Background:

The State of Wisconsin Compensation Plan gives the LWSRB the authority to grant timely compensation adjustments throughout the year to permanent and project employees in classifications that are assigned to broadband pay schedules and unclassified employees not serving a fixed term. The provisions also apply to classified permanent and project employees in positions allocated to classifications assigned to non-broadband positions, for merit-related lump sum DMC only.

DMC allows the LWSRB to provide economic recognition for merit, including significant and permanent changes in job duties, increased competencies, or to address pay equity issues or retention needs.

Eligibility:

All employees in pay status in covered positions with the following exceptions:

- Employees whose job performance in the previous fiscal year was rated below satisfactory.
- Supervisors who did not complete formal performance evaluations on all subordinate employees during the previous 12 months, as required.
- Any employee paid at or above the applicable pay range maximum may not receive a base-building DMC.
- Classified employees in a non-broadband pay range may not receive a base building DMC, only lump sum payment.
- Unclassified employees are eligible for DMC awards based only on merit and, in some cases, for both base-building and lump-sum awards.

Amounts:

Subject to the pay range maximum, DMC may be granted to eligible classified employees and unclassified attorneys, in any amount up to four (4) within range pay steps. DMC may be granted as a base pay adjustment, in a lump sum payment, or in combination at the discretion of the appointing authority. The DMC awards may be granted at any time during the year. An employee may receive multiple awards within a fiscal year, as long as the four (4) step maximum is not exceeded.

In extraordinary circumstances, an award of more than four (4) steps can be considered. However, awards beyond four (4) steps can only be granted after the review and approval of the Director of the Office of State Employment Relations and must be accompanied by a comprehensive written justification.

Unclassified positions not serving a fixed term may receive DMC in any amount up to 2 within range pay steps for merit only.
Funding:

All awards are funded out of the LWSRB’s salary line, unless special funding provisions are provided in the Compensation Plan. The Department of Administration is unlikely to provide supplements for these awards. Therefore, the use of these awards is limited by the LWSRB’s financial condition.

Criteria for Granting a DMC:

The following criteria will be considered in the granting of DMC:

- **Pay Equity:** The employee’s salary has been determined to be lower than that of other state employees performing the same or similar duties at the same level of proficiency and who have comparable years or relevant service; or there is significant pay compression between the employee and their immediate subordinates; or established labor market data identifies a need to award market adjustments in order to achieve equity with external public/private employers.

- **Retention:** The employee possesses special skills that are in high demand in other organizations or loss of the employee’s knowledge and experience would be a detriment to the agency, therefore requiring a pay adjustment be made in order to retain the employee.

- **Meritorious Performance:** Employee recognition for superior or meritorious performance.
  - Length or frequency of the outstanding performance;
  - Overall significance of importance of the employee’s work products to the organization;
  - Regularity with which the outstanding performance or unique contribution is demonstrated (e.g., an employee who routinely demonstrates exceptional performance and performs special projects on an ongoing basis, as compared to an employee who completes a one-time special project).
  - Employee has new permanent job duties and/or responsibilities of growing importance to the agency that have been either newly assigned or were an evolution of their originally assigned functions. The new duties are of greater scope, impact, and/or complexity compared to the previous functions; or
  - Employee has acquired additional competencies, which are both specialized and critical in carrying out the permanent functions of the position.

Additional factors to be considered:

- **Customer service** - The employee has provided exceptional customer service as seen by those who we regulate, our customers, other agencies, LWSRB members.
- **Commitment to LWSRB strategic plan** - The employee demonstrates an exceptional commitment to developing and carrying out board’s strategic plan.
- **Contributions towards team goals** - The employee is a team player and recognizes and appreciates the contributions others make towards team goals.
- **Creates positive work environment** - The employee contributes in tangible ways to creating a positive work environment.
- **Ability to handle additional workload** - The employee has demonstrated an exceptional ability to handle one time or ongoing additional workloads due to vacancies, time-consuming projects or special assignments.
Procedures for Requesting DMC:

The Personnel Committee and/or LWSRB may recommend eligible employees for DMC. Following Budget Committee review, the Personnel Committee shall submit the DMC recommendation to the Executive Committee. If approved, the Executive Committee will forward the recommendation to the full board for consideration. Upon approval, the Personnel Committee Chair shall submit the request to OSER. The Personnel Committee Chair also shall be responsible for employee notification. Recommendations submitted on the OSER Justification for Discretionary Merit Compensation form, must include a detailed justification that specifically describes the reason(s) for granting DMC (based on the criteria outlined above), the type of award recommended (base building and/or lump sum), and the proposed amount of the award. All approved DMC awards will be submitted to OSER via the OSER DCLR DMC mailbox for final approval.

Effective Date:

DMC may be granted at any time during the fiscal year. The effective date of the adjustment, if approved by the LWSRB, will be the beginning of the first pay period following effective receipt by the LWSRB of the completed form. No DMC may be retroactive.

Reporting:

The LWSRB will comply with all reporting requirements as specified by the Office of State Employment Relations.