

2.12 Other Salary Adjustments

Procedure Number: 2.12
Procedure Title: Other Salary Adjustments
Original Issue Date: TBD
Revision Date: TBD
Appendices: Appendix A Template: Department Procedure for Other Salary Adjustments
Forms: 2.12(a) Performance Evaluation Form
2.12(b) Other Salary Adjustment Request Form
2.12(c) Emergency Salary Adjustment Request Form.
Statutory References: Wis. Stats. §§ 59.17(2)(b)(2), 59.22(1)(a), 63.02, 63.03, 63.11
Ordinance References: MCO §§ 17.10, 17.055, 17.98, 34.09 and 34.095
Department Responsible for Updates: Human Resources
Date for scheduled procedure review: TBD

1. OBJECTIVE

This procedure outlines the administration of salary adjustments other than across-the-board increases for all County employees (“Other Salary Adjustments”). Other Salary Adjustments include increases related to employee performance, correction of equity issues, change in job duties for an incumbent employee in a position, and employee retention. This procedure outlines the process for Other Salary Adjustments for all employees not covered by a collective bargaining agreement. This procedure requires that the central budgeting of Other Salary Adjustments happens prior to departments submitting salary increase requests. Other Salary Adjustments for all current employees are to be submitted by May 1 of each year. This date is required to ensure alignment with other county processes including performance evaluation deadlines and assessing yearly budget impacts. requests for Other Salary Adjustments to be submitted by May 1st include: (a) Performance-Based Increases, (b) Equity Increases, (c) Reallocation (where the manager would like the position reviewed by Compensation against available market data for consideration of placement on a higher pay grade) and (d) Incumbent Reallocations (where responsibilities of a position have changed and the manager would like the assigned pay grade or range reviewed). The only opportunity for a Department to request Other Salary Adjustments outside of this May 1st submittal are (i) Emergency salary Increases, where an incumbent has been identified as being of value to the county and there is significant concern regarding the employee remaining with the county, and (ii) Vacant Reallocations, where all instances of a position are vacant. All of the County’s salary increase decisions are subject to Human Resources department review and an adverse impact analysis to ensure that unintentional or intentional bias is ruled out as a factor in salary increase decisions.

2. DEFINITIONS

A. Adverse Impact Analysis. Adverse impact is an unwanted or unanticipated result of taking an action, such as a salary increase, that disadvantages a particular race, ethnicity, gender or age

group. Adverse Impact Analysis is a review of salary increase requests to ensure there is no adverse impact occurring as the result of salary changes requested.

- B. Other Salary Adjustments. Other Salary Adjustments includes Performance-Based Increases, Equity Increases, Reallocations, and Reclassifications.
- C. Compensation Division. The Compensation Division of the Department of Human Resources.
- D. Countywide Other Salary Adjustment Allocation. An amount budgeted for Other Salary Adjustments through the annual budget process.
- E. DAS. Department of Administrative Services.
- F. Department. The Department that a job is assigned to.
- G. Department Other Salary Adjustment Allocation. The amount of the Countywide Other Salary Adjustment Allocation that is allocated to each department.
- H. Departmental Procedure for Other Salary Adjustments. The internal procedure to be used by each Department to determine salary Increases submitted to the Compensation Division. A department may develop its own procedure in collaboration with the HR Department, or use the one included at Appendix A. Once approved by HR Department, an internal department procedure may supersede this countywide procedure.
- I. Emergency Salary Increase. A special request that can be made by a Department at any time, where an incumbent has been identified as being of large value to the county and there is significant concern regarding the employee remaining with the county.
- J. Equity Increase. A base salary increase awarded to an employee after a determination by the Department and the HR Department that the employee's current salary is not comparable to the salaries of a similarly situated County employee.
- K. HR Department. The Department of Human Resources.
- L. Performance-Based Increase. Either a lump sum payment or an increase to base salary awarded to an employee.
- M. Reallocation. A Reallocation is when a job description has not changed, but the market for such jobs has. To complete a Reallocation, a Department requests that a position be re-evaluated for placement on a new pay range or grade because they believe the salary range should be adjusted due to external factors (increased need for the position or other changes in the local market)
- N. Reclassification. A Reclassification is when a job description has changed and warrants that the pay range be adjusted. To complete a Reclassification, a special request can be made by a Department when the job duties of a position have changed significantly. An "Incumbent Reclassification" is a Reclassification when one or more of the instances of the job title has an incumbent. A "Vacant Reclassification" is a Reclassification when all instances of the job title are vacant.
- O. Salary Increase. A Performance-Based Increase, an Equity Increase, a Reallocation, or an Incumbent Reclassification.

