

OFFICE OF SCIENCE (SC) QUALITY STEP INCREASE (QSI) PLAN

Background:

In the spring of 1999, in response to encouragement by the Secretary of Energy, Headquarters (HQ) management and the National Treasury Employees Union (NTEU) engaged in facilitated discussions over the new HQ performance system. At the end of the discussions, a supplemental agreement to the current collective bargaining agreement (and new articles for the agreement being negotiated at present) was signed. According to the April 15, 1999, agreement, are acknowledged to be granted at management's discretion. The supplemental agreement may be found on the performance management web site: <http://www.ma.doe.gov/hqpms>. All HQ first tier organizations were required to establish and publicize the criteria for granting QSIs.

Statutory and Regulatory Criteria

Federal Regulations:

Federal regulations regarding the granting of QSIs can be found at Title 5, Code of Federal Regulations, Part 531, Pay Under the General Schedule, Subpart E – Quality Step Increases. The regulations carry out section 5336 of Title 5, United States Code, which authorizes the head of any agency, or another official to whom such authority is, grant QSIs, which "provide appropriate incentive and recognition for excellence in performance by granting faster than normal step increases."

Headquarters Directive:

DOE Order 331.1A of June 15, 1999, establishes requirements and responsibilities for employee performance appraisal, performance-related awards, and other forms of employee recognition, including granting of QSIs.

The new Headquarters Performance Management Implementation Plan, dated October 1, 1999, prepared in response to Departmental requirements that superceded performance appraisal and awards directives, provides the following:

“Quality Step Increase: Quality step increases are permanent increases in pay. They are granted to reward continuing exceptional performance and to motivate employees toward increased productivity. The following criteria apply to the granting of Quality Step Increases:

- a. Quality Step Increases may be granted only to employees who have permanent or indefinite appointments, whose current rate of pay is less than the maximum for their grade, whose current rating of record is at 3.5 or higher (or equivalent under another system) and who are expected to continue to serve in their current position, or in a similar position at the same grade at the same level of performance, for the foreseeable future.

- b. Only one Quality Step Increase may be granted during any 52-calendar week period.
- c. An employee may not receive both a Quality Step Increase and a performance-based cash award or time off award for the same performance period.

Guidance: A quality Step Increase is not appropriate when (a) it is known that the employee is about to receive a career promotion, the promotion itself is a very substantial form of recognition; (b) the Quality Step Increase is used to induce an employee to move from one location to another; (c) the employee was detailed outside of SC to another position for a substantial period of time during the performance period; (d) the Quality Step Increase is used to solve a difficult personnel situation and continuing exceptional performance is not evident; the employee is about to separate from the agency.”

Labor Management Relations Case Law

The word "grant" used in law and regulation is meaningful; QSIs are management's decision to grant or not to grant. Further, the granting of performance-related awards such as QSIs is considered an extension of management's right to assign work and to evaluate that work. The Federal Labor Relations Authority confirmed this right in *NTEU Chapter 245 and Dept. Of Commerce, Patent and Trademark Office*, 30 FLRA 1219, 1226 (1988).

Office of Science Process and Criteria for Granting QSIs :

Step A: The Associate Director of Science for Resource Management will review the program direction budget on a yearly basis to determine availability of funds associated with offering QSIs.

Step B: The Office of Resource Management will analyze and calculate the number/percentage of QSIs to be granted and associated costs. Final analysis and recommendations will be forwarded to the Principal Deputy Director of Science for final decision in October, annually, on how many QSIs will be granted, based on percentage of population (e.g., QSI per every 10 eligible employees and available pool of funds).

Step C: The Office of Resource Management, closely with each Associate Director/Office Director and the Immediate Office of the Director, will assemble information on all employees to determine eligibility under Federal regulations:

- (1) not lower than 3.5 on the performance appraisal
- (2) not at the top step of their grade
- (3) not had a QSI in the last 52 weeks
- (4) not in conflict with general QSI guidance listed under Headquarters Directive, Item (c) above

Step D: List of eligible employees who will be automatically nominated for QSIs.

Step E: Use the following criteria (in sequential order) as "tie breakers" to determine who will be authorized to receive a QSI, if the number of employees or the percentage of employees automatically nominated for a QSI is greater than the limit on QSIs:

- First:** Employees with the highest possible numeric scores on current evaluations
- Second:** Employees not promoted during the previous three years
- Third:** Employees not granted QSIs for two performance periods proceeding the current year
- Fourth:** Employees with the highest possible numeric scores on previous performance periods' evaluations, beginning with the year immediately prior to the current one
- Fifth:** Employees at the Step 7 or above
- Sixth:** Employees at the Step 4-6

Step F: Determine whether each authorized employee nominated to receive a QSI wants to receive a performance-based cash award in lieu of the QSI or Time-Off Award.

Step G: Implement the decisions

7/14/00 07:20 p.m.