

**State of Wisconsin**

**DEPARTMENT OF EMPLOYMENT RELATIONS**

**- CLASSIFICATION & COMPENSATION BULLETIN -**

**Date:** September 26, 1997

**Locator No:** CC/POL-38

**Subject:** Summary of Action Taken by JCOER on September 9, 1997; Implementation Date for the 1997-99 Compensation Plan; Distribution of Final Printed Version of the Plan; and Summary of the 1997-99 Compensation Plan

The purpose of this bulletin is to provide agencies with a summary of the action taken by the Joint Committee on Employment Relations (JCOER) regarding the nonrepresented employee pay plan and to inform agencies of the new provisions contained in the 1997-99 Compensation Plan.

**SUMMARY OF JCOER ACTION ON SEPTEMBER 9, 1997**

The 1997-99 Compensation Plan was submitted to the JCOER on August 13, 1997, with several technical and clerical corrections or changes submitted on August 20, 1997 and August 26, 1997. The JCOER met on August 27, 1997, to conduct the public hearing on the proposal. It deferred any executive action on the recommendations until the September 9, 1997, meeting.

At the September 9, 1997, meeting the JCOER approved the recommendations as modified and corrected by subsequent letters from the DER Secretary, except for the recommendation to increase the pay range minimums of the Executive Salary Group (ESG) ranges and to increase the rate for office for judges and justices in either year of the biennium. It also acted on the request of the DER Secretary to delay the effective date of several provisions due to the delay in the Plan's approval and voted to modify the effective date of all provisions that had been recommended to be effective on September 14, 1997, to September 28, 1997. In addition, the assignment of 11 unclassified division administrator positions to ESGs were approved.

The JCOER approved the proposed statutory change which would repeal s. 230.12(7), Wis. Stats., regarding Exceptional Performance Awards. This change was requested so that this explicit statutory provision would not appear to be in conflict with the lump sum Performance Recognition Payments and funding mechanism included in the 1997-99 Compensation Plan. The explicit nature of the statutory provision is also inconsistent with the broader and more general nature of the body of s. 230.12., Wis. Stats. This proposed statutory change is still subject to legislative approval.

**IMPLEMENTATION DATE FOR THE 1997-99 COMPENSATION PLAN**

The majority of the 1997-99 Compensation Plan provisions will be effective September 28, 1997. Certain pay adjustments, i.e., those authorized for nonrepresented employees who are counterpart to

Wisconsin State Employees Union (WSEU), will be effective on the same date as the FY 1997-98 wage adjustments for the represented employees. (That date is not yet known and is dependent on the timing of the legislative and gubernatorial approval of the contracts and the subsequent publication of the contracts in the official state newspaper.) The new pay schedules for the Information Systems and Senior Manager classifications will be effective the first pay period following the enactment of the 1997-99 State Budget, and the new pay provisions applicable to those schedules (Sections J and L, respectively) will be effective the day after the pay schedules go into effect. Changes to the Travel Schedule Amounts (i.e., meals and mileage reimbursement rates, and new method of determining rates for high-cost cities) will be effective October 1, 1997.

**NOTE:** Section 20.928(3), Wis. Stats., does not allow for the payment of compensation adjustments to state employees until the biennial budget is enacted. As of the date of this bulletin a 1997-99 state budget has not yet been approved by the Legislature. Thus, it is not known when the General Discretionary Awards scheduled to be effective September 28, 1997, will be reflected on employees' paychecks. This restriction also applies to any increases to add-on and supplemental pay amounts such as shift differential and to use of new pay schedules or increases to pay range minimums, maximums, PSICMs, and step sizes. This restriction **does not** apply to the Travel Schedule Amount provisions which will be effective and may be paid out effective October 1, 1997, regardless of whether a biennial budget is in place.

Please consult with your agency's central payroll or personnel office if you have any questions as to how to process pay adjustments or appointments during this period and/or refer to CC/PP-99 for pay processing instructions for increases effective September 28, 1997.

### **PURCHASE OF FINAL PRINTED COPY OF THE 1997-99 COMPENSATION PLAN**

As has been the case the past several years, no complimentary copies of the Compensation Plan will be distributed to any state agencies. Agencies and other users of the Plan will need to purchase it directly from Document Sales. The purchase price has not yet been determined, but the price will, as always, include any updates to the Plan issued during the biennium.

