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The Honorable At Parry
Idaho State Senate
STATEHOUSE MAIL

THIS IS NOT AN OFFICIAL ATTORNEY GENERAL OPINION,
AND IS SUBMITTED SOLELY TO PROVIDE LEGAL GUIDANCE

Re: Personnel Commission Reclassifications

Dear Senator Parry:

The questions drafted by Ray Stark, which accompany your letter to Attorney General Jim Jones, ask when an agency incurs the obligation to adjust an employee's salary after an upward or downward reclassification, and whether an agency would be subject to a grievance for failure to pay a salary increase after an upward reclassification.

The short answer is that salaries are adjusted at the time a reclassification takes effect. In practice, an employee subject to a downward reclassification will not experience a salary decrease because the employee has salary protection up to step G of the new classification's pay grade. An employee whose position is reclassified upward can bring a grievance if the agency does not grant a corresponding pay increase; in practice, this situation does not arise.

Analysis

Mr. Stark's memo refers to "conflicting testimony on the results of reclassifications performed by the Personnel Commission." According to the memo, agencies say that any resulting salary increase is effective immediately, whereas the Personnel Commission says the increase does not take effect until the next budget year.

Perhaps the conflict derives from the distinction between a "reclassification" and a "reallocation." A "reclassification" means a change of position from one class to another. This occurs whenever the Idaho Personnel Commission determines that the domain and responsibilities of a particular job have changed so significantly that a new classification more properly characterizes that job. When a position is reclassified upward, it results in that position being paid at the higher pay grade, usually a 5% salary increase (e.g., Records Clerk, pay grade 19, upwardly reclassified to an Automated Records Clerk, pay grade 20). The agency pays the increased salary upon receiving word of the reclassification from the Idaho Personnel Commission.

In theory, a downward reclassification also results in an immediate salary adjustment. In practice, however, this rarely happens because the employee subject to a downward reclassification has salary protection up to step G (step G is the last step of a pay grade) of the new pay grade. For example, a former Accounting Technician, pay grade 25, step C, receiving \$7.58 an hour, is reclassified downward to an Account Clerk, pay grade 22, but continues to receive \$7.58 an hour, by being positioned at step F of pay grade 22. In the above example, if the former Accounting Technician had been receiving \$8.36 an hour at step E of pay grade 25, that employee would receive only \$7.96 an hour as an Account Clerk at step G of pay grade 25 (because the salary protection extends only to step G of the new pay grade).

"Reallocations" mean a change of a class from one pay grade to any other pay grade. Procedurally, the Idaho Personnel Commission does a study of a class to determine if the responsibilities of the entire class group have changed. If the responsibilities have changed substantially, the class itself is refactored pursuant to the Hay methodology. Such refactoring results in a higher or lower pay grade for the particular class. The refactoring must be submitted by the Personnel Commission to the Governor and the Legislature by October 1 for approval, effective the following July 1. The Personnel Commission forecasts resulting salary changes for the Division of Financial Management, which then attempts to place money in the departments' budgets for reallocations.

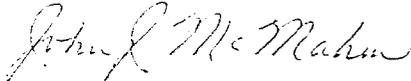
No salary adjustments for upward reallocation are made until the beginning of the new fiscal year. Downward reallocations, like downward reclassifications, are generally subject to salary protection up to step G of the new pay grade.

Finally, a department may be grieved if it does not pay salary increases due under an upward reclassification or reallocation. The grievant would argue that failure to fund such a salary increase creates an inequity within the department or agency, grievable under Idaho Code § 67-5309A(1).

Such a situation, however, would not occur in the real world. Most reclassifications or reallocations occur at the request of a department. The requesting department would not ask the Personnel Commission for a study unless it had the money to fund an upward reclassification or felt that money would be forthcoming in the following fiscal year to fund a reallocation. Under either scenario, it is unlikely that an upward reclassification or reallocation would ever result in a grievance.

If you require further assistance, please contact me.

Sincerely,



JOHN J. McMAHON
Chief Deputy

JJM/lh

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