November 1, 2016

Re: Background for UWM Merit Guidelines

To Whom It May Concern:

The 2015-17 State of Wisconsin Biennial Budget granted UW institutions the flexibility to award pay for meritorious service outside of an approved State of Wisconsin Pay Plan. This flexibility is distinct and separate from the merit pay component that may accompany a State of Wisconsin Pay Plan and has no impact upon its established associated policies and procedures.

Prior to 2015, UW System’s management of its classified staff was subject to rules promulgated by the Office of State of Employment Relations (OSER). For several years, UW institutions had the ability to award Discretionary Compensation Adjustments (DCAs) to a subset of classified employees pursuant to OSER’s rules. In 2011, OSER redesigned the DCA process and granted the ability to award Discretionary Merit Compensation (DMCs) and/or Discretionary Employee Retention Adjustments (DERAs) to all classified staff. OSER, however, suspended the use of DMCs and DERAs on February 5, 2015, for budgetary reasons.

On July 1, 2015, UW was granted authority to create and manage its own University Personnel System (UPS) and is no longer subject to OSER oversight or regulation. Pursuant to that authority, the Board has authorized the use of base budget funds for, among other compensation purposes, adjustments based on merit, i.e., exceptional performance. (UPS Operational Policy TC3(C)). This authorization is subject to the requirement that each institution publish guidelines on granting such adjustments.

Accordingly, Human Resources has created UWM Guidelines for Merit Pay Outside of a State of Wisconsin Pay Plan so the University has an established set of principles under which it may use the flexibility to award merit pay. While it is distinct and separate from merit pay as part of a State of Wisconsin pay plan, the same procedure will be used to award merit pay for faculty and academic staff, with the exception of the awarding/assigning of merit points. For University Staff, the process is the same as the prior process for awarding a DMC with the exception that final approval rests with the University (formerly final authority rested with OSER).

It is important to note that while the State and System have granted this compensation flexibility, funding for these compensation adjustments must come from the institutions. At UWM, funding for these compensation adjustments must come from unit/divisional funds. Considering UWM’s current budget crisis, it is likely the occurrence of awarding merit pay adjustments may be limited. However, it is important that UWM have a set of guidelines available in the instances when utilization of this flexibility is desired and/or when the budget situation improves.