

State of Wisconsin

## DEPARTMENT OF EMPLOYMENT RELATIONS

- CLASSIFICATION & COMPENSATION BULLETIN -

- COLLECTIVE BARGAINING BULLETIN -

- MERIT RECRUITMENT & SELECTION BULLETIN -

**Date:** February 16, 1998

**Locator No:** CC/POL-46/  
MRS-185/CBB-63  
(24.0441 & 24.0446)

**Subject:** Administrative and Policy Guidance Relating to  
Senior Manager and Information Systems  
Broadbanding Systems and Represented  
Engineering and Science Progression Systems

### I. Introduction

Significant changes to several classification and compensation systems were implemented effective October 12, 1997. The Information Systems (Schedule 70) and Senior Manager (Schedule 80) broadband pay schedules were effective October 12, 1997, as were new classification titles that conform to the broadband pay range concept; the respective pay provisions associated with those schedules were effective October 13, 1997. New classifications that conform to the new progression systems were also effective on that date for the represented Engineering and Science units (Schedules 14 and 15, respectively). Effective October 26, 1997, the new progression system was implemented for these groups.

Although agencies were given information on the basic operations of these systems prior to the actual implementation and have received training on them since the implementation, additional questions and administrative issues have been identified. This bulletin will provide policy guidance and interpretation in those areas and identify primary resource contacts within the Department of Employment Relations (DER). A comprehensive list of contacts for specific program areas follows at the end of this bulletin.

### II. Represented Engineering (Schedule 14) and Science (Schedule 15) Progression Systems

#### A. Transition Period for Certain Pay Upon Appointment Issues

It is likely that registers based on recruitments that occurred before the classification and compensation structures changed on October 12, 1997, will exist for some time. **Reannouncement of the vacancies with corrected pay information is strongly recommended.** However, for appointments effective before March 1, 1998, if reannouncement of the vacancy is not feasible, the guidelines outlined in this bulletin must be followed to ensure that individuals in like circumstances are treated consistently and to allow the effective use of registers that have already been established.

**Application of the transitional guidelines in this bulletin to any appointments with effective dates on or after March 1, 1998, must be approved by the DER, Division of Classification and Compensation (DCC), prior to making a job offer which relies on these guidelines. Exceptions will be approved only under very limited circumstances.**

**B. Original Appointment Pay for Positions Recruited for at a Developmental or Higher Level**

Pay upon original appointment to a represented Science or Engineering position that was announced and recruited for at the developmental or higher level should be set at the starting pay as stated in the announcement. This will maintain the integrity of the recruitment conducted on the basis of the previously-announced starting rate of pay. Because the requirements (e.g., education, experience, etc.) of the previous developmental or higher level classifications exceeded those required to be considered for the new broader progression class, the use of the higher starting pay rate would be similar to having hiring above the minimum (HAM) authority for the recruitment.

Any such appointments must be reported to the DER, DCC so an accurate record can be maintained. The report should include the position number, classification title, employe name, appointment effective date, and actual hiring rate, similar to information reported for HAM hires. (Send reports to: Lean White, DER, DCC, 137 East Wilson, Madison, WI 53702.)

NOTE: The provisions for setting pay for a current state employe require that the pay be set in accordance with the applicable administrative rule provisions, e.g., promotion, transfer, demotion, etc.

**C. Planned Recruitments for Which HAM Authority is Desired**

Because several progression levels within a classification series have been collapsed into a single classification level, appointing authorities who wish to hire employes having experience or special qualifications beyond those required at the basic entry level may wish to use HAM to recruit qualified applicants. Although in the past an agency may have recruited for a Civil Engineer-Journey, there is no longer a separate class for a journey level civil engineer. Thus, an appointing authority may want to recruit and appoint an individual with greater experience and qualifications than would typically be required at the basic entry level. To attract an adequate applicant pool, a starting pay rate greater than the pay range minimum may be necessary.

If HAM is applied in these classifications, the HAM criteria should coincide with the pay progression schedule for the classification. A general guideline would be to identify the number of years that would typically be needed for someone to have attained the level of experience and education required for the position and equate that to a specific level (e.g., A, B, C, etc.) in the pay progression schedule for the classification. It is recommended that the announced HAM rate be equivalent to the corresponding pay progression rate; this will result in an employe receiving a six month increase and then moving to the next progression point at the completion of the second six month progression interval.

As always, appointing authorities should be aware of and fully consider the effect of a HAM rate on the pay relationships between current and new employees.

D. Six Month Increase vs. Six Month Progression Interval Increase

The administrative rule provisions regarding six month increases for employees completing the first six months of an original or promotional probationary period are applicable to employees in the represented Science and Engineering pay progression schedules. There have been questions as to how the six month increase integrates with the semi-automatic progression increase that employees in the classes are eligible to receive every six months. The information provided below should address the majority of these questions.

