



May 4, 2005

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 2005-2007 Compensation Plan. Positions covered by the Compensation Plan include all nonrepresented classified positions and the following unclassified positions: elective offices, appointive executive salary group (ESG) positions, and certain non-ESG positions in the executive branch.

These proposals were developed after considering recommendations from state agencies and individual nonrepresented employees, along with the utmost consideration of the fiscal challenges of the 2005-2007 biennium.

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 recommendations that will result in substantive changes. The full text of the proposal is also attached, with changes noted by underscoring and strike-through as appropriate (Attachment D).

1. **General wage adjustments:** 2.0% (non-discretionary) increases are provided effective June 26, 2005 and June 25, 2006, and a 1.0% (non-discretionary) increase is provided effective April 1, 2007.
2. **Health insurance provisions:** 2006 employee monthly contributions are frozen at the 2005 rates. 2007 employee monthly contributions are increased to reflect a projected increase in total premiums. Actual rates are provided in Attachment A as well as Section A, 5.01 of the Compensation Plan text.

Governor Jim Doyle supports the provision of health insurance coverage to domestic partners of state employees. The Governor has proposed the necessary revisions to Chapter 40, Wis. Stats., in his 2005-2007 budget to extend this important coverage to the domestic partners of employees covered by this Compensation Plan.

3. **Pay on appointment when moving from a craft-related position:** Flexibility is provided to avoid potential inequities when pay on appointment provisions are applied to employees moving from a craft position to a broadband position.
4. **Various agency funded changes.** These include increases to the Relocation Incentive Award maximum and the moving expense stipend, increases to add-ons for Dentists, Doctors, Psychiatrists, and Psychologists with doctorates, changes to certain LTE pay ranges, and increases to mileage reimbursement for use of personal automobiles, airplanes, and motorcycles.

Cost

It is estimated that the biennial cost of the General Wage Adjustment in the 2005-2007 Compensation Plan will be \$30,887,459, all funds with fringe. The General Purpose Revenue portion is approximately \$15,467,546, with fringe. A more detailed costing sheet is attached for your information (Attachment B).

In summary, I recommend the Committee approve the attached 2005-2007 Compensation Plan. I look forward to responding to any questions the Committee or its staff may have about these recommendations.

Sincerely,

Karen E. Timberlake
Director

KET:PLO

Attachments: Attachment A: Summary of Recommendations
Attachment B: 2005-2007 Compensation Plan Cost Estimate
Attachment C: Summary of Elected Official Rates for Office
Attachment D: 2005-2007 Compensation Plan

Summary of Changes for the 2005-2007 Compensation Plan

Note: References throughout the Compensation Plan to the Department of Employment Relations and its Secretary are changed to the Office of State Employment Relations and its Director, respectively.

Section A

- 2.01 and 2.02 are revised to provide General Wage Adjustments (GWAs) of 2.0% effective June 26, 2005, 2.0% effective June 25, 2006, and 1.0% effective April 1, 2007.
- 2.01 is revised to change the Personnel Commission to the Employment Relations Commission.
- 2.03 is revised to increase the maximums for Relocation Incentive Awards by 25%. The placement of virtually all nonrepresented classifications into broadband pay ranges caused the maximum award for many of these classifications to decrease.
- 2.04 is deleted to remove references to the Length of Service Payment Program.
- Various references to the Wisconsin Human Resources Handbook regarding overtime are corrected from Chapter 516 to Chapter 520.
- 4.12 is revised to increase the supplemental pay for Psychologists with doctorates by the GWA percentages and to delete obsolete language.
- 4.13 is revised to remove the table regarding the supplemental pay for attorney supervision. The supplemental pay amount remains the same.
- 4.15 is revised to increase the supplemental pay for Dentists, Doctors and Psychiatrists by the GWA percentages.
- 5.01 is revised to delete language regarding the health insurances premium contribution system that existed before the three-tier employee contribution system went into effect starting with premiums for January of 2004. It also is revised to include the monthly employee contribution rates for 2006 and 2007, as provided below. 2006 rates are identical to the 2005 rates.

