

## SECTION J - PROVISIONS FOR ADMINISTERING DISCRETIONARY MERIT COMPENSATION (DMC)

### 1.00 Coverage

### 2.00 Discretionary Merit Compensation (DMC)

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The provisions of this Section (Section J) apply to permanent and project classified employees and unclassified employees not serving a fixed term (Section B, 3.05 and Section C of this Plan).

### 2.00 Discretionary Merit Compensation (DMC)

- (1) **Concept.** Discretionary Merit Compensation (DMC) provisions allow the appointing authority the sole discretion to provide employees economic recognition for merit. The granting, denial, and amount of any DMC is not grievable.
- (2) **Effective Date.** DMC 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 DMC recommendation. No DMC may be retroactive. If multiple pay adjustments have the same effective date, DMC will be applied to an employee's base pay according to Section I, 4.01 of this Plan. **No DMC may be granted on the effective date of an appointment.**
- (3) **Initial Applicability.** Agencies must develop administrative procedures that will be used to grant DMC prior to awarding any DMC. The administrative procedures must be developed and followed 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) **Requirements.** **All DMC will be approved by OSER prior to being granted, unless delegation is granted to the appointing authority.** Delegation may be removed at any time. Additional information may be required at the discretion of the OSER Director.

Section J – 2.00

- (5) Eligibility. All employees who are in pay status in positions covered by this Section (Section J) are eligible to be considered for DMC **except** the following:
- (a) Employees who did not receive a performance evaluation in the last 12 months or were 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 DMC.
  - (d) Trainees eligible for scheduled trainee increases.
  - (e) Crafts Worker and 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.
  - (g) Represented positions in the public safety bargaining unit.
  - (h) Employees whose positions are allocated to the following attorney classifications are not eligible for DMC:
    - Assistant District Attorney
    - Assistant Attorney General
    - Assistant Attorney General Confidential
    - Assistant Attorney General Supervisor
    - Assistant State Public Defender Attorney
    - Assistant State Public Defender Attorney Confidential
    - Assistant State Public Defender Attorney Confidential/Supervisor
    - Assistant State Public Defender Attorney Management
    - Assistant State Public Defender Attorney Supervisor
    - Deputy District Attorney
    - Deputy District Attorney Supervisor
  - (i) An employee that was eligible for broadband pay upon appointment within the previous twelve months should be considered for DMC only in exceptional circumstances.
- (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 this Section (Section J).
- (7) Funding. DMC is not considered a “salary adjustment” for which supplemental allotments may be provided under s. 20.865, Wis. Stats., except as provided under (11), below.

- (8) Reinstatement and Restoration. DMC 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 and applies only to fiscal years in which the employee received a DMC (or Discretionary Compensation Adjustments (DCA) under a previous, similar program).
- (9) Amount for Eligible Employees Covered in Section A and Eligible Employees Covered by Section C of this Plan.
- (a) Except as provided in (c) below, DMC may be granted to eligible classified employees and eligible unclassified attorneys in any amount up to **4** WRPS per fiscal year subject to the maximum of the pay range. DMC may be granted as a base pay adjustment, a lump sum payment, or in combination of both 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 DMC during a fiscal year. However, the total amount granted in the form of base-building and/or lump sum DMC in the fiscal year may not exceed an amount equal to **4** WRPS, except as provided in (c) below. The DMC **4** WRPS limit, per fiscal year, per employee, includes DMC granted by a single agency or by multiple agencies. Employees may self-nominate in writing to their supervisor not more than once per fiscal year.
- (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 (c) above. This request must be accompanied by a comprehensive written justification.
- (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) and (d) below, the DMC 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, DMC may be granted as a base pay adjustment, a 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. Safety and Professional Services, Department of: All Bureau Directors
19. Secretary of State, Office of: Assistant Secretary of State
20. Sentencing Commission: Executive Director
21. State Fair Park: Director
22. State Treasurer, Office of: Assistant State Treasurer
23. Wisconsin Historical Society: Director; Associate Director
24. Wisconsin Technical College System: Director
25. Workforce Development: Executive Director for Employment and Training

- (b) An employee may receive more than one DMC during the fiscal year, however, the total amount granted in the form of base-building and/or lump sum DMC in the fiscal year may not exceed an amount equal to **2** WRPS, except as provided in (c) below. The DMC **2** WRPS limit, per fiscal year, per employee, includes DMC granted by a single agency or by multiple agencies. Employees may self-nominate in writing to their supervisor not more than once per fiscal year.
- (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.
- (d) Unclassified employees of State Fair Park, **except the Director**, shall be granted DMC in accordance with (a) through (c) above, except that the limit will be 4 WRPS instead of 2 WRPS.

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

**NOTE: This funded spending authority is suspended for the 2013-2015 biennium.**

- (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.