

State of Wisconsin

DEPARTMENT OF EMPLOYMENT RELATIONS

- COMPENSATION & LABOR RELATIONS BULLETIN -

**Date:** November 15, 2000

**Locator No:** CLR/POL-60

**Subject:** Administration of Funded Discretionary Compensation Adjustments

The purpose of this bulletin is to ensure proper administration of funded Discretionary Compensation Adjustments (DCAs). Spending authority for the funded DCAs is provided under 5.00 (8) of Section J of the 1999-2001 Compensation Plan. The spending authority is effective December 31, 2000, through the end of fiscal year 2000-2001, and the cost of the pay adjustments will be supplemented under authority of s. 20.865, Wis. Stats., subject to availability of funds for this purpose as determined by the Secretary of the Department of Administration (DOA).

**I. FUNDED SPENDING AUTHORITY**

No funded DCAs may be granted until the DOA certification of the spending authority is provided to an agency. Spending authority will be provided for nonrepresented permanent and project employees who on December 31, 2000:

1. Are **in pay status** in positions allocated to classifications in broadbanded pay schedules; and
2. Are/Were not eligible for parity under any provisions of Section L (Parity Provisions) of the 1999-2001 Compensation Plan, including eligibility due to recommendations made under 2.01 (2) of Section L.

**NOTE:** Employees who were determined to be ineligible for parity under Section L solely because they did not meet the requirement of 2.01 of Section L will not generate, and are not eligible, for funded DCAs. That is, employees whose classification/position generated funds under the parity provisions of Section L will not generate or be eligible for funded DCAs, even if the employee was not granted a parity adjustment. For example, an Attorney-Supervisor who did not receive parity because he/she did not complete performance evaluations will not generate or be eligible for funded DCAs because his/her classification was considered for parity.

To ensure timely certification of spending authority, DOA Central Payroll will generate the certification and a list of eligible employees for each agency based on payroll information from a pay period prior to December 31, 2000. Therefore, each agency may have to adjust the list of eligible employees for transactions occurring during the period between the generation and December 31. However, the spending authority cannot be adjusted. The spending authority will equal \$1.00 per hour for each eligible employee on the list, not to exceed \$100.00 per hour available to each agency. This means each eligible employee generates \$1,040 of funding (\$1.00/hour X 80 hours X 13 pay periods) not to exceed \$104,000 for each agency. This does not determine the effective date or amount of any DCA, funded or unfunded. Funds generated but not distributed to eligible employees during fiscal year 2000-2001 will lapse.

For purposes of budget supplementation during the latter part of this fiscal year, the State Budget Office will produce a report using the list of eligible employees from a pay period prior to December 31, 2000. This report will present funded amounts in the traditional supplement pay plan format by numeric appropriation. The amounts on this report will constitute the amounts available from the compensation reserve, regardless of how or when the individual DCAs are actually provided by an agency.

## II. OTHER LIMITATIONS & BASE PAY EQUIVALENT CALCULATIONS

**Funded DCAs are subject to all other limitations of 5.00, Section J of the 1999-2001 Compensation Plan.** However, since the spending authority for funded DCAs is not available for the entire fiscal year, the base pay equivalent of a lump sum DCA must be calculated two different ways. For the purpose of applying the four within range step per fiscal year limitation of 5.00 (3) (a), a lump sum DCA is divided by 2088 to determine the base pay equivalent. For the purpose of determining how much a lump sum DCA will count towards the funded spending authority for an agency, the lump sum DCA is divided by 1040 to determine the base pay equivalent.

**EXAMPLE:** An agency determines that it would like to give an employee a \$1,000.00 lump sum DCA, to be awarded in February of 2001. The agency determines that the employee not only is eligible under 5.00 of Section J of the Compensation Plan, but is also eligible under the funded spending authority. The base pay equivalent for this award would be:

\$1000.00 divided by 2088 hours = \$0.479/hour to be counted against the four within range pay step per fiscal year limitation of 5.00 (3) (a); and

\$1000.00 divided by 1040 hours = \$0.962/hour to be counted against the total funded spending authority granted the agency

## III. REPORTING REQUIREMENTS

Agencies granting funded DCAs generated December 31, 2000, shall submit a report containing the following information by July 31, 2001, to Paul Ostrowski, DER/DCLR, 345 W. Washington, Madison, WI 53703, or by e-mail at [Paul.Ostrowski@der.state.wi.us](mailto:Paul.Ostrowski@der.state.wi.us).

1. The name and classification of each employee granted a DCA for which funded spending authority is used;
2. The effective date of each DCA;
3. The amount of funding used for each employee. For any funded lump sum DCA, the amount should be shown as both the lump sum amount and the base pay equivalent; and
4. The total amounts of certified funded spending authority and actual funded spending authority used.

No form will be provided for this report. Providing a copy of the DOA list of eligible employees with the necessary information added would meet this reporting requirement.

#### **IV. REFERRAL OF QUESTIONS**

Questions regarding the contents of this bulletin or 5.00, Section J of the 1999-2001 Compensation Plan may be addressed to:

Paul Ostrowski, by e-mail at [Paul.Ostrowski@der.state.wi.us](mailto:Paul.Ostrowski@der.state.wi.us), by phone at (608) 267-0343, or by FAX at (608) 267-1020.

Questions regarding the spending authority provided by DOA may be addressed to:

Elaine Gerber by phone at (608) 266-9950.

Questions regarding the State Budget Office report mentioned in Section I of this bulletin may be addressed to:

Dawn Currier by phone at (608) 266-8777.

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James A. Pankratz, Administrator  
Division of Compensation and Labor Relations

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