Document Sales:        202 South Thornton Avenue  
                                  P.O. Box 7840  
                                  Madison, WI 53707-7840  
                                  Phone: (608) 266-3358

### **FORMAT AND EDITORIAL CHANGES**

Some formatting and editorial changes were made to the 1997-99 Plan. To better organize the information, several sections were relocated, e.g., Section C (Supplemental Health Insurance Conversion Credits for Nonrepresented Employees) was moved to Section H, some WSEU-related sections were moved so they are adjacent to one another, etc. The underscoring of new provisions was eliminated in this Plan in response to users' comments that the underscoring made it more difficult for them to locate or understand provisions that were changed from the previous Plan. Section indicators at the top of each page were added in response to suggestions from several users.

In several sections provisions have been slightly reworded to clarify the intent. For example, the section previously entitled "Mandatory Overtime for Certain Supervisors" was frequently subject to misinterpretation by readers who mistakenly concluded that those provisions made overtime mandatory for all supervisors, when in fact the section set forth the limited circumstances under which payment of overtime for certain supervisors is mandatory. Other examples are in Section E (pay upon original appointment) and Section F (meal expense limits for multiple consecutive meals).

## **SUMMARY OF THE 1997-99 COMPENSATION PLAN**

Following is a summary of the major provisions of the 1997-99 Compensation Plan. As always, readers are advised to use this summary only as a general resource and to consult the actual 1997-99 Compensation Plan provisions for specific, detailed information.

### **1. Creation of a new Schedule 1 and abolishment of 15 individual schedules, effective September 28, 1997. (pp. Z-6 & Z-7)**

Effective September 28, 1997, a new Schedule 1 will be created and classifications currently assigned to the pay schedules noted as follows will be reallocated to this new schedule. The schedules affected by this change are: **01** (General Nonrepresented); **27** (Fiscal and Staff Services-Related Counterparts); **28** (Research, Statistics and Analysis-Related Counterparts); **33** (Education-Related Counterparts); **35** (Science-Related Counterparts); **41** (General Nonrepresented Supervisory and Noncounterpart); **42** (Administrative Support-Related Supervisory and Noncounterpart); **43** (Blue Collar-Related Supervisory and Noncounterpart); **45** (Security and Public Safety-Related Supervisory and Noncounterpart); **46** (Technical-Related Supervisory and Noncounterpart); **47** (Fiscal and Staff Services-Related Supervisory and Noncounterpart); **48** (Research, Statistics and Analysis-Related Supervisory and Noncounterpart); **52** (Professional Social Services-Related Supervisory and Noncounterpart); **53** (Education-Related Supervisory and Noncounterpart); and **55** (Science-Related Supervisory and Noncounterpart).

The new Schedule 1 uses the current Schedule 1 pay range structure as a starting point, but elements of the other schedules that are being folded into the new Schedule 1 are reflected in the new schedule. For example, the within-range-pay-step (WRPS) size is 3% of the pay range minimum, whereas in some of the old schedules the WRPS was 2% and in others 3%. The pay range minimums and maximums were created to maintain the highest minimum and/or maximum found in the schedules being folded into this new schedule.

The establishment of a new Schedule 1 will reunify the majority of nonrepresented employees into a single pay schedule. It will provide consistent and equitable pay increases for similarly situated supervisors and nonrepresented employees and eliminate many of the disparities in pay increases or personnel transaction pay adjustments that existed under the multiple schedules in place from FY 1995 to the present. Because this is a new pay schedule and not a change to an existing schedule, the schedule will be implemented before any fiscal year increases effective on that same date and second in the order of transactions of all adjustments on that date (see ER 29.04, Wis. Adm. Code).

### **2. Schedule Adjustments (Section Z)**

In addition to the creation of a new Schedule 1 noted under 1., above, the following schedule adjustments were approved:

- Schedules 22, 23, 25, 26, 32, and 56: modified to match corresponding schedules for represented WSEU classifications in each fiscal year, including an increase to the minimums and PSICMs of 3.5% in the second year;
- Schedule 34: modified to match represented schedule 14, including increase to 3% for the size of the WRPS;
- Schedule 50: increase to pay range minimums, PSICMs, and maximums of 3% in the first year and of 3% to the minimums and PSICMs, and 3.5% to the maximums in the second year.
- Schedule 80: increase to pay range maximum of 3% in the first year; schedule completely modified to create a single range with two appointment maximums effective with the implementation of the new Senior Manager pay system the beginning of the pay period following enactment of the budget;
- New Schedule 1: increase to pay range minimums and PSICMs of 3% and to maximums of 3.5% in the second year;
- Executive Salary Group: increase to maximums of 3% in the first year and of 3.5% in the second year; except for ESG 10 for which the maximum was increased by 5% in each year.

