

PROGRAM SUPPLEMENTS

Discretionary Merit Compensation

Motion:

Move to reduce the discretionary merit compensation program appropriation under Program Supplements by \$3,700,000 GPR annually. Specify that the Department of Corrections may not request a supplement from the appropriation for the cost of discretionary merit compensation awards.

Note:

Base funding for the discretionary merit compensation program, created under 2015 Act 150, is \$6,000,000 GPR annually. Under the motion, funding for the program would total \$2,300,000 GPR annually and the Department of Corrections would be prohibited from requesting supplemental funding. Under the 2017-19 state employee compensation plan, the program provides appointing authorities (such as agency heads) the discretion to provide employees economic recognition for merit. Awards generally take the form of either a lump sum award (a bonus) or an award that increases the employees base compensation (a base building award). While appointing authorities have discretion in providing employees discretionary merit compensation awards, such awards must be made under the policy guidelines established each fiscal year by the Department of Administration's Division of Personnel Management (DPM). Further, such awards must generally be approved by DPM prior to being granted, unless DPM delegates this authority to the relevant appointing authority.

[Change to Base: -\$7,400,000 GPR]

[Change to Bill: -\$7,400,000 GPR]