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## Policy Memorandum No. 4 - FY 1999

**TO:** Elected Officials, Agency Directors, and Personnel  
Officers State Service Agencies

**FROM:** J. K. Stringer, Jr.  
State Personnel Director

**DATE:** April 16, 1998

**SUBJECT: EXECUTIVE SERVICE POLICIES AND PROCEDURES FOR FISCAL  
YEAR 1999**

### A. Statement of Purpose

It is the intent of the State Personnel Board to establish the Executive Service for selected positions for the purpose of attracting, retaining, and developing competent executives and senior-level managers so that the complex programs and agencies of state government will function effectively, efficiently, and productively. The Service shall provide methods for employment, promotion, and reassignment that are responsive to organizational and/or program needs and that offer flexibility to appointing authorities/governing bodies for the negotiation, establishment and adjustment of salaries.

Inclusion in the Executive Service shall not be construed to exclude any position from the state service where such position is designated as state service, nor shall inclusion be construed to confer state service status on positions designated as non-state service. Refer to Miss. Code Ann. Section 25-9-107 (c)(1972).

These provisions shall supersede all conflicting policies and procedures for administration of Executive Service policies published in the Mississippi State Personnel Board Policy and Procedures Manual and additional or replacement manuals, and all subsequent changes to the manual effective close of business June 30, 1998, and shall become an official attachment to the Mississippi State Personnel Board Policy and Procedures Manual for Fiscal Year 1999.

**B. Coverage of These Policies**

**1. Criteria for Executive Service Designation**

The Executive Service shall be maintained as a separate system of personnel and salary administration for positions **under the salary setting authority of the State Personnel Board** which meet the following criteria:

- a. Executive Director positions;
- b. Phase II: Executive personnel whose function is:
  - 1. Policy-making and managerial in nature, and have a direct reporting relationship to the appointing authority or his/her deputy; or
  - 2. Directors of sub-agencies which are appropriated separately and whose personnel functions are directly facilitated with the State Personnel Board.
- c. Phase III: Additional executive personnel who:
  - 1. Satisfy the requirements of Phase II above; or
  - 2. Are policy-making line management employees who report directly to Phase II designees.

**2. Phase II and III Implementation**

- a. In Phase II of the Executive Service, the State Personnel Board extends eligibility for Executive Service pay policies to deputy directors and bureau-level directors of state master agencies possessing 50 or more actual full-time positions and the agencies of all statewide elected officials. Agencies with fewer than 1000 employees shall designate no more than five (5) employees to Phase II of Executive Service. Agencies with 1000 or more employees may designate the minimum of five (5) employees as Phase II at the rate of one position for every 250 positions, up to a maximum of ten (10) positions in Phase II of the Executive Service.
- b. Phase III of the Executive Service shall be applicable only to master agencies with 250 or more authorized full-time positions.



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- c. The number of positions designated Phase II and Phase III in an agency may not exceed one percent (1%) of the total agency positions or 30, whichever is less.
- d. An exception to the agency size criteria stated above shall be given to agencies of elected officials and agencies with statewide regulatory control requirements over other state agencies. These agencies may be allowed a maximum of 25 Executive Service positions in Phase II and III combined, provided the positions meet the organizational criteria for inclusion in the Executive Service.

### **3. General Policies**

- a. No positions shall be added to the Executive Service Phases II or III during Fiscal Year 1999.
- b. Agency heads may choose to designate fewer than the maximum number of allowable Executive Service positions.
- c. While an employee is in a position designated in the Executive Service, agency heads may, at their discretion, reduce the Executive Service compensation of that employee.
- d. The State Personnel Board shall have exclusive authority to approve designated Executive Service positions consistent with these policies and procedures. Designation of Executive Service positions shall be based on the policies outlined in this Section and upon analysis of the State Personnel Board approved organizational chart of the participating agency. Desk audits may be required prior to designation. Refer to Miss. Code Ann. Section 25-9-133(1) and Section 25-9-115(n)(1972).
- e. No position or employee movement into or out of the Executive Service shall be performed simply as a pretext for securing salary increases.
- f. Reorganizations
  - (1) In the event of a legislatively mandated reorganization, the salaries of incumbents whose positions no longer meet Executive Service criteria shall be established in accordance with the provisions for Transfer Salaries outlined in Section F herein.



