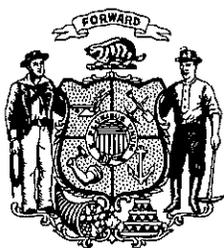


State of Wisconsin

SENATE CHAIR
Alberta Darling

317 East, State Capitol
P.O. Box 7882
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Phone: (608) 266-5830



ASSEMBLY CHAIR
John Nygren

308 East, State Capitol
P.O. Box 8593
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Phone: (608) 266-2343

Joint Committee on Finance

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Alberta Darling
Representative John Nygren

Date: June 25, 2020

Re: 14-Day Passive Review Approval – DOA

Pursuant to s. 20.928(2m), Stats., attached is a 14-day passive review request from the Department of Administration, received on June 25, 2020.

Please review the material and notify **Senator Darling** or **Representative Nygren** no later than **Wednesday, July 15, 2020**, if you have any concerns about the request or if you would like the Committee to meet formally to consider it.

Also, please contact us if you need further information.

Attachments

AD:JN:jm



STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor
Joel Brennan, Secretary
Malika S. Evanco, Division Administrator

June 24, 2020

The Honorable Alberta Darling, Co-Chair
Joint Committee on Finance
317 East, State Capitol
Madison, WI 53707-7882

The Honorable John Nygren, Co-Chair
Joint Committee on Finance
309 East, State Capitol
Madison, WI 53708-8953

JUN 25 2020
St. Finance

Dear Senator Darling and Representative Nygren,

2015 Wisconsin Act 150 established a \$6 million GPR appropriation to supplement available funding for the state's lump sum discretionary merit compensation (DMC) award program in FY17. For Fiscal Year 2020, this funding was reduced to \$2.3 million. The funds are specifically established to supplement general purpose revenue (GPR) funded agencies. The funds are assigned to the Division of Personnel Management (DPM) in the Department of Administration for distribution and management under s.20.865(1) (dm), Wis. Stats.

The DMC program is established by the State Compensation Plan which outlines how the program functions including eligibility and criteria. Each fiscal year, DPM issues additional guidelines based on budgetary considerations, timelines, etc. to provide direction to all eligible agencies. The FY20 guidelines issued by DPM established a spending limit for each agency and permitted agencies to provide both lump sum and base pay DMC awards, although only lump sum awards may qualify for supplementation from the appropriation.

2015 Act 150 also created s.20.928(1f), Wis. Stats., which establishes a process by which each eligible agency requests a portion of the GPR appropriation to supplement available agency resources. DPM provided each agency with a proportional allocation of the \$2.3 million.

The FY20 DMC program was suspended soon after it was initiated as the COVID-19 pandemic developed and it became clear the state economy would be deeply affected. Only a small number of DMC awards were approved before the program suspension, and none of these awards were lump sums for GPR-funded positions. **Therefore, for FY20, there is no request to use any of the \$2.3 million appropriation.** Attached is a report showing the \$2.3 million distribution and actual spend for FY20.

Although the pandemic created a situation where it was prudent to quickly suspend the merit pay program for FY20, we appreciate the Legislature's continued support of this program and state employees.

Sincerely,

Malika S. Evanco, Administrator
Division of Personnel Management

cc: DOA, DPM, Bureau of Classification and Compensation
DOA, Division of Executive Budget and Finance

Attachment

SUMMARY OF FISCAL YEAR 2020 DISCRETIONARY MERIT COMPENSATION (DMC) EXPENDITURES BY AGENCY

Totals:	\$ 2,299,998	\$ -	\$ 15,040	\$ 2,299,998	9
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Agency	Distribution of \$2.3 mil (GPR)	Act 150 GPR-funded DMC Awards	Other Funds Used for DMC ¹	Unused Act 150 GPR Funding	# of DMC Awards ²
Administration	\$ 13,213		\$ 4,784	\$ 13,213	1
Ag, Trade & Consumer Prot	\$ 55,265			\$ 55,265	
Bd on Aging & Long Term Care	\$ 5,971			\$ 5,971	
Child Abuse & Neglect Prev Bd	\$ -			\$ -	
Children & Families	\$ 65,404			\$ 65,404	
Commissioner of Insurance	\$ -			\$ -	
Corrections	\$ 967,297			\$ 967,297	
Educational Comm Board	\$ 6,688			\$ 6,688	
Elections Commission	\$ 6,924			\$ 6,924	
Employee Trust Funds	\$ -			\$ -	
Employment Relations Comm	\$ 1,458			\$ 1,458	
Ethics Commission	\$ 1,210			\$ 1,210	
Financial Institutions	\$ -			\$ -	
Health Services	\$ 491,548			\$ 491,548	
Higher Education Aids Bd	\$ 2,624			\$ 2,624	
Justice	\$ 91,513			\$ 91,513	
Labor & Industry Rev Comm	\$ 146			\$ 146	
Military Affairs	\$ 22,473			\$ 22,473	
Natural Resources	\$ 64,236			\$ 64,236	
Office of Credit Unions	\$ -			\$ -	
Office of the Comm of Railroads	\$ -			\$ -	
People with Dev Disabilities Bd	\$ -		\$ 3,600	\$ -	6
Public Instruction	\$ 71,805			\$ 71,805	
Public Lands Board	\$ 2,478			\$ 2,478	
Public Service Commission	\$ -			\$ -	
Revenue	\$ 275,380			\$ 275,380	
Safety & Professional Services	\$ -			\$ -	
Secretary of State	\$ -			\$ -	
State Public Defender	\$ 67,830			\$ 67,830	
Tax Appeals Commission	\$ 583			\$ 583	
Tourism	\$ 7,872			\$ 7,872	
Transportation	\$ -		\$ 6,656	\$ -	2
Veterans Affairs	\$ 2,332			\$ 2,332	
WI Historical Society	\$ 26,283			\$ 26,283	
WI Technical College System Bd	\$ 5,612			\$ 5,612	
Women's Council	\$ 292			\$ 292	
Workforce Development	\$ 43,561			\$ 43,561	

¹Includes lump sum and base pay awards. Base pay awards are multiplied by 2,080 hours for an annualized value.

²# of DMC Awards is the total count of lump sum and base pay awards from all fund sources.

Notes

All DMC awards went to classified employees, and none to any unclassified employee.

Agencies not listed because they have no eligible classified positions include the Kickapoo Reserve Management Board, Lower WI State Riverway Bd, the District Attorneys, the Governor's office, the Lieutenant Governor's office, the State of WI Investment Bd, State Fair Park, and the State Treasurer.