



Scott Walker, Governor

Gregory L. Gracz, Director

SERVING PEOPLE
WHO SERVE WISCONSIN

June 19, 2015

Co-Chairpersons and Members of the
Joint Committee on Employment Relations
Room 113 South, State Capitol
Madison, WI 53703

Dear Co-Chairpersons and Committee Members:

In accordance with s. 230.12, Wis. Stats., I am submitting for your approval the 2015-2017 Compensation Plan with an effective date of June 28, 2015. The Compensation Plan includes pay and benefit administration for all nonrepresented and represented classified positions, except those in the public safety bargaining unit, and the following unclassified positions: elective offices, appointive executive salary group (ESG) positions, and certain non-ESG positions in the executive branch. It also includes general wage adjustment provisions applying to all of the above, except for those bargaining units that are certified at the time of the adjustment and, therefore, eligible to negotiate base wages.

The following represents a brief overview of the most significant recommendations being submitted for your consideration; with Attachment A providing a brief summary of all the substantive changes proposed. The full text of the proposal is also provided, with changes noted by underscoring and strike-through as appropriate, in Attachment B.

Note: The following changes and some pay provisions contained in this Compensation Plan are provided for in the 2015-2017 budget bill. If the bill that is enacted does not allow for the implementation of certain provisions in this Compensation Plan, those provisions will be invalid and considered deleted.

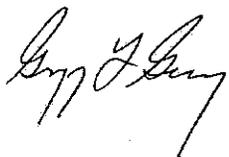
- 1. University of Wisconsin Coverage:** Various changes remove eligibility for coverage of University of Wisconsin classified employees and delete provisions specific to these employees. They will continue to be covered under the 2013-2015 Compensation Plan until their pay system is implemented.
- 2. General Wage Adjustments:** There is no General Wage Adjustment in either fiscal year. However, most employees will receive a very small increase in pay because all hourly rates will be rounded up from three decimal places to two decimal places in anticipation of STAR project implementation of PeopleSoft. The cost of this adjustment for the biennium is \$657,799 with fringe (the General Purpose Revenue portion is \$328,899 with fringe).
- 3. Market/Parity Increases:** The Plan provides for market and parity increases funded by three agencies related to unique labor market or equity issues for specific classifications.
- 4. Fire/Crash Rescue Provisions:** Various changes have been made to pay adjustments that have or could apply to Fire/Crash Rescue related positions at the Department of Military Affairs. These changes are necessary to comply with the federal limitations placed on the pay of these federally funded positions.

5. **Other Agency Funded Changes:** Two new add-ons are provided in the Plan, and various changes are made to amounts, language, and positions covered for other supplemental pay. Two add-ons are also being removed, with the amounts being added to the base pay of the employee who had received them. Two new progressions have also been created. In addition, language has been added that will allow the creation of a new pay system for Correctional Officers, Correctional Sergeants, and Youth Counselors at the Department of Corrections during the life of the Plan.
6. **Unclassified Positions:** Included for your approval is the recommended ESG level of one division administrator position in the Department of Children and Family at the ESG 4 level, the newly created Solicitor General and Deputy Solicitor General positions at the NTE ESG 5 and NTE ESG 4, respectively, and the Office of State Employment Relation's soon to be Bureau Director of Merit Recruitment and Selection at the NTE 81-01 level because effective July 1, it will no longer be a division administrator position with an ESG level set by statute.
7. **Travel Reimbursement:** Lodging rates are revised to set maximum in-state lodging rates in Milwaukee, Racine, and Waukesha counties at \$90 per night and \$82 per night in all other counties.
8. **Discretionary Merit Compensation:** Discretionary Merit Compensation (DMC) is expanded to allow employees in non-broadband classifications to receive base DMC based on retention, to allow employees in Craft related positions to receive lump sum payments for merit, and to increase the number of within range pay steps unclassified employee can receive from two to four, matching the number of steps classified employees can receive.
9. **Pay Schedules:** Significant changes to the pay schedules include, changing hourly amounts to two decimals (again in anticipation of PeopleSoft) and basing annual rates on 2080 hours instead of 2088 hours (also PeopleSoft related), creating broadband ranges for schedules 05 and 06, and increasing the spread of the schedule 90 ranges from 155% to 165%.

In addition, I request that the Committee sponsor the attached draft bill as a companion bill to the Plan. Reasons for the statutory changes are provided in the Legislative Reference Bureau Analysis of the bill.

I recommend the Committee approve the attached 2015-2017 Compensation Plan and sponsor the companion bill as proposed. I look forward to responding to any questions the Committee or its staff may have about these recommendations.

Sincerely,



Gregory L. Gracz
Director

Attachments: Attachment A: Summary of Changes
Attachment B: 2015-2017 Compensation Plan
Draft 2015 Bill LRB-2564/P2