

UNIVERSITY OF WISCONSIN SYSTEM
Discretionary Compensation Adjustments (DCA) and Discretionary Compensation Payments (DCP)
Criteria and Guidelines

Effective: March 1, 2007

DCAs and DCPs for classified represented and nonrepresented employees allocated to classifications assigned to broadband pay schedules are available at the discretion of management to provide employees with additional compensation. The criteria and guidelines outlined below will enable each UW-institution to use the DCA and DCP awards in a consistent and equitable manner. This policy was updated and approved by the Office of Human Resources to reflect changes in the way the UW System handles the DCA process. The Office of State Employment Relations (OSER) also reviewed and approved the policy.

DCA and DCP Criteria

Following are the criteria for DCAs and DCPs in the University of Wisconsin System:

New Duties- Employee has new duties that have been newly assigned or were an evolution of the originally assigned functions. The duties are permanent, and are of a greater scope, impact, and/or complexity compared to the previous functions. Before a DCA/DCP is submitted in this area, the HR Office should first review the new duties to determine if the position should be reclassified. If reclassification is not appropriate and the DCA/DCP is the appropriate compensation vehicle, the new duties that are permanent in nature warrant a base building adjustment (DCA); a lump sum (DCP) is more appropriate for duties performed for a particular event, or for only a short duration.

Increased Significant Competencies- Employee demonstrates increased and significant competencies which are directly related to the permanent assignment. This may include expanded technical skills or education. Expanded technical skills and/or education should be included in the DCA/DCP justification. (This category may not be used for those employees covered by a WPEC bargaining agreement.)

Merit/Performance- Employee has sustained a high level of performance during an extended period of time. This performance is expected to continue. (This category may not be used for any employee covered by a labor agreement with broadbanding.)

Pay Equity- Based on a pay equity analysis, awards may be granted for unique circumstances to assist in resolution of pay inequities. Pay equity data that is most relevant should be for other positions in the same classifications throughout the UW System as well as at other state agencies. Specific equity data needs to be provided with the DCA/DCP justification.

Retention/Market Influences - Skill sets an employee utilizes are in high demand in other organizations (private and/or public) requiring an adjustment to be made for retention strategies. Market data should be provided to illustrate this fact.

For represented employees receiving a DCA/DCP, please also refer to the respective collective bargaining agreement for additional information on criteria.

Review Committee

DCA and DCP recommendations should be made to the UW institution/division Human Resource Director, who should then present them to a Review Committee at the UW institution/division. The recommended makeup of the Review Committee is representatives from at least the following areas:

- Human Resources
- Budget
- Departmental Head (i.e. Chair, Director)

The review committee will review all recommendations for adjustments and provide input to the HR Director. The HR Director shall determine whether the recommendation is approved or denied as well as the amount and type of all adjustments. The review committee shall meet according to a schedule recommended by the Human Resource Director and Budget Director. The Committee may meet more frequently if necessary to consider urgent recommendations.

DCA Advisory Group

Under the collective bargaining agreements that allow for DCA/DCPs, there is a requirement to establish a DCA Advisory Group at each UW institution that employs members of the respective bargaining unit. The Advisory Group, which will consist of two management and two union representatives, will receive proposed DCA/DCPs, review them, and forward recommendations to the appointing authority. The Advisory Group will serve in an advisory capacity only, but the appointing authority shall consider its recommendations.

The union shall inform the UW institution which of its members will serve on the Advisory Group. If there is no selection of union representatives, then no Advisory Group shall be formed.

Please refer to the respective collective bargaining agreement under which the Advisory Group is formed to determine what information is to be sent to the group.

Effective Receipt

A DCA/DCP may be granted at any time during the fiscal year. The effective date of a base building adjustment (DCA) is the beginning of the first pay period following effective receipt of the recommendation. Effective receipt shall be considered the date the institution's central Human Resources office receives the recommendation (unless the central HR office has delegated effective receipt to an HR office in an employing unit). The effective date of a DCP is the date the payment is made. No DCA or DCP may be retroactive.

Amount/Frequency

A combination DCA/DCP of up to four within-range pay steps may be granted to an employee in any given fiscal year. Each UW institution has the authority, without UW System Administration review, to approve and implement any DCA/DCP that is equivalent to two steps or less. Any DCA/DCP that results in an employee receiving more than two within range pay steps in the same fiscal year must be reviewed and approved by the Office of Human Resources at UW System Administration.

Please note that all DCAs/DCPs provided to employees who have been appointed within the same fiscal year using the pay upon appointment provisions listed below are not delegated to UW System. Regardless of the number of within range pay steps, these types of DCAs/DCPs should be submitted to the UW System Administration Office of Human Resources, and will also require OSER approval. The following are the types of appointments for which the employer may use pay upon appointment flexibility:

1. Original Appointment;
2. Promotion;
3. Voluntary Transfer;
4. Career Executive reassignment to the same pay range;
5. Career Executive voluntary movement to the same or higher pay range;
6. Project Appointment;
7. Appointment of employees to unclassified attorney positions covered by the State Compensation Plan;
8. Reinstatement;
9. Restoration;
10. Involuntary Transfer.

The factors to be considered in determining whether to approve a DCA/DCP include, but are not limited to, the following:

- Whether the DCA/DCP is feasible within the department's budget.
- Whether an employee is on probation.
- Employee's last performance evaluation indicates satisfactory or above performance.
- Employee is not anticipated to retire within the same fiscal year.
- Employee is not at the maximum of the pay range.
- Whether it would be more appropriate to reclassify or reallocate the Employee's position.
- Whether employee has received a parity adjustment within the same fiscal year.
- How many DCA/DCPs the employee may have received in the last three years.
- Whether previous DCA/DCPs were for similar reasons.

For additional information, please refer to Chapter 540 of the Wisconsin Human Resources Handbook, 'Broadband Program Discretionary Compensation Adjustment/Payment (DCA/DCP) Guidelines.'