

## SECTION J - PROVISIONS FOR ADMINISTERING THE DISCRETIONARY COMPENSATION ADJUSTMENT (DCA)

### 1.00 Coverage

### 2.00 Discretionary Compensation Adjustment (DCA)

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The provisions of this Section (Section J) apply to permanent and project employees in positions allocated to classifications assigned to broadband pay schedules and unclassified employees not serving a fixed term (Section B, 3.05 and Section C of this Plan).

#### 2.00 Discretionary Compensation Adjustment (DCA)

- (1) **Concept.** The Discretionary Compensation Adjustment (DCA) provisions allow the appointing authority, if delegated by the Administrator, Division of Compensation and Labor Relations, the discretion to provide employees economic recognition for significant and permanent changes in job duties, increased competencies, merit or to address pay equity or retention needs.
- (2) **Effective Date.** DCAs may be granted at any time during the fiscal year. The effective date of an adjustment will be the beginning of the first pay period following effective receipt (as defined in Section I, 3.00 of this Plan) of the DCA recommendation for both delegated and non-delegated DCAs. No DCA may be retroactive. If multiple pay adjustments have the same effective date, DCAs will be applied to an employee's base pay according to Section I, 4.01 of this Plan. **No DCA may be granted on the effective date of an appointment.**
- (3) **Initial Applicability.** Agencies must develop administrative procedures that will be used to grant DCAs prior to awarding DCAs. The administrative procedures must be developed in accordance with the guidelines issued by the OSER Director and will be applied in a uniform manner throughout the agency or employing unit.
- (4) **Reporting Requirements.** Agencies shall provide reports to OSER on a quarterly basis (or more frequently as required). These reports will include the name and classification of the recipient and the reason for granting the adjustment. Copies of the supervisory or management letter of justification supporting each adjustment will be retained on file at the awarding agency. Additional information may be required at the discretion of the OSER Director.
- (5) **Eligibility.** All employees who are in pay status in positions allocated to classifications assigned to broadband pay schedules and unclassified employees not serving a fixed term (Section B, 3.05 and Section C of this Plan) are eligible to be considered for a DCA **except** the following:

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- (a) Employees whose job performance in the previous fiscal year was rated below satisfactory.
  - (b) Supervisors who did not complete formal performance evaluations on all subordinate employees for whom performance evaluations are required.
  - (c) Any employee paid at or above the applicable pay range maximum may not receive a base-building DCA.
  - (d) Trainees eligible for scheduled trainee increases.
  - (e) Crafts Worker-related employees (project crafts workers, crafts worker supervisors, shop supervisors, and the Crafts Operation Manager, UW-Milwaukee).
  - (f) Positions specifically listed in s. 20.923(2), (3), (4g) and (5), Wis. Stats.
- (6) Individual Increase Limits. The individual increase limit provided in s. 230.12(5)(d), Wis. Stats., does not apply to base pay adjustments granted pursuant to 2.00 of this Section (Section J).
- (7) Funding. The DCA is not considered a “salary adjustment” for which supplemental allotments may be provided under s. 20.865, Wis. Stats., except as provided under (12), below.
- (8) Reinstatement and Restoration. DCAs may not be included when calculating pay on reinstatement or restoration, except when returning from a leave of absence granted for service in an unclassified position. This exception is limited to 2 within pay range steps (WRPS) per fiscal year.
- (9) Amount for Employees Covered in Section A that are Assigned to Broadband Pay Schedules and Unclassified Positions Covered by Section C of this Plan.
- (a) Except as provided in (c), below, and subject to the delegation limitations provided in (11), below, the DCA may be granted to eligible classified employees and unclassified attorneys covered under Section C of this Plan in any amount up to 4 WRPS, subject to the maximum of the pay range. The DCA may be granted as a base pay adjustment, in a lump sum payment called a Discretionary Compensation Payment (DCP), or in combination at the discretion of the appointing authority. For the purpose of applying the 4 WRPS limitation, the payment shall be converted to a base pay equivalent by dividing the lump sum by 2088.
  - (b) An employee may receive more than one DCA during the fiscal year, however, the total amount granted in the form of base-building and/or lump sum DCAs in the fiscal year may not exceed an amount equal to 4 WRPS, except as

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provided in (c) below. The DCA 4 WRPS limit, per fiscal year, per employee, includes DCAs granted by a single agency or by multiple agencies.

- (c) Under exceptional circumstances, an appointing authority may submit a request to the OSER Director to exceed the 4 WRPS limit specified in (a) and (b) above. This request must be accompanied by a comprehensive written justification. Approval must be obtained prior to awarding any DCAs that exceed the 4 WRPS limit.

