P.

Q. Will I receive a P4P raise on July 1st?

A. No. July 1st begins the P4P evaluation period. Some P4P dollars may be available quarterly, as with DTS. The majority of the department will be awarded on an annual basis, but division directors do have discretion.

Q. Will I receive a 2.5% increase?

A. No. Each division has been assigned a certain amount of dollars. The division directors have been met with individually so they understand the amount of money they are accountable for. As an example, ISFs don't receive cash. GovOps recovers the

money through rates. Because of legislation, they must allocate a specific dollar amount that's earmarked for P4P.

Q. Is it a bonus, or is it a raise?

A. The intention of P4P is that your pay increase should come in the form of an ASI. However, this first year we will allow some incentives.

Q. Are performance measure templates being given to supervisors?

A. Each division has been given the leeway to adapt to the specific needs of their division. Examples are being provided to supervisors and employees so you can participate in the writing of your performance plans. There will also be examples of ways to measure performance that in the past have been difficult to measure, such as behavior goals.

Q. At what level are the pay increases being split amongst employees that meet goals? Is it at the program level, the DTS manager level, the upper management level, the whole DTS level, or the whole DGO level?

A. The split is between 2s and 3s. The 3s should receive a higher percentage than the 2s, and the 1s don't receive a P4P increase at all. But all 2s and all 3s should receive something. That being said, you are considered for an increase quarterly in DTS. This doesn't mean every quarter, every 2 and 3 get an increase, but annually they should.

Q. For all 3s, where are the funds being divided? Program level, DTS management level, DTS upper management level, DTS director level? In other words, at some level, there is an amount decided, and then that amount is divided by all the 3s and also 2s below that level.

A. That is decided by each Division's leadership. We haven't specified as an agency how that will work across the board.

Q. Does it mean in DGO Policy Internal 14, the categories for P4P (excluding supervisor requirements), that every employee must have 3-4 training goals and 3-4 behavioral competency goals to comply with the policy?

A. No. Each employee needs to have one SEAT goal. This hasn't changed from how it was last year. As for training, to receive a rating of 2 or 3, the employee must be current on any training required for his or her job. That would include security awareness training, respect in the workplace, ethics, GOLD if they are a supervisor, etc. That isn't really a training goal. That is a requirement.

If the employee is a supervisor, there needs to be at least one goal specific to leadership. For example, it could be a goal to mentor a specific employee or give more meaningful feedback. Any other goal should be worked out between the supervisor and the employee. I think any more than 5 goals total would be too difficult to focus on. However, remember that a strong UPM may list behavior expectations that don't classify as goals. For example, meeting deadlines or answering emails with a respectful and professional tone as job behavior requirements are not necessarily goals.

Do you have questions you'd like answered? We'll add it to this document to help everyone better understand P4P. Click on the button below or email <u>govopscomms@utah.gov</u>.

