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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Jay R. Lueckel.

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## DIGEST

Proposed law provides that the legislature has long recognized that state agencies have had to manage their funds wisely and use existing agency resources for providing the funding needed to pay merit increases as authorized in the General Appropriation Act and the Ancillary Appropriation Act. Moreover, beginning in Fiscal Year 2010-2011 and Fiscal Year 2011-2012, the Civil Service Commission of the state adopted and approved emergency rules suspending authority for merit increases for all classified employees and the governor issued Executive Order Nos. BJ 2010-5 and BJ 2011-9 which froze similar authority to provide merit increases for unclassified employees for the same two fiscal years.

Proposed law provides that following the two years in which merit increases were prohibited, some agencies again provided increases, thus creating disparities between agencies in state government and employees in similar classifications. However, some of the largest agencies in state government which employ thousands of classified workers and have not received merit increases since Fiscal Year 2010-2011, including the Department of Health and Hospitals, the Department of Public Safety and Corrections - Corrections Services, the Department of Education, the Louisiana School for the Visually Impaired, Northwestern State University of Louisiana, the University of New Orleans, and Southeastern University of Louisiana, among others.

Proposed law establishes the Merit Increase Pay Recoupment Fund in the state treasury.

Proposed law provides that the source of monies deposited into the fund shall be any monies appropriated annually by the legislature including donations, gifts, grants, or any other monies which may be provided by law. Proposed law further provides that monies in the fund shall be appropriated for the purpose of providing adjustments to the base salaries of employees to offset opportunity losses to such personnel in agencies which sustained repeated years of no merit increases.

Effective July 1, 2014.

(Adds R.S. 39:100.137)