<u>2006</u>			<u>2007</u>		
<u>Monthly Employee Contribution Rates</u>			<u>Monthly Employee Contribution Rates</u>		
	<u>Single</u>	<u>Family</u>		<u>Single</u>	<u>Family</u>
Tier 1	\$22.00	\$55.00	Tier 1	\$27.00	\$68.00
Tier 2	\$50.00	\$125.00	Tier 2	\$60.00	\$150.00
Tier 3	\$100.00	\$250.00	Tier 3	\$143.00	\$358.00

Section B

- 2.00 is revised to increase the rates for office of elected officials by 2.0% effective June 26, 2005, by 2.0% effective June 25, 2006, and 1.0% effective April 1, 2007.
- 3.03 is revised to recognize the elimination of several Executive Salary Group (ESG) and non-ESG positions and to correct the title of a position.
- 3.05 is revised to provide GWAs of 2.0% effective June 26, 2005, 2.0% effective June 25, 2006, and 1.0% effective April 1, 2007, to unclassified employees not serving a fixed term.

- 3.07 is revised to remove the table regarding the supplemental pay for attorney supervision. The supplemental pay amount remains the same.

Section C

- 2.00 is revised to provide General Wage Adjustments (GWAs) of 2.0% on June 26, 2005, 2.0% effective June 25, 2006, and 1.0% effective April 1, 2007.
- 2.01 is revised to change the Personnel Commission to the Employment Relations Commission.

Section D

- 4.01 is revised to correct the reference to the Wisconsin Human Resources Handbook regarding overtime from Chapter 516 to Chapter 520.
- 4.04 is revised to clarify that LTEs are only eligible for supplemental pay for hours worked.
- 6.00 is revised to change the LTE rate for five classifications due to labor market forces.

Section E

- 1.02 is revised to have a reference to the Wisconsin Human Resources Handbook corrected from Chapter 528 to Chapter 560.

Section F

- 3.01 is revised to increase the mileage reimbursement rate for use of a private aircraft to 38.5 cents per mile.
- 3.05 and 10.03 are revised to increase the mileage reimbursement rate for use of a personal automobile from 32.5 cents to 38.5 cents per mile. The amount that an employee shall reimburse the state for personal use of state-owned vehicle is also revised from 32.5 cents to 38.5 cents per mile.
- 3.05 is revised to clarify the rate of mileage reimbursement if the distance traveled is exactly 100 miles.
- 3.05 is revised to increase the mileage reimbursement rate for use of a personal motorcycle from 16.2 cents to 19.2 cents.
- 5.02 is revised to remove the tables regarding the daily lodging amounts. The daily lodging amounts remain the same.
- 10.03 is revised to increase the moving expense stipend to \$1,000. The current stipend has not been increased over the years to keep up with rise in moving expense costs.

Section G

None

Section H

- 3.00 is revised to provide correct effective dates.

Section I

- 4.04(3) is revised and 4.15 is created to provide increased flexibility in setting the pay of an employee moving from a craft-related position to a broadband position. The base pay of craft-related positions is based on prevailing rates, which can create inequities when broadband pay on appointment provisions are applied to them.
- 4.07 is revised to delete obsolete language about three year reinstatement eligibility. In the future all reinstatement eligibility will be for five years.

Section J

None

Section K

2003-2005 provisions are deleted and not reproduced to reduce printing.

Section Z

- 2003-2005 pay schedules are not reproduced to reduce printing.
- All pay ranges in Schedule 1, except for pay range 01-99, are deleted as of May 28, 2006, because there are no classifications in these ranges and any restoration rights and reinstatement eligibility based on these ranges will have expired by that date.
- All classified and GSEG pay range minimums and maximums are increased by 2.0% effective June 26, 2005, 2.0% effective June 25, 2006, and 1.0% effective April 1, 2007.
- Pay range 50-50 minimum and maximum were increased to those of the represented counterpart range before adjusting by the 2.0% effective June 26, 2005.
- Pay range 90-01 minimum is increased to keep it at the same rate as the pay range 81-01 minimum. Other ESG minimums are adjusted to keep an 8.0% difference. ESG maximums are increased to maintain a 55% spread in each pay range.