3. PROCEDURE

A. Basic Other Salary Adjustment Information

- i. Salary Increase Amount. Salary Increase amounts are limited to a maximum of 2 steps for those positions utilizing a step system and a maximum of 5% of base pay for those positions

not utilizing a step system. Performance-Based increases can be given as either a lump sum, or an increase in annual salary. Equity Increases and Reallocations must be requested and processed as an annual salary increase.

- ii. Maximum. Employees' hourly rates cannot exceed the maximum of their positions' pay range.
- iii. Minimum. Employees' hourly rates cannot fall below the minimum of the positions' pay range.
- iv. Grade/Step-Based Increases. For those employees in positions assigned to pay grades with pre-determined steps, all increases must match one of the steps.
- v. Other Salary Adjustment Requests. All requests for Other Salary Adjustments must be requested by May 1 of each year. Requests must be submitted only by the Director of the Department the employee is assigned. For any calendar year, a Director may request increases for employees up to the total of the Department's Other Salary Adjustment Allocation.
- vi. Criteria. Performance evaluations are only one consideration in determining a Salary Increase. Other considerations may include issues such as placement in range, overall value to organization, general department equity, and other criteria.

B. Process for Budgeting for Other Salary Adjustments.

- i. Countywide Other Salary Adjustment Allocation. In order for Other Salary Adjustment to be awarded, the existing year's County budget must include a line item for a Countywide Other Salary Adjustment Allocation. The Budget may also establish a Department Other Salary Adjustment Allocation. If the Budget does not include a Department Other Salary Adjustment Allocation, the Department Other Salary Adjustment Allocation shall be determined as follows:

$$\text{Countywide Other Salary Adjustment Allocation} * \frac{\text{Department's Annual Salary Budget}}{\text{Countywide Annual Salary Budget}}$$

For the purposes of the above calculation, Countywide Annual Salary Budget, and each Department's Annual Salary Budget does not include the amounts budgeted for employees that are public safety employees covered by a collective bargaining agreement as defined by Wis. Stats. Ch 111. For the purposes of the above calculation, neither the Countywide Annual Salary Budget, nor the Department's Annual Salary Budget shall include the budgeted costs for seasonal workers. The PSB Division will notify each department of its Department Salary Increase Allocation by January 1 of each year.

C. Process for Department Submitting Other Salary Adjustment Requests

- i. Evaluations. In order to submit Other Salary Adjustment requests, a Department must have submitted performance reviews for all of the Department's employees to the HR Department using form 2.12(a) Performance Evaluation Form.
- ii. Departmental Procedure. In order to submit Other Salary Adjustment requests, a Department must have completed the excel file provided by Human Resources, and have submitted to Human Resources by May 1st for final review and approval.

