



AMOP 2.12

Other

Salary Adjustments



Why AMOP 2.12 is Important

AMOP 2.12 provides directors and managers with instructions on how to request Other Salary Adjustment for staff. AMOP 2.12 balances (1) the need for fairly compensating employees with (2) the County's limited financial resources.



To Whom Does AMOP 2.12 Apply?

This procedure applies to any director or manager of a Milwaukee County Department that is requesting any of the following Other Salary Adjustments by the Department of Human Resources:

- A. Performance Based Increases
- B. Equity Increases
- C. Reallocations (i.e. job description changed)
- D. Vacant Reclassifications (i.e. job description has not changed but the market has)
- E. Incumbent Reclassifications



Here Is What the Procedure Says:

- Separate from any Annual Increase, Milwaukee County may budget for a Countywide Other Salary Adjustment Allocation, which will be split pro-rata into Department Other Salary Adjustment Allocations.
- All requests* for Other Salary Adjustments may be submitted once per year on May 1st and must be within the Department's Other Salary Adjustment Allocation.

* Vacant Reclassifications may be requested at anytime. Exception for Emergencies.



Across-the-Board Increase vs.

Department Other Salary Adjustment Allocation

- There are two types of salary increases that Milwaukee County may budget for:
- An Across-the-Board increase is when everyone countywide is given a modest raise. For example, in 2016 the County Budget included a 1% Across-the-Board Increase for all employees. An Across-the-Board Increase applies to all employees, even if they are at the top of their range.
 - A Department Other Salary Adjustment Allocation is when each department receives funds in addition to an Across-the-Board Increase to allocate among employees based on performance, equity, market changes or changes in job duties (i.e. reallocations).



What can a Department Other Salary Adjustment Allocation be used for?

There are six types of salary increases that a Department Other Salary Adjustment Allocation can be used for. Each of these are covered in more detail on the next slides.

- A. Performance Based Increases
- B. Equity Increases
- C. Reallocations (i.e. job description changed)
- D. Vacant Reclassifications (i.e. job description has not changed but the market has)
- E. Incumbent Reclassifications
- F. Emergency Salary Increases



1. Performance Based Increase

A Performance Based Increase is either a lump sum one time payment, or a base building increase to salary awarded to an employee.

2. Equity Increase

An Equity Increase is 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.



3. Reallocation

A Market Adjustment is a request by a Department 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 (i.e. increased need for the position or other changes in the local market).

4. Incumbent Reclassification

A Reclassification is a special request that 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 instances of the job title has an incumbent.

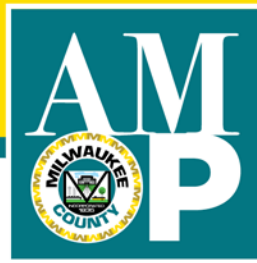


5. Vacant Reclassification

A Reclassification is a special request that can be made by a Department when the job duties of a position have changed significantly. A “Vacant Reclassification” is a reclassification when all instances of the job title are vacant.

6. Emergency Increases

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.



When do Other Salary Adjustment Requests Need to be made?

The following types of Other Salary Adjustment can only be made once a year on

May 1 of each year:

1. Performance Based Increases
2. Equity Increases
3. Reallocation
4. Incumbent Reclassification

The following types of Other Salary Adjustment can be made at any time:

5. Vacant Reclassification
6. Emergency Increase



How much does each department get annually?

The Countywide Other Salary Adjustment Allocation is determined by each year's budget. For example the 2017 proposed budget includes \$2 million for a Countywide Other Salary Adjustment Allocation. If approved by the County Board, this \$2 million would then be split on a prorated basis to each department based on the department's total payroll. For example, a \$2 million Countywide Other Salary Adjustment would result in the following for the Department of Parks Recreation and Culture:

$$\begin{array}{rcl} \$2 \text{ Million} * \frac{\$17,090,433 \text{ DPRC Total Payroll}}{\$218,695,439 \text{ County total Payroll}} & = & \$156,294^* \\ & & \text{DPRC OSA Allocation} \end{array}$$

* This DPRC OSA allocation is the amount of salary increases that DPRC could submit. Because increases are expected to be mid year, when making the submittal only a half of year's salary increase should be included for each effected employee, up to the OSA Allocation.

* The DPRC OSA allocation would be reduced because seasonal workers are not included in the equation.