2005-07 COMPENSATION PLAN COST ESTIMATE

May 2005

SUMMARY TOTALS

<u>FISCAL</u> <u>YEAR</u>		<u>ALL FUNDS</u> <u>WITHOUT</u> <u>FRINGE</u>	<u>ALL FUNDS</u> <u>WITH FRINGE</u>	<u>GPR WITH</u> <u>FRINGE</u>	<u>OTHER FUNDS</u> <u>WITH FRINGE</u>
2005-2006	1st Year Cost	\$7,993,606	\$9,744,206	\$4,832,852	\$4,911,354
	1st Year Cost in 2nd Year	\$8,042,497	\$9,800,170	\$4,890,781	\$4,909,389
2006-2007	2nd Year Cost	\$9,305,237	\$11,343,084	\$5,743,913	\$5,599,171
Biennial Total:		<u>\$25,341,340</u>	<u>\$30,887,459</u>	<u>\$15,467,546</u>	<u>\$15,419,913</u>

2005-07 COMPENSATION PLAN COST ESTIMATE

May 2005

A) FISCAL YEAR INCREASES:

1) Nonrepresented Classified

<u>FISCAL YEAR</u>		<u>ALL FUNDS WITHOUT FRINGE</u>	<u>ALL FUNDS WITH FRINGE</u>	<u>GPR WITH FRINGE</u>	<u>OTHER FUNDS WITH FRINGE</u>
2005-2006	1st Year Cost	\$6,932,211	\$8,450,366	\$3,881,253	\$4,569,113
	1st Year Cost in 2nd Year	\$6,932,211	\$8,450,366	\$3,881,253	\$4,569,113
2006-2007	2nd Year Cost	\$7,903,041	\$9,633,808	\$4,424,808	\$5,209,000
Biennial Total:		<u>\$21,767,464</u>	<u>\$26,534,539</u>	<u>\$12,187,314</u>	<u>\$14,347,225</u>

2) Nonrepresented Unclassified

<u>FISCAL YEAR</u>		<u>ALL FUNDS WITHOUT FRINGE</u>	<u>ALL FUNDS WITH FRINGE</u>	<u>GPR WITH FRINGE</u>	<u>OTHER FUNDS WITH FRINGE</u>
2005-2006	1st Year Cost	\$519,245	\$632,960	\$290,718	\$342,241
	1st Year Cost in 2nd Year	\$519,245	\$629,325	\$289,049	\$340,276
2006-2007	2nd Year Cost	\$591,964	\$721,604	\$331,433	\$390,171
Biennial Total:		<u>\$1,630,454</u>	<u>\$1,983,888</u>	<u>\$911,200</u>	<u>\$1,072,688</u>

2005-07 COMPENSATION PLAN COST ESTIMATE

May 2005

3) Increases in Rates for Office for Constitutional Officers and State Legislators

<u>FISCAL YEAR</u>		<u>ALL FUNDS WITHOUT FRINGE</u>	<u>ALL FUNDS WITH FRINGE</u>	<u>GPR WITH FRINGE</u>	<u>OTHER FUNDS WITH FRINGE</u>
2005-2006	1st Year Cost	\$4,347	\$5,299	\$5,299	\$0
	1st Year Cost in 2nd Year	\$4,347	\$5,299	\$5,299	\$0
2006-2007	2nd Year Cost	\$130,886	\$159,550	\$159,550	\$0
Biennial Total:		<u>\$139,580</u>	<u>\$170,148</u>	<u>\$170,148</u>	<u>\$0</u>

4) Increases in Rates for Office for Justices and Judges

<u>FISCAL YEAR</u>		<u>ALL FUNDS WITHOUT FRINGE</u>	<u>ALL FUNDS WITH FRINGE</u>	<u>GPR WITH FRINGE</u>	<u>OTHER FUNDS WITH FRINGE</u>
2005-2006	1st Year Cost	\$537,803	\$655,582	\$655,582	\$0
	1st Year Cost in 2nd Year	\$586,694	\$715,180	\$715,180	\$0
2006-2007	2nd Year Cost	\$548,506	\$668,629	\$668,629	\$0
Biennial Total:		<u>\$1,673,003</u>	<u>\$2,039,390</u>	<u>\$2,039,390</u>	<u>\$0</u>

2005-07 COMPENSATION PLAN COST ESTIMATE

May 2005

5) Increases in Rates for Office for State Prosecutors

<u>FISCAL</u> <u>YEAR</u>		<u>ALL FUNDS</u> <u>WITHOUT</u> <u>FRINGE</u>	<u>ALL FUNDS</u> <u>WITH FRINGE</u>	<u>GPR WITH</u> <u>FRINGE</u>	<u>OTHER FUNDS</u> <u>WITH FRINGE</u>
2005-2006	1st Year Cost	\$0	\$0	\$0	\$0
	1st Year Cost in 2nd Year	\$0	\$0	\$0	\$0
2006-2007	2nd Year Cost	\$130,840	\$159,494	\$159,494	\$0
Biennial Total:		<u>\$130,840</u>	<u>\$159,494</u>	<u>\$159,494</u>	<u>\$0</u>