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- (2) Requests for reallocations which result in a net increase of Executive Service positions or redesignations of Executive Service positions shall be regarded in all cases as agency reorganizations. Refer to Miss. Code Ann. Section 25-9-115(n)(1972).
- (3) Any position movement or a material change in job duties and responsibilities of an Executive Service position, such that the position no longer meets Executive Service criteria, shall be regarded as an agency reorganization. Agencies shall notify the State Personnel Board by the 15th day of the month in which the movement or change is effective.

#### **4. Transitions Between Fiscal Years**

- a. The classification of all Executive Service positions shall remain as then designated until changed by the State Personnel Board.
- b. Persons filling Executive Service positions shall continue as the employees in said positions without further review by the State Personnel Board, provided no changes in organizational structure or State Personnel Board policies occur.
- c. No employee shall suffer any decrease in salary as a result of appointment to the Executive Service, except that no employee shall be compensated at a pay salary higher than the end salary assigned to his/her job classification.

#### **C. Recruitment and Appointment**

1. Recruitment efforts to fill current or anticipated vacancies in Non-state Service Executive Service positions shall be the responsibility of the appointing authority/governing body. Recruiting assistance shall be available from the State Personnel Board staff.
2. Recruitment efforts to fill current or anticipated vacancies in State Service Executive Service positions shall be coordinated with the State Personnel Board, in accordance with Section 3.0 of the Mississippi State Personnel Board Policy and Procedures Manual.
3. Each appointing authority shall plan and execute recruitment efforts in a manner that ensures consideration of qualified applicants without regard to age, sex, race, religion, national origin, marital status or handicap, except when a specific sex, age

or physical requirement constitutes a bona fide occupational qualification necessary to perform the tasks associated with the position.

**D. Salary Determination**

**1. Executive Directors**

a. Initial Salary

The appointing authority responsible for appointing each Executive Director shall have the flexibility at the time of hire to establish the salary of the appointed official at a point within the current pay range which is deemed justified by the appointing authority based upon factors directly related to job performance such as previous work experience and educational attainment. The following documentation shall be submitted at the time of the appointment:

- (1) A Position-Employee Profile (PEP) form indicating the requested salary, signed by the Governor or the chairperson of the board or commission with appointing authority;
- (2) An Experience and Training Record completed by the employee; and
- (3) A copy of the official minutes wherein the employment decision was reached.

b. Subsequent Salary Increases

Upon approval of the State Personnel Director, appointing authorities may increase the salary of an Executive Director at any time after appointment not to exceed the end salary of the position to which appointed. The following documentation shall be submitted at the time of request:

- (a) The Position-Employee-Profile (PEP) form indicating the requested salary, signed by the appropriate appointing authority (on-line SPAHRS agencies shall submit the PEP form electronically);
- (b) A copy of the official minutes wherein the increase was requested.

**2. Phase II Executive Service Employees**

a. Initial Salary

No salary increases under this Executive Service component shall be awarded in Fiscal Year 1999.

b. Subsequent Salary Increases

There shall be no subsequent salary increases during Fiscal Year 1999.

**3. Phase III Executive Service Employees**

a. Initial Salary

No salary increases under this Executive Service component shall be awarded in Fiscal Year 1999.

b. Subsequent Salary Increases

There shall be no subsequent salary increases during Fiscal Year 1999.