### **3. General Discretionary Awards and Annualized General Discretionary Award Payments (Sections A and B)**

General Discretionary Awards will be effective September 28, 1997, for FY 1997-98 and July 5, 1998, for FY 1998-99. In each fiscal year a 3.0% award will be granted to eligible classified employees in schedules 01, 34, 50, 51, and 54, and to project employees in classifications assigned to pay schedules 07, 08, 10, 13, 14, and 15, whose performance for the preceding fiscal year was rated at least satisfactory. For eligible employees in positions assigned to the Senior Manager pay schedule (80), the amount generated each fiscal year will be 3.0%, with a 2.5% guaranteed award. The remaining 0.5% will be pooled for Senior Managers in the agency and will be distributed at the discretion of the appointing authority; any funds not spent on that date will lapse. For eligible unclassified employees, 3% will be generated in each fiscal year with the distribution at the discretion of the appointing authority. Appointing authorities are required to develop criteria for the distribution of the General Discretionary Award fund.

For all the groups noted above, a lump sum payment to reflect the delay in the effective date of the FY 1997-98 increases will be provided. The amount will be equal to the amount an employee received as a General Discretionary Award effective September 28, multiplied by the number of hours in pay status from July 6, 1997, to September 28, 1997.

Classified employees who are not eligible to receive the General Discretionary Award due to the pay range maximum or who do not receive the full General Discretionary Award amount due to

the pay range maximum limitation, will receive Annualized General Discretionary Award Payments. The amount of these payments will be equal to the General Discretionary Award the employe would have received, or the portion of the General Discretionary Award the employe could not receive, due to the pay range maximum limitation, multiplied by 2080 (the number of work hours in this fiscal year). The amount will be pro-rated for employes who work less than full-time.

The decision to eliminate the pay grid concept for most nonrepresented employes was made after considering many factors, including numerous employe and managers comments in which concerns were raised about the grid. These included disparities in the size of an employe's increase, seemingly illogical pay outcomes related to the pay-based nature of the grid, and the difficulty in predicting from one year to the next what an individual's increase might be.

#### **4. Discretionary Grid Adjustments for WSEU-Related Counterparts and Patient Care-Related Counterparts (Sections M, N, O, P, Q, R, and S)**

**WSEU-related counterparts:** Eligible employes in positions that are counterpart to WSEU represented classifications (schedules **22, 23, 25, 26, 32, and 56**) and project employes in represented WSEU classifications, will receive Discretionary Grid Adjustments effective for FY 1997-98 on the same date as the increases for represented WSEU employes and effective July 5, 1998, for FY 1998-99. (The actual effective date for FY 1997-98 is not yet known; as of the date of this bulletin, the contracts have not yet completed the full procedural cycle required for them to be effective. We anticipate that the effective date of the adjustments will not be before October 12, 1997.)

In some schedules employes with rates above the respective grid rate will receive a base pay increase and in some schedules a minimum award of \$.10 is guaranteed for eligible employes in one or both years of the biennium. Employes will receive a lump sum payment to reflect the delay in the effective date of the FY 1997-98 increases. The amount will be equal to the amount an employe received as a Discretionary Grid Adjustment, multiplied by the number of hours in pay status from July 6, 1997, to the effective date of the grid adjustment.

Key changes from the previous biennium's Discretionary Grid Adjustments include: restructuring of all the grids, including decreases to the number of years corresponding to the grid endpoint in several schedules; provision of base pay increases to employes with pay rates at or above the grid endpoints; and the establishment of years 1 and 2 on the Administrative Support-related (22) schedule. The pay range minimums and PSICMs remain unchanged in the first fiscal year and are increased by 3.5% in the second fiscal year.