- iii. Salary Increase Requests. A Department may submit Other Salary Adjustment Requests once a year. Other Salary Adjustment Requests must be submitted to the Compensation Division of HR by May 1 using Form 2.12(b) Other Salary Adjustment Requests.
 - iv. Payroll Limitation. Annually, a Department may request Other Salary Adjustment in a dollar amount that is equal to or less than the Department's Other Salary Adjustment Allocation.
 - v. Individual Limitation. All base salary Increase amounts are limited to a maximum of 2 steps for those positions utilizing a step system, and a maximum of 5% of base pay for those positions not utilizing a step system. All lump sum performance increases are subject to a maximum of 3% of an employee's current salary. Performance-Based increases can be given as either a lump sum, or an annual increase. However, lump sums can only be designated for employees whose base pay is already at or above the midpoint of the pay range. A lump sum payment may be given to an employee even if they are at the top of their pay step or range.
 - vi. Criteria to be considered by Managers. In considering Other Salary Adjustment requests, the department must use one or more of the following criteria:
 - a. The length or frequency of the outstanding performance;
 - b. Overall significance or importance of the employee's work product to the organization;
 - c. Regularity with which the outstanding performance or unique contribution is demonstrated;
 - d. Employee has acquired additional competencies, which are both specialized and critical in carrying out the permanent functions of the position; or
 - e. Employee has similar duties to other employees and a Salary Increase will address equity issues within the department.
 - vii. Guidance on Performance Scores. The Department should set a minimum performance score that must be met before the employee should be considered for a performance increase request.
 - viii. Emergency Salary Increase. When an incumbent has been identified as having a valued skill or experience and there is legitimate concern regarding the employee remaining with the county, an Emergency Salary Increase request may be submitted at any time to the Compensation Division of HR, which will respond within one week of such request. An Emergency Salary Increase must comply with the Individual Limitation set forth in subsection (C)(6) above. If approved, any Emergency Salary Increase will count towards the Department's Other Salary Adjustment Allocation. If a Department has already reached its Annual Other Salary Adjustment Allocation, approved Emergency Salary Increases will count towards the Department's subsequent year's annual Other Salary Adjustment Allocation. Only once per any twelve month period may an employee be provided a Emergency Salary Increase. In all cases these increases must be requested and approved in writing by the department head and the Director of Compensation. This type of increase can only be provided to an employee once in a calendar year.
- D. Effective Date of Salary Increases. The Compensation Division will verify the submitted Other Salary Adjustment requests by June 1 of each year and submit to the appropriate approving entity pursuant to AMOP §2.11(B)(v). The effective date of approved Other Salary Adjustment will be the first full pay period after July 1 of each year. The effective date of Emergency Other Salary Adjustment will be the first full pay period after approval.

- E. Denials. Any Other Salary Adjustments denied by the Compensation Division or the appropriate approving entity shall not be subtracted from the Department's Other Salary Adjustment Allocation; and the department may resubmit a request for Other Salary Adjustments through the remainder of the calendar year to utilize any outstanding amounts using the same process outlined in subsection C above.
- F. Reclassification Requests. If an employee has new permanent responsibilities that are seen as significantly changing the position's overall value to the organization or in the local market, the Department must complete a Form 2.11(a) Job Evaluation Questionnaire (JEQ) and submit it to the Compensation Division, pursuant to AMOP §2.11. Reclassification Requests for a position that is filled must be submitted by May 1st of each year with Form 2.12(b) Salary Increase Request Form. This applies to all positions where there is at least one incumbent ("Incumbent Reclassification Requests"). A Reclassification Request for a position where all instances of the position are vacant may be submitted at any time by sending a JEQ to the Compensation Division ("Vacant Reclassification Request"). Reallocations and Reclassification requests, if approved, will count towards the Department's Annual Other Salary Adjustment Allocation. Incumbent Reclassification Requests are subject to the Individual Limitations listed in subsection C above. Vacant Reclassification Requests are not subject to the Individual Limitations listed in subsection C above.
- G. Adverse Impact Analysis. As part of the review process, the Compensation Division will review all increase requests for any potential adverse impacts. This will help ensure all compensation increases are administered as fairly and equitably as possible.
- H. Additional Reporting. Pursuant to Milwaukee County Ordinances §17.10(3), the HR Department will report to the Personnel Committee all approved Salary Increases and Reclassifications for classified employees.
- I. Future Year's Budget. Once approved and processed by HR, all Other Salary Adjustment, including Reclassifications, Performance-based Increases, Equity Adjustments and Reallocations must be included in the Department's annual budget request for each subsequent year, unless the position related to such increases has been eliminated.
- J. Represented Employees. If a department would like to discuss applying a portion of its Other Salary Adjustment Allocation to employees that are part of a collective bargaining agreement, the department director should contact the HR Compensation Division.
- K. Common Positions. Requesting Reclassifications and Reallocations for positions that are common through multiple departments cause particular problems for county wide equity issues and Disparate Impact Analysis. Consequently, Other Salary increases for common positions should be handled by Performance Increases and Equity Increases. If you are not sure if a position is common throughout the county, please contact your HR representative. Reclassifications and

Reallocations for common positions, when made, should be made at a countywide level through the budget process and initiated by the HR Department.