**E. Salary Regulations**

1. All current statutory salary restrictions shall remain in effect.
2. Executive Service increases shall be awarded only to those employees who possess a current overall performance appraisal rating of 2.0 or above on the effective date of the increase. Agencies must articulate and document legally defensible standards for the request of Executive Service salary increases to ensure that subjective work evaluations do not form the basis for unequal salary awards within similar job classes.
3. Initial Executive Service increases shall be awarded subsequent to awards for New Hire Flexibility, Promotional Flexibility or Recruitment Flexibility.
4. Salary increases under these policies shall be calculated so as not to result in personal services funding shortfalls, employee reductions-in-force, or the unsupported reallocation of vacant positions. See Section C.4 of Policy Memorandum No. 2 - FY 1999.

**F. Transfer Salaries**

1. At the discretion of the agency head/governing body, employees who transfer or who are reallocated from one Executive Service position to another Executive Service position may be permitted to transfer his/her salary up to the current salary at the time of transfer. However, the incumbent's salary shall not exceed the end salary assigned to the job classification of his/her new position.
2. The salary of an original appointee to a position not in the Executive Service who receives recruitment flexibility upon appointment and within 12 months of appointment is transferred to a position which *has not* been authorized for recruitment flexibility, but *is* in the Executive Service, shall be established by calculating what the incumbent's salary would have been had the position from which he/she transferred not been authorized for recruitment flexibility. The Executive Service salary of such an appointee is established in accordance with Section D.2.a above.
3. When the incumbent of an Executive Service position transfers to a position outside the Executive Service, the salary at transfer shall be established by calculating what the incumbent's salary would have been had the position not been in the Executive Service. This salary shall be determined by reviewing all Variable Compensation Plans covering the incumbent's years in the Executive Service. This calculation shall be performed by the State Personnel Board staff and approved by the State Personnel Director.
4. If the incumbent of an Executive Service position transfers to a position with a lower pay range or is reallocated to a position with a lower pay range, the new pay salary shall be calculated first by determining what the salary would have been had the position not been in the Executive Service. Then, the salary shall be further reduced in accordance with Section D.3.c or Section D.9.c of Policy Memorandum No. 2, *Administration of the Variable Compensation Plan for Fiscal Year 1999*.
5. If an Executive Director whose salary is set by statute, is transferred or reallocated to an Executive Service position as a result of a legislatively mandated action, the salary of that individual may be established under the provisions of Section D.1.a above.

**G. Classification Plan**

The State Personnel Director shall prepare a classification method for analyzing the duties,



responsibilities and qualification requirements of positions in the Executive Service.

1. The State Personnel Board shall classify all positions in the Executive Service by assigning each position to its appropriate job classification according to the position description and the organizational placement of the position.
2. A pay range shall be assigned by the State Personnel Board to each position in the Executive Service on the basis of the prevailing wage in the relevant labor market and criteria such as those set forth below. This assignment is usually based on salary survey data compiled from the four (4) contiguous states and the Mississippi private sector. Factors which may be considered in qualifying a position in the Executive Service are:
  - a. extent of policy development and advocacy responsibilities;
  - b. interaction with state Legislature;
  - c. extent of control exercised over other state agencies;
  - d. size and complexity of programs managed;
  - e. scope and complexity of decision making;
  - f. organizational placement of position.

**H. Attendance, Leave and Benefits**

Members of the Executive Service shall be eligible to receive the same personal leave, major medical leave, state holidays, retirement benefits and other emoluments of office as other state employees not in the Executive Service.

**I. Professional Development**

The State Personnel Director shall establish and administer, consistent with the availability of funds designated for that purpose, a professional development program to systematically develop managerial, executive or administrative skills for the purpose of improving the quality of management and administration in state government.

**J. Records and Post Audit**

1. The appointing authority shall maintain a personnel file for each Executive Service appointee which shall include a copy of the job description for the current position, reports of Executive Service increases and the documentation which formed the basis of all salary decisions relative to the appointee.



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2. The State Personnel Director shall maintain a current listing of all Executive Service positions and corresponding salary histories.

If you have any questions regarding Policy Memorandum No. 4, please contact the Office of Classification and Compensation at 359-2764