What are the limitations for an individual employee?

An Across-the-Board increase in the budget does not have any individual limitations. Other than an Annual Increase, all other salary increases must be paid out of the Department's Other Salary Adjustment Allocation. For these salary increases, the following apply to each individual:

- Cannot exceed maximum. A salary increase can not cause the salary or hourly rate to exceed the maximum of their positions pay range.
- Consistent with Steps. If the position has steps, the salary increase must cause the salary to be exactly at a step within the pay range.
- 2 step maximum. A salary increase may not be more than 2 steps (if on a step system) or 5% (if not on a step system), in any one year.
- Lump sum maximum. Performance based increases are the only salary increase that can be given as either a base building or lump sum increase. If a lump sum, it is limited to 3% of base pay annually. See AMOP for other restrictions on lump sums.



What are the limitations for a Department?

Other than an Annual Increase established in the budget, the following apply to Other Salary Adjustment awarded by each Department:

- Payroll Limitation. Annually a department may request Other Salary Adjustments in a dollar amount that is equal to or less than the Department's Salary Increase Allocation for that year.



How is a department supposed to choose?

AMOP 2.12 specifies criteria to be used by managers in selecting candidates for salary increases to include:

- 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.



Equity vs. Performance?

Because of the limited availability of a department's Other Salary Increase allocation, Departments may want to address equity issues prior to addressing performance increases.



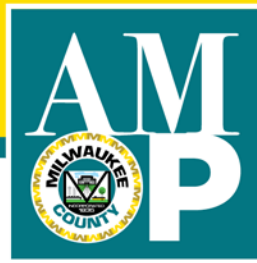
What about represented employees?

There are specific statutes that impact employees represented by a collective bargaining agreement. 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.



What is an Adverse Impact Analysis?

In making decisions about salary increases, the County conducts an Adverse Impact Analysis on an ongoing basis. 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. 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.



Salary Increase Request Process Overview

Step #	Est. Date	Step Description
1	Mid-November	<u>Budget Action</u> . Separate from any annual increase, the County Board Adopts a Budget that includes a Countywide Other Salary Adjustment (OSA) Allocation.
2	January 1	<u>Notice of Department Other Salary Adjustment Allocation</u> . PSB Director notifies each Department of what its annual Department OSA Allocation calculation is.
3	February 28	<u>Department's Procedure on file with DAS</u> . Department must have on file with DAS the procedure it will use to identify employees eligible for a compensation increase.
4	March 31	<u>Submit Non-Managerial Performance Evaluations</u> . Department must submit Performance Evaluations to HR for all non-managerial employees
5	April 30	<u>Submit Managerial Performance Evaluations</u> . Department must submit Performance Evaluations to HR for all managerial employees
6	May 1	<u>Submit Other Salary Adjustment Requests</u> . Department must submit to HR requests for the following requested OSAs: A. Performance Based Increases (together with Form 2.12(b)) B. Equity Increases (together with Form 2.12(b)) C. Market Adjustments (together with Form 2.12(b)) D. Incumbent Reallocations (together with Form 2.12(b) and JEQ)
7	June 1	<u>Verification of Salary Increase Requests</u> . HR will verify submitted OSAs and submit to the appropriate approving entity (i.e. County Board for classified employees and County Executive for unclassified employees).
8	Mid-July	<u>Decision by Approving Entity</u> . If approved by the approving entity, OSAs will be effective the first full pay period after July 1 of each year.
9	July 10	<u>Submittal of Next Year's Department Budget</u> . The Department's next year's budget submittal must include approved OSAs.
Misc.	Anytime	<u>Retention Based Requests and Vacant Reallocations</u> . Department at anytime may submit to HR: A. Retention Based Increases (together with Form 2.12(c)) B. Vacant Reallocations (together with JEQ)

^[1] Department OSA allocation is determined by the following equation: (Countywide OSA)/(Department's Annual Salary Budget/Countywide Annual Salary Budget).

^[2] A template is available through DAS (see Appendix 2.12(A))

^[3] Retention Based Increases and Vacant Reallocations will count towards a Department Other Salary Increase Allocation for the current or subsequent year.



Quiz Questions?

After reviewing the Procedure, you will be asked the following questions to complete the training:

When can a Department make a request for an Other Salary Adjustment (OSA)?

How is the amount for OSAs established for each Department?

What criteria should be used for awarding an OSA?