4. FORMS

The following attached forms are to be used in compliance with this procedure:

Form #	Form Title
2.12(a)	Performance Evaluation Form
2.12(b)	Other Salary Adjustment Request Form
2.12(c)	Emergency Salary Increase Request Form

2.12 Appendix A – Template Department Procedure for Other Salary Adjustment

X.XX Other Salary Adjustment Procedure for [Department Name]

Procedure Number: X.XX
Procedure Title: Other Salary Adjustment Procedure for [Department Name]
Original Issue Date: TBD
Revision Date: TBD
Appendices: None
Forms: None
Statutory References: Wis. Stats. §§ 59.17(2)(b)(2), 59.22(1)(a), 63.02, 63.03, 63.11
Ordinance References: MCO §§ 17.055, 17.98
Department Responsible for Updates: [Department Name]
Date for scheduled procedure review: TBD

1. OBJECTIVE

Each year the [Department Name] may receive a Department Other Salary Adjustment Allocation for employees in the Department. In submitting requests for Other Salary Adjustment, it is important that the requests are objectively determined and in compliance with all applicable laws. This procedure outlines the Department’s procedure in determining its requests for Salary Increases. This procedure requires:

- Managers to complete Performance Evaluations by March 1
- Managers to submit Other Salary Adjustment Requests to Director by April 1
- Director to submit Other Salary Adjustment Requests in the appropriate form to HR Compensation by May 1. The total cost of the department request cannot exceed the annual increase allocation for that department.

The Other Salary Adjustment decisions of the entire county are subject to an Adverse Impact Analysis that ensures that unintentional or intentional bias is ruled out as a factor in Salary increase decisions. As part of this Adverse Impact Analysis, the HR Department will be reviewing the Department’s compliance with this Procedure.

2. DEFINITIONS

- A. Compensation Division. The Compensation Division of the Department of Human Resources.
- B. Department. [Department Name]
- C. Department Other Salary Adjustment Allocation. The amount of the Countywide Other Salary Adjustment Allocation that is allocated to each department pursuant to AMOP § 2.12.
- D. HR Department. The Department of Human Resources.

3. PROCEDURE

- A. Performance Evaluations. Each Department Manager will ensure that every Department employee under his or her supervision shall have a completed evaluation form using form 2.12(a) and submitted to the HR Department by March 1 of each year.
- B. Manager Requests. Each Department Manager will submit to the Department Director, prior to April 1 of each year, a completed form that lists of employees that the Director believes should receive a Other Salary Adjustment. Any increases to manager compensation for the department should be included in this request. A copy of a sample excel file to be used for this submission is attached.
- C. Criteria. The Other Salary Adjustment requests for the department should be based on one or more of the following criteria:
 - a. The length or frequency of the outstanding performance;
 - b. Overall significance or importance of the employee's work product to the organization;
 - c. Regularity with which the outstanding performance or unique contribution is demonstrated;
 - d. Employee has acquired additional competencies, which are both specialized and critical in carrying out the permanent functions of the position; or
 - e. Employee has similar duties to other employees and a Salary Increase will address equity within the department.
 - f. The length of time since the employee's last increase
 - g. The employee's placement in grade or range compared to others in the same position.
- D. Guidance on Performance Scores. The Department should set a minimum performance score that must be met before the employee should be considered for a performance increase request.
- E. Department Other Salary Adjustment Requests. The Department Director will submit the final Department Other Salary Adjustment Requests to the HR Compensation Division by June 1 of each year.
- F. Objectivity in Salary Adjustment Requests. Rules against nepotism are discussed in the Employee Handbook. In addition to these protections it is imperative that managers and directors remain diligent to ensure that Other Salary Requests are made on the criteria set forth in subsection (c) above and not unwarranted favoritism. Consequently, each Other Salary Request must be reviewed and approved by the employee's direct supervisor, the supervisor's manager (if any), and the Director of the department. Other Salary Requests also must be approved by HR Department pursuant to AMOP 2.12.