The decision to continue the seniority-based grid concept for the WSEU-related counterparts was made after considering the advantages and disadvantages of the seniority-based grid. The primary reason noted by those who recommended removing them from the seniority-based grid was to allow recognition of individual performance and to allow base pay increases to employes at or above the grid endpoints. The validity of goals is acknowledged, yet the ultimate decision to keep the seniority-based grid for the WSEU-related counterparts was made because of the strong similarities of the work performed by the counterpart and represented positions and the need to treat the two groups similarly for pay purposes. However, the ability to grant lump sum Performance Recognition Payments to these nonrepresented employes does provide management

with a means to recognize individual performance that is not available to represented employees in the related classifications.

**Patient Care-related Counterparts:** Employees in classifications assigned to schedule 31 and project employees in classifications assigned to represented Schedule 11 will be eligible for discretionary anniversary increases in the same manner as FY 1996-97. There is no change to the grid structure.

#### **5. Merit Awards for Classified and Unclassified Attorneys (Section C)**

Classified and unclassified non-ESG nonrepresented attorneys will be eligible for Merit Awards and Annualized Merit Award Payments in FY 1997-98 and FY 1998-99. Employees will generate a Merit Award amount based on their classification on September 28, 1997, for FY 1997-98 and July 5, 1998, for FY 1998-1999. These funds will be distributed among eligible employees in an agency on the basis of merit, with a guaranteed Merit Award or Annualized Merit Award Payment amount of one-half the amount generated for employees with performance evaluation ratings of satisfactory or better. The amounts generated will be as follows: PR 49-73, \$1.372; PR 49-74, \$1.488; PR 49-75, \$1.547. There is no change to the pay range structure in either year of the biennium.

#### **6. Performance Recognition Awards and Performance Recognition Payments (Sections A and B)**

The Performance Recognition Award concept is continued and expanded this biennium. A new method of establishing expenditure limits is also established. Key changes to the provisions include: the ability to grant these awards at any time during the fiscal year; elimination of the old method of establishing expenditure limits by tracking recouped GDAs, unspent GDA funds, etc.; and the ability to award performance by granting either base pay increases or lump sum payments.

The spending limit for a fiscal year will be an hourly amount equal to 1% of the active nonrepresented payroll as of September 28, 1997, in FY 1997-98 and July 5, 1998, in FY 1998-99, after application of any fiscal year increases that are effective on those dates. Although the 1% will be unfunded in both years, an additional funded 0.5% is authorized for the second year. Funds generated by classified and unclassified employees in an agency will be kept separate.

**NOTE:** A separate bulletin explaining the new spending limit and award concept in more detail will be issued. Guidelines to assist agencies in establishing Performance Recognition Award/Performance Recognition Payment criteria will also be included in the bulletin.

These changes are expected to enhance the ability of agencies to grant unfunded Performance Recognition Awards by providing greater flexibility in the award dates. Agencies will be able to evaluate their budget status throughout the year and determine whether there are funds available to grant Performance Recognition Awards or Payments.

#### **7. Personnel Transaction Pay Provisions (Section Z)**

As of September 28, 1997, the supplementary transaction pay provisions previously included in Section Z will be abolished. Pay transactions for classifications assigned to Schedules 1, 34, 49, 50,

51, and 54, and for project employees in classifications assigned to represented schedules 7, 8, 13, 14, and 15, will be determined in accordance with the applicable provisions of ch. ER-29, Wis. Adm. Code.

This change was made to address the concerns that the same personnel transaction had significantly different pay outcomes based on the classification and pay schedule to which a nonrepresented employee was moving, as well as to simplify the administration of the nonrepresented compensation system. We expect that the return to using only the administrative rule provisions for promotions and 6 month increases, combined with the re-establishment of a 3% within-range-pay-step for all nonrepresented schedules other than the WSEU-related counterparts, will increase the attractiveness of movements to nonrepresented positions.

#### **8. Senior Manager and Information Systems Broad-Banding Systems (Sections J and L)**

Changes to the existing Senior Manager (Schedule 80) system and creation of a new Information Systems (Schedule 70) broad-banding system were approved and will be effective the pay period following the enactment of the budget. The key elements of these systems are: creation of a single broad range rather than three (Senior Manager); creation of two “appointment maximums” within the range to which classifications will be assigned; increased flexibility in setting pay upon appointment for new hires and current state employees; and creation of a Discretionary Compensation Adjustment concept which allows for base pay increases or lump sum payments to be granted to employees to recognize enhanced job responsibilities, increased employee competencies, equity or market concerns, and other valid compensation factors.