1. **Employees serving an original or promotional probationary period:** In accordance with s. ER 29.03(2), Wis. Adm. Code, an employee who is serving an original or promotional probationary period will receive an increase upon completion of the first six months of the probationary period. Employees are eligible to receive an increase to the PSICM of the pay range or an increase of one within-range-pay step, whichever is greater. The progression provisions negotiated for these two schedules also provide eligibility for a progression increase every six months for employees in these classifications except for those whose pay rate is above the progression endpoint.

The increase received by an employee upon completion of the first six months of an original or promotional probationary period is considered to be the progression increase for the first six month progression interval. The employee's pay rate after application of the six month increase will not necessarily coincide with a dollar amount on the respective progression schedule, especially for current state employees who are appointed on a promotional basis to the position and employees appointed with HAM. Any future progression increases would be determined in accordance with the applicable progression schedule.

2. **Employees who are placed on permissive probation upon appointment to a position:** Employees who are serving a permissive probationary period are not eligible for a six month increase. However, if such an employee's pay rate is less than PSICM, the employee's pay must be increased to PSICM upon the employee's attainment of permanent status in class (see s. ER-MRS 13.09, Wis. Adm. Code.)

If the probationary status is removed at the end of six months, the increase to PSICM will coincide with the increase upon the completion of the employee's first six month progression interval and will be considered the employee's first progression increase. However, if the probationary status is removed before six months, the employee's pay rate will need to be increased to PSICM at that time. In that case, the employee will be eligible for a six month progression interval increase after the full six months in the position is completed, not six months after going to the PSICM rate.

In the event an employe on permissive probation is paid at or above PSICM, the progression increase granted upon completion of the first six month progression interval will be to the progression point closest to, but greater than, the employe's current pay rate.

E. Fair Labor Standards Act (FLSA) Issues

There has been some confusion about the FLSA code that was assigned as the default code for the new progression-level classifications. Although it is true that the FLSA status of employes is to be determined on an individual basis, a default status is assigned for each classification when classes are created. Because the lowest classification level in the new progression series is implicitly a developmental classification and it is not anticipated that the employe will function with the level of independence or exercise the discretion necessary to support exempt status, a default code of "nonexempt" was assigned to it.

However, an agency may request a change in the FLSA status of an employe if the appointing authority believes that the duties and responsibilities of an individual position allocated to the progression classification are actually exempt duties and the individual performs those duties independently.

F. Reclassification Issues

Questions have arisen as to whether reclassification is possible before attainment of the minimum number of years in the classification as specified in the applicable progression schedule. The progression system for these schedules requires mandatory reclassification to the next level when an employe has achieved a certain minimum number of years in the classification and satisfactorily performs the duties assigned.

Although it is theoretically possible for an agency to reclassify an employe before the minimum number of years in the classification have been attained, this should be done **only** under extremely exceptional circumstances. **Any reclassifications that are requested before the attainment of the minimum number of years in the class may not be taken on a delegated basis and must be reviewed by DER.**

A key purpose of the progression system is to provide more standardized progression through the classification series than was perceived to be taking place. The new progression system is intended to address certain perceptions of the administration of the previous system, including the perception that certain agencies reclassify employes more quickly than other agencies; the perception that budget considerations control reclassification to higher levels even when employes have been performing the higher level work beyond the requisite six months required for reclassification; and the perception that certain individuals progressed more quickly than other individuals because of their location, contacts, etc.

Although the progression schedule for the classifications specifies a maximum progression rate, under current contractual provisions an individual would typically be eligible for fiscal year base pay increases beyond the progression endpoint; the pay would not be "frozen". Thus, a belief that the employe would not be eligible for any pay

increases unless s/he were reclassified is not a valid reason to support an early reclassification.

### III. Information Systems (Schedule 70) and Senior Manager (Schedule 80)

#### A. Transition Period for Certain Pay Upon Appointment Issues

It is likely that registers based on recruitments that occurred before the classification and compensation structures changed on October 12, 1997, will exist for some time. **Reannouncement of the vacancies with corrected pay information is strongly recommended.** However, for appointments effective before March 1, 1998, if reannouncement of the vacancy is not feasible, the guidelines outlined in this bulletin must be followed to ensure that individuals in like circumstances are treated consistently and to allow the effective use of registers that have already been established.

