



STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION

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

October 29, 2021

Joint Committee on Employment Relations
Co-Chairpersons and Members
Room 113 South, State Capitol
Madison, WI 53707

Dear Co-Chairpersons and Committee Members:

In accordance with the Administrative Procedures of the Joint Committee on Employment Relations, I am writing to request that the Committee hold a meeting and public hearing regarding the 2021-23 Compensation Plan covering general employees, certain unclassified employees, and elected officials. At this meeting I will present my recommendations for the Compensation Plan in accordance with s.230.12(3), Wis. Stats.

The Comp Plan includes pay and benefit administration for all non-represented 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, except for bargaining units certified at the time of the adjustment and therefore eligible to negotiate base wages.

Following is a brief overview of the most significant recommendations being submitted for your consideration. Attachment A provides a summary of all substantive changes proposed. The full text of the proposal is provided in Attachment B, with changes noted by underscoring and strikethroughs as appropriate. A summary of the costs associated with the proposed changes are provided in Attachment C. In addition, attached for your consideration is a companion bill that aims to more completely address severe recruitment and retention problems with Corrections and Health Services security positions and professional nursing positions at multiple agencies, as well as adjust funding for education agencies in order to meet the federally mandated Maintenance of Effort requirements, and address a funding shortfall in fiscal year 2022-23 related to the pay progression at the State Public Defender and the District Attorney's Offices.

General Wage Adjustments (GWAs): There will be two GWAs of 2.0% - one in each fiscal year – effective January 2, 2022 and January 1, 2023. The GWAs will be provided for covered employees with satisfactory performance. In addition, satisfactorily performing non-represented attorneys who are eligible to receive progression adjustments according to s. 230.12(10) to (12), Wis. Stat., or Section C of the Plan are required to receive at least the 2.0% provided to each agency by the 2021-23 Biennial Budget.

Pay Administration Provisions: Sections A and E are revised to reflect the modified pay administration and pay progression provisions for Correctional Officers/Sergeants, Psychiatric Care Technicians/Advanced, and Youth Counselors/Advanced. Section A is also revised to include: a modified pay progression for Nurse Clinician 2s; a pay progression created for Nursing Assistants and Resident Care Technicians; a modified pay progression for Police and Wardens; creation of a referral bonus program for certain agencies; and continuation of the retention payments for protective service employees within the Departments of Corrections and Health Services.

Market Increases: Market increases funded by the Compensation Reserve are provided effective with the Plan to blue collar and administrative support positions as a service-based pay stratification. The Compensation Plan also provides agency-funded market and parity increases responsive to unique labor market issues or recruitment and retention needs, including, but not limited to, the engineers at the Department of Transportation, customer service positions at Employee Trust Funds, and nursing and related health care positions at multiple agencies.

Travel Reimbursement: The proposal indexes the single maximum lodging rate from \$82 to the federal standard rate, which is currently \$96 per night. The proposal also includes an increase to the reimbursable meal amounts.

Miscellaneous: Pay ranges and progression schedules are adjusted by the GWAs. Pay ranges for the higher-level medical professionals (doctors, psychiatrists, etc.) are increased to allow for more competitive hiring rates. There is a proposal to allow reimbursement for employee certifications, licenses or memberships, and a proposal to allow reimbursement of attorney bar fees.

It is estimated that the 2021-23 biennial cost of wage increases and other initiatives will be \$125.87 million, all funds, with fringe. The general purpose revenue (GPR) portion of this overall cost is \$63.68 million, with fringe. Attachment C provides detailed costing by item including the breakdown of the compensation reserve and the agency funded provisions.

Companion Bill: Given the unique and challenging labor market, there are several new initiatives being proposed for inclusion in the 2021-23 compensation plan that were not funded in the compensation reserve under Act 58 and cannot be absorbed through existing agency budgets. These large-scale initiatives address critical agency staffing needs in three agencies and would cost \$92.27 million GPR over the biennium. These funds would be appropriated in the companion bill and be distributed to agencies based on need through the pay plan supplement process. As the state continues to struggle with attracting security and nursing positions at DHS, DOC, and DVA, coupled with increasingly high vacancy rates, this investment is necessary to provide appropriate protection and care to our Wisconsin citizens. The state is currently in a more favorable financial position than during the time the Governor proposed the biennial budget, and thus in a position to address ongoing workforce needs given significant additional state revenues. As noted above, the companion bill also includes additional funding for educational agencies that is required in order for the state to meet the federally mandated Maintenance of Effort requirement. And finally, the bill includes a legislative fix to a budgeting error related to funding for the pay progression of the State Public Defenders Office and the District Attorney's Office.

Pay Plan for University of Wisconsin System and University of Wisconsin – Madison: Attachment D is the biennial pay plan request received by DPM from the Board of Regents in October of 2021 as required under s. 230.12(3)(e), Wis. Stats. Their request to JCOER is for 2.0% in FY2021-22 and 2.5% in FY 2022-23. Please note that the compensation reserve is only budgeted at 2% for each fiscal year.

Finally, I request that the Committee consider the FY 2020-21 and 2021-22 tentative collective bargaining agreements between the State of Wisconsin and the Wisconsin State Building Trades Negotiating Committee. This request is submitted in accordance with s.111.92(1)(a)1, Wis. Stats. Please be advised that the University of Wisconsin System and University of Wisconsin-Madison have also reached tentative agreements and will request consideration of those agreements by the Committee under separate request required under s.111.92(1)(a)2 and 3 respectively.

I recommend the Committee approve the attached 2021-23 Comp Plan as proposed and sponsor the attached companion budget bill. I look forward to responding to any questions the Committee or its staff may have about these recommendations.

Thank you for your attention to this request.

Sincerely,



Malika S. Evanco,
DPM Administrator

- Attachments:
- A. Summary of Changes
 - B. 2021-23 Compensation Plan
 - C. 2021-23 Compensation Plan Cost Estimate
 - D. UW System and UW Madison Pay Plan Request
 - E. Companion Bill