

SECTION 42. AND BE IT FURTHER ENACTED, That funding for increments (merit increases) be paid in an amount equal to one-half the value of the increment between the employees' current (base) salary and the next step of the salary schedule. This payment shall be made as a lump-sum payment to employees performing at the "meets standards" level or better, prorated by percent of full-time service. The payment schedule of this lump-sum payment shall be ~~negotiated through collective bargaining~~ **determined by the Secretary of the Department of Budget and Management** and shall be uniform for all Executive Branch State employees. Employees shall not advance on the salary schedule in fiscal 2003, nor shall they be paid any other increment increase.

~~Further provided that this payment may be made after closeout of fiscal 2002 and if the Board of Public Works certifies that the payment is affordable, given the State's economy and fiscal condition.~~

Provided that \$1,800,000 general funds in the Judicial Branch and \$27,000,000 general funds in the Executive Branch may not be expended until:

- (1) after closeout of fiscal 2002; and
- (2) the Board of Public Works (BPW) certifies that the payment is affordable, given the State's economy and fiscal condition.

The Governor and officials responsible for administration and amendment of the State budget shall develop a schedule for allocating these reductions to the programs of the Executive and Judicial Branches. If the BPW determines that payment of the increment lump-sum bonuses is not affordable, the Judiciary shall revert a total of \$1,800,000 general funds; agencies of the Executive Branch shall revert a total of \$27,000,000 general funds.

SECTION 43. AND BE IT FURTHER ENACTED, That the Department of Budget and Management (DBM) is required to submit to the Department of Legislative Services' (DLS) Office of Policy Analysis documentation of any specific recruitment, retention, or other issue that warrants a pay increase. To fulfill this requirement, DBM shall provide to DLS' Office of Policy Analysis:

- (1) a report listing the grade, salary, title, and incumbent of each position in the Executive Pay Plan as of July 1, October 1, January 1, and April 1; and
- (2) detail on any lump-sum increases given to employees paid on the Executive Pay Plan subsequent to the previous quarterly report.

These reports shall be submitted in both paper (15 copies) and electronic format. Each position in the report shall be assigned a unique identifier which describes the program to which the position is assigned for budget purposes and corresponds to the manner of identification of positions within the budget data provided annually to DLS' Office of Policy Analysis.

Further, for fiscal 2003, the merit pool for Executive Pay Plan increases provided to each agency shall be limited to 1.15 percent of executive salaries as stated