**Application of the guidelines in this bulletin to any appointments with effective dates on or after March 1, 1998, must be approved by the DER, DCC, prior to making a job offer which relies on these guidelines.**

#### B. Applicability of Pay Upon Appointment Flexibility to Current State Employees

The special pay upon appointment provisions for the SM and IS schedules may not be applied to state employes unless the announcement upon which the hire is being made indicated the appointment pay flexibility. The appointment pay provisions went into effect on October 13, 1997, the day after the new IS and SM broadbanding pay schedules (schedules 70 and 80, respectively) were effective. Until the transition period ends on March 1, 1998, the actual rate that may be offered to a current state employe upon appointment to a SM or IS position may vary based on the transaction type, the employe's employment status, and many other factors. Please contact the Compensation Administration Unit (numbers provided at end of bulletin) for assistance in determining the appropriate pay rate for an individual situation.

Since appointing authorities have been aware of the effective date of the changes, the new classification titles, and appointment maximum assignments for some time, vacancies should have been reannounced or new recruitments initiated and the current appointment pay information included in the announcements.

#### C. Prohibition of Pay Upon Appointment Flexibility for Original Appointments When HAM Was Not Previously Approved

Pay upon original appointment to a SM or IS position made from a register for which HAM authority was not approved at the time of recruitment may not be set above the pay rate which was in the announcement. Thus, if a position was announced without HAM and the minimum of the pay range was identified as the starting pay, the pay rate for an individual upon original appointment would be the minimum of the pay range.

#### D. Limitation on Pay Upon Appointment Flexibility for Original Appointments When HAM Was Previously Approved

Pay upon original appointment to a SM or IS position made from a register established from an announcement for which HAM authority was approved may be made up to the maximum HAM rate authorized. The pay rate must be established in accordance with the HAM criteria that were established for the position and may exceed the applicable appointment maximum, if the authorized HAM rate exceeds the appointment maximum.

E. Application of Pay Upon Appointment Flexibility for All Types of Appointments When Announcement Included That Information

Announcements for vacancies after October 12, 1997, should have included the pay and classification information based on the new systems. If so, the pay upon appointment provisions specified in Sections J and L of the 1997-99 Compensation Plan will be fully applicable to appointments of new and current state employees made from registers established from those announcements.

Due to the delay in formally communicating information regarding appointment maximum assignments as well as specific classification titles, it is possible that some announcements made soon after October 12, 1997, may not have included the new pay information. Agencies are strongly encouraged to reannounce those positions with corrected pay information. If a corrected announcement is not made, the pay upon appointment would be set as specified in B-D, above.

F. Integration of Previous HAM Approval and Temporary Appointment Maximum Concept

Applicability of HAM to Senior Manager (Schedule 80) or Information Systems (Schedule 70) positions: Because of the appointment pay flexibility that is inherent in the new SM and IS pay provisions, the concept of HAM is not applicable to classifications assigned to these two pay schedules. However, a concept similar to HAM, i.e., Temporary Appointment Maximum (TAM), may be approved under very limited circumstances. Please consult Sections J or L of the 1997-99 Compensation Plan, as applicable, for more information on the use of the TAM concept. Questions on TAM should be directed to Troy Hamblin or Mike Soehner.

G. Six Month Increase Issues

The pay transaction provisions for the SM and IS pay schedules became effective on October 13, 1997. The administrative rule provisions still in effect for these positions on October 12, 1997, provided that the six month increase for completion of the first six months of an original or promotional probationary period or trial period for a Career Executive position, will be effective the beginning of the pay period closest to the actual date on which the six months was completed.

Therefore, **employees who completed the first six months of a probationary period as noted above from October 5, 1997 through October 18, 1997, should have received a six month increase effective October 12, 1997.** Employees who completed or will complete the first six months of a promotional or original probationary period, or of a Career Executive trial period, on or after October 19, 1997, **are not** eligible for a six month increase. However, for employees who were appointed to positions prior to October 12, 1997, and as such would have received a six month increase under the

original terms of their employment, appointing authorities may want to consider granting the equivalent of a six month increase in the form of a Discretionary Compensation Adjustment.

H. Conversion of Annualized Discretionary Compensation Payments to an Hourly Amount

Sections J and L of the 1997-99 Compensation Plan allow for Discretionary Compensation Adjustments and/or Annualized Discretionary Compensation Payments to be granted to employes, subject to a limit of four (4) within-range-pay-steps per employe per fiscal year. To convert an Annualized Discretionary Compensation Payment to an hourly amount for purposes of monitoring the individual employe fiscal year limit, the Payment should be divided by 2080, i.e., the number of work hours in this fiscal year. **Please note that this is different from the preliminary instructions that were communicated at training sessions.** Upon further consideration, it was determined that the most appropriate method to compute the hourly value of the Payments would be that used to convert Annualized Performance Recognition Payments into an hourly equivalent.

