



OFFICE OF PLANNING AND BUDGET

Nathan Deal
Governor

Teresa A. MacCartney
Director

May 24, 2016

MEMORANDUM

TO: Agency Heads and Fiscal Officers

FROM: Teresa MacCartney, Director 
Office of Planning and Budget

Sid Johnson, Commissioner 
Department of Administrative Services

RE: Guidelines for implementing Merit-Based Adjustments and Employee Recruitment and Retention Initiatives funded in the FY2017 Appropriation Act

As you are aware, certain state entities received appropriated funds for use in Fiscal Year 2017 to support merit-based pay adjustments for high performing employees in Fiscal Year 2016. Agency Heads have discretion to use these funds for one or more of the following reasons:

1. Merit-based pay increases to reward employee performance in the 2016 performance year;
2. Salary adjustments to base pay to support retention of successful performers; and/or,
3. Advanced hiring salaries to support recruitment initiatives.

Implementation policies for merit-based pay increases approved by the State Personnel Board on May 1, 2016, have already been distributed. Similar to last year, the proposed policies provide flexibility to agency heads to define the levels of performance that will be eligible for pay increases, the amount of increase, and the implementation date. Please encourage your staff to complete performance evaluations accordingly. These Board policies address merit-based increases only.

If your agency will use some or all of the appropriated funds for retention and/or recruitment, agencies have flexibility to determine when to disburse the funds throughout the year. Agencies may not use any funds to implement one-time lump sum incentives. Plans for increases to base pay for retention and recruitment purposes are not required to be submitted to DOAS/HRA Division.

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Please refer to the May 2, 2016 memo, Annual Operating Budget (AOB) instructions, that was sent to all agency heads and fiscal officers, requiring agencies to submit their spending plan for the increase in merit pay funds approved in HB 751, the FY 2017 Appropriations Act, to review the initial guidance.

Thank you in advance for your partnership as we take a step toward recognizing successful performance and building and maintaining an effective workforce.

TAM:SJ/jfg