**NOTE:** Training for personnel and payroll staff and affected employees and managers will be provided by staff from the Division of Classification and Compensation. Please contact Troy Hamblin, 266-3616, for information on the training sessions.

These pay systems were created to address recruitment and retention concerns for the affected classifications, provide increased career mobility and flexibility for employees and managers, and to establish a model for potential use by other employee groups. Evaluation of the pay systems will be conducted on an ongoing basis.

#### **9. Changes to Supplemental Pay Provisions (Section A)**

Several changes to supplemental pay (add-on) amounts were approved:

- The supplemental provisions relating to engineering and related classifications were modified to include Professional Geologist and Interior Designer registrations, effective September 28, 1997.
- The night differential add-on will increase by \$.15 to \$.45 and the weekend differential add-on will increase by \$.15 to \$.60, effective September 28, 1997.
- The add-ons applicable to physicians, psychiatrists and dentists increased in both fiscal years as a result of changes to the pay range minimums.

- The Psychologist doctorate add-on for some classifications will increase effective September 28, 1997, and for all classifications in the second fiscal year, as a result of changes to the respective pay range minimums effective September 28, 1997, and July 5, 1998, respectively.
- The per-credit add-on amount for Teacher Supervisors and Education Directors will increase by \$.10 effective July 5, 1998.
- Effective October 12, 1997, a new supplemental add-on for the Shop Supervisor classification is created. Also effective on that date, employees in positions allocated to the Shop Supervisor classification will no longer be eligible for the employer's contribution to the health insurance premium. This change was made so that the pay rates of the Shop Supervisor positions, which require an incumbent to hold journeyman status in a craft, would be more aligned with the crafts which they supervise.

**10. Uniform Travel Schedule Amounts (Section F)**

In addition to changes to the meal expense and personal vehicle mileage reimbursement amounts, editorial revisions were made to some areas. The method for establishing high-cost lodging rates was also changed.

Effective October 1, 1997, the following meal expense amounts will go into effect. These rates are **inclusive** of tax and tip.

<b>Meal</b>	<b>In-state</b>	<b>High-cost</b>
Breakfast	\$7.00	\$9.00
Lunch	\$8.00	\$9.00
Dinner	\$16.00	\$19.00

Effective October 1, 1997, the amount for reimbursement for personal vehicle usage (except when the DOA turndown rate applies) will increase from \$.26/mile to \$.29/mile.

Also effective October 1, 1997, a new method for determining high-cost lodging rates will go into place. This method will no longer rely solely upon information provided by Runzheimer, International. A new high-cost lodging bulletin will be issued before October 1. The high-cost lodging rates will be reviewed on a regular basis and will be updated at least annually.

**13. Division Administrator ESG Assignments**

The following division administrator ESG assignments were approved:

<b>AGENCY</b>	<b>ESG LEVEL</b>
<b>Commerce</b>	
Environmental and Regulatory Services	ESG 3
International/Export Services	ESG 1
<b>Natural Resources</b>	
Administration and Technology	ESG 3

Customer Service and External Relations	ESG 4
Enforcement and Science	ESG 4
Air and Waste	ESG 5
Lands	ESG 5
Water	ESG 5

AGENCY	ESG LEVEL
<b>Public Defender</b>	
Division of Appellate	ESG 4
<b>Public Instruction</b>	
Division of Finance and Management	ESG 4
<b>Revenue</b>	
Division of Lottery	ESG 3

**14. Rates for Office for Elected District Attorneys**

The JCOER approved the recommended increases to the rates for office for elected District Attorneys. The rates for office were increased by 3% in FY 1997-98 and 3.5% in FY 1998-99.

**REFERRAL OF QUESTIONS**

Questions from employees should be directed to the respective personnel or payroll office.

Questions from agency personnel or payroll offices should be directed to any of the following members of the Compensation Administration Team:

Mary Hanaway	608-267-5169
Eileen Kellor	608-267-7617
Jeanne Meyer	608-267-5164

Questions regarding the Senior Manager or Information Systems pay systems should be directed to Troy Hamblin, at 608-266-3616.

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James A. Pankratz, Administrator  
 Division of Classification and Compensation