I. Requirement to File Discretionary Compensation Adjustment Criteria with Department of Employment Relations and Notification to All Affected Employes of an Agency's Discretionary Compensation Adjustment Criteria

In accordance with the Compensation Plan provisions, appointing authorities are required to develop written criteria for the granting of Discretionary Compensation Adjustments and Annualized Discretionary Compensation Payments. The criteria must relate to the specific schedule to which it will be applied, i.e., Schedule 70 (Information Systems) or Schedule 80 (Senior Managers). **The written criteria must be filed with the DER, DCC, before an agency may grant such increases or payments to employes. A copy of the criteria must be sent to DER, DCC, 137 East Wilson Street, Madison, WI, 53702, to the attention of Troy Hamblin.**

In addition, the appointing authority must provide a copy of the applicable criteria to all employes in positions assigned to the respective pay schedule. Random spot-checks may be made by DCC staff to ensure that the criteria have been shared with affected employes.

J. Effect of Pay Range Reassignments on Personnel Transactions.

The implementation of the new IS schedule and revised SM schedule and reassignment of classifications to pay ranges in those schedules may result in different personnel transactions for individuals moving to new positions than would have been the case prior to October 12, 1997. In particular, appointing authorities should be aware that movement between many IS classifications that would previously been considered promotions are now considered transfers.

Appointing authorities are encouraged to contact DMRS if they have any questions about determining the appropriate personnel transaction for an individual.

**K. Applicability of Sections J and L to Project-Project Appointments.**

Appointing authorities should be aware that the **pay upon appointment provisions in these sections do not apply to project-project appointments. In addition, the administrative rule provisions governing six month increases to project-project employes in certain instances still apply** (see ER 29.03(2m), Wis. Adm. Code). Thus, an appointing authority who wishes to appoint a project-project employe at a pay rate above the pay range minimum for the position would need to request HAM approval for the recruitment.

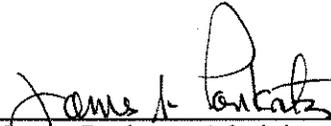
The **Discretionary Compensation Adjustment and Annualized Discretionary Compensation Payment provisions do apply to employes with project-project appointments.** Any such awards or payments granted to project-project employes must be in accordance with an agency’s established guidelines for granting those awards and payments.

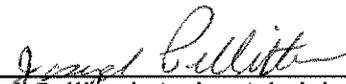
**IV. Referral of Questions**

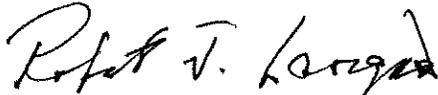
The information in this bulletin covers the responsibilities of different divisions within DER. To assist appointing authorities in efficiently finding answers to questions, the chart below identifies appropriate primary contacts within the applicable division for a specific type of question or program area.

Type of question	Responsible Division	Primary Division Contact	Phone number
<ul style="list-style-type: none"> <li>Determining a personnel transaction</li> </ul>	DMRS	Denny Huett	608-266-7296
<ul style="list-style-type: none"> <li>Job announcement information</li> </ul>	DMRS	Designated DMRS staffing analyst	
<ul style="list-style-type: none"> <li>Register establishment</li> </ul>	DMRS	Designated DMRS staffing analyst	
<ul style="list-style-type: none"> <li>Determining pay upon a personnel transaction</li> </ul>	DCC, Compensation Administration Unit	Mary Hanaway Jeanne Meyer Paul Ostrowski Eileen Kellor	608-267-5169 608-267-5164 608-267-0343 608-267-7617
<ul style="list-style-type: none"> <li>Approval of and/or application of HAM to pending recruitments for Schedule 14 or 15 Classifications, and general HAM questions</li> </ul>	DCC	Leean White	608-267-0344

Type of question	Responsible Division	Primary Division Contact	Phone number
• Discretionary Compensation Adjustment criteria	DCC	Troy Hamblin	608-266-3616
• FLSA administration & employe status	DCC	Leean White	608-267-0344
• Any Engineering or Science contract language	DCB	Donna Biddle (WSP) Kathy Kopp (WSP) Bert St. Louis (SEA)	608-266-1418 608-266-0711 608-266-9992
• General classification questions	DCC	Assigned agency classification analyst	
• General compensation administration questions	DCC Compensation Administration Unit	Mary Hanaway Jeanne Meyer Paul Ostrowski Eileen Kellor	608-267-5169 608-267-5164 608-267-0343 608-267-7617
• General recruitment questions	DMRS	Designated DMRS staffing analyst	
• DMRS rules interpretation questions	DMRS	Denny Huett	608-266-7296

  
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 James Pankratz, Administrator  
 Division of Classification &  
 Compensation

  
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 Joseph Pellitteri, Acting Administrator  
 Division of Collective Bargaining

  
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 Robert Lavigna, Administrator  
 Division of Merit Recruitment &  
 Selection

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