### (10) Amount for Employees in Unclassified Positions Not Serving a Fixed Term Under Section B, 3.05 of this Plan.

- (a) Except as provided in (c), below, and subject to the delegation limitations provided in (11), below, the DCA may be granted to eligible employees covered under Section B, 3.05 in any amount up to **2 WRPS for merit only**, subject to the maximum of the pay range. Except as noted below, a DCA may be granted as a base pay adjustment, a DCP lump sum payment, or in combination at the discretion of the appointing authority. For the purpose of applying the 2 WRPS limitation, any lump sum payment shall be converted to a base pay equivalent by dividing the lump sum by 2088. Lump sum payments are strictly prohibited for employees whose positions are referred to in s. 20.923(16), Wis. Stats. **Eligible employees who may not receive lump sum payments include those in the following positions from s. 20.923(4) and (7) through (12), Wis. Stats.:**

1. All Department Secretaries;
2. All Department Deputy Secretaries;
3. All Department Executive Assistants;
4. All unclassified Division Administrators not serving a fixed term;
5. Administration, Department of: Director of the Federal-State Relations Office;
6. Arts Board: Executive Secretary;
7. Corrections, Department of: Director of Prison Industries;
8. Educational Communications Board: Executive Director
9. Employment Relations, Office of: Director
10. Financial Institutions, Department of: Director of the Office of Credit Unions
11. Government Accountability Board: Legal Counsel
12. Governor, Office of: Executive Secretary, Key Professional Staff
13. Governor's Work-Based Learning Board: Executive Director
14. Higher Education Aids Board: Executive Secretary
15. Insurance, Office of: Commissioner
16. Justice, Department of: Program Director for Crime Victims Compensation
17. Public Defender, Office of: State Public Defender
18. Railroads, Office of the Commissioner: Commissioner

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19. Regulation and Licensing, Department of: All Bureau Directors
20. Secretary of State, Office of: Assistant Secretary of State
21. Sentencing Commission: Executive Director
22. State Fair Park: Director
23. State Treasurer, Office of: Assistant State Treasurer
24. Wisconsin Historical Society: Director; Associate Director
25. Wisconsin Technical College System: Director
26. Workforce Development: Executive Director for Employment and Training

- (b) An employee may receive more than one DCA during the fiscal year, however, the total amount granted in the form of base-building and/or lump sum DCAs in the fiscal year may not exceed an amount equal to 2 WRPS, except as provided in (c) below. The DCA 2 WRPS limit, per fiscal year, per employee, includes DCAs granted by a single agency or by multiple agencies.
- (c) Under exceptional circumstances, an appointing authority may submit a written request to the OSER Director to exceed the 2 WRPS limit specified in (a) and (b) above. This request must be accompanied by a comprehensive justification. Approval must be obtained prior to awarding any DCAs that exceed the 2 WRPS limit.

### (11) DCA Agency Delegation.

Agencies will be granted automatic delegation of up to 2 WRPS per fiscal year to provide DCAs to eligible employees covered by Sections A and C of this Plan. Agencies **may** receive delegation from OSER to provide up to 4 WPRS per fiscal year for eligible employees covered under Sections A and C, and for the 2 WRPS per fiscal year to eligible unclassified employees covered by Section B, 3.05 of this Plan, upon completion of additional training in broadband administration and demonstrated consistent application of acceptable broadband practices.

**Agency DCA delegation does not apply if an agency uses the pay upon appointment flexibility provisions provided in Section I, 4.04, 4.05, 4.07 or 4.08 for an employee, and wishes to grant a DCA to that employee within the same fiscal year. All DCAs provided to employees who have been appointed using the above pay upon appointment provisions within the same fiscal year require prior OSER approval.**

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Additional conditions of delegation may be determined by the Administrator, Division of Compensation and Labor Relations. In addition, any abuse of discretion when granting DCAs could result in OSER rescinding an agency's DCA delegation authority, and/or reducing or removing increases already granted.

### (12) Minimum Level of Funded Spending Authority for Classified Employees.

- (a) Effective December 9, 2007 and July 6, 2008, a minimum level of funded spending authority will be established. This funded spending authority for a fiscal year will be established as \$0.050 per hour per employee covered by these provisions on these dates. The total funded amount available to an agency will not be less than \$0.500 per hour and not more than \$1.50 per hour in each fiscal year. The funded spending authority may be granted as base building increases or lump sum payments. The amount of funding used for lump sum payments shall be determined by dividing the lump sum amount by 2088 hours.
- (b) The funded spending authority will be established for **classified employees only**. No analogous funded spending authority will be established for unclassified employees.
- (c) The DOA will certify this funded spending authority each fiscal year for each participating agency.
- (d) The funded spending authority established for each fiscal year will lapse at the end of that fiscal year.