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**Summary of Recommended Elected Official Rates for Office 2005-2007
May, 2005**

Position		Current Rate for Office	Incumbent Rate	June 26, 2005 Rate for Office	June 25, 2006 Rate for Office	April 1, 2007 Rate for Office
State Treasurer	(1)	\$62,549	\$62,549	\$63,801	\$65,079	\$65,731
Secretary of State	(1)	\$62,549	\$62,549	\$63,801	\$65,079	\$65,731
Lieutenant Governor	(1)	\$69,579	\$69,579	\$70,972	\$72,394	\$73,118
State Superintendent of Public Instruction	(1)	\$107,432	\$107,432	\$111,779	\$114,015	\$115,162
Attorney General	(1)	\$127,868	\$127,868	\$130,425	\$133,033	\$134,372
Governor	(1)	\$131,768	\$131,768	\$134,403	\$137,092	\$138,470
Legislators	(2)	\$45,569	\$45,569	\$46,481	\$47,413	\$47,889
<p>(1) The "Rate for Office" becomes the incumbent's rate at the time the incumbent begins his or her term of office. Article IV, Section 26, of the Wisconsin Constitution prohibits compensation increases or decreases for incumbent Constitutional Officers during the term of office. Incumbent rates change January 2007, except State Superintendent of Public Instruction rate changes July 4, 2005.</p> <p>(2) Article IV, Section 26 of the Wisconsin Constitution prohibits increasing or decreasing the compensation of public officers during their term of office except that any increase in the compensation of members of the legislature will take effect, for all senators and representatives to the assembly, after the next general election beginning with the new assembly term.</p>						
Circuit Court Judge	(1)	\$110,249	\$110,249	\$112,456	\$114,707	\$115,855
Court of Appeals Judge	(1)	\$116,864	\$116,864	\$119,204	\$121,590	\$122,807
Supreme Court Justice	(1)	\$123,876	\$123,876	\$126,357	\$128,886	\$130,176
Supreme Court Chief Justice*	(1)	\$123,876	\$123,876	\$126,357	\$128,886	\$130,176
<p>* Supreme Court Chief Justice is paid an additional \$8,000 annually</p> <p>(1) The rate for office becomes the incumbent's rate at the time any judge or justice takes the oath of office in accordance with s. 20.923(3), Wis. Stats., and Article IV, Section 26, of the Wisconsin Constitution.</p>						

**Summary of Recommended Elected Official Rates for Office 2005-2007
May, 2005**

District Attorneys						
Prosecutorial Unit Size (as determined under 978.12(1)(a)1 Wis. Stats.)		Current Rate for Office	Incumbent Rate	June 26, 2005 Rate for Office	June 25, 2006 Rate for Office	April 1, 2007 Rate for Office
More than 500,000	(1)	\$115,705	\$115,705	\$118,021	\$120,382	\$121,587
More than 250,000 but not more than 500,000	(1)	\$104,260	\$104,260	\$106,344	\$108,472	\$109,558
More than 100,000 but not more than 250,000	(1)	\$98,790	\$98,790	\$100,767	\$102,784	\$103,814
More than 75,000 but not more than 100,000	(1)	\$98,790	\$98,790	\$100,767	\$102,784	\$103,814
More than 50,000 but not more than 75,000	(1)	\$93,858	\$93,858	\$95,737	\$97,654	\$98,631
More than 35,000 but not more than 50,000	(1)	\$93,858	\$93,858	\$95,737	\$97,654	\$98,631
More than 20,000 but not more than 35,000	(1)	\$83,451	\$83,451	\$85,120	\$86,824	\$87,692
Not more than 20,000	(1)	\$83,451	\$83,451	\$85,120	\$86,824	\$87,692

(1) Pursuant to s. 978.12(1), Wis. Stats., the rates for office for District Attorneys are reviewed and established in the Compensation Plan, in the manner set forth under s. 230.12(3), Wis. Stats. Pursuant to s. 978.12(1)(a)2., Wis. Stats., any individual appointed to fill a vacancy in the office of district attorney shall be compensated for the residue of the unexpired term at the same rate that applied to the individual who vacates the office filled by the appointee on the date the vacancy occurs. Next incumbent rate change is effective January 2007.