

Letter to Office of State Employment Relations (OSER) (renamed the Division of Personnel Management July 2015)

August 28, 2014

Gregory Gracz
Office of State Employment Relations
101 E Wilson St
Madison, WI 53702

Dear Mr. Gracz:

The Association of Career Employees has developed a list of recommendations for the 2015-2017 state employee compensation plan for which we request OSER's consideration. We would be glad to meet with OSER staff about any of these recommendations. That list follows.

Sincerely,

Sally Drew
ACE President

ACE Compensation Plan Goals 2015-2017

General Wage Adjustment (GWA)

During the last five years, state employees received one percentage pay increase 2013 and 2014. In addition increases in retirement and health insurance contributions decreased take home pay in most cases.

ACE recommends that pay increases be no lower than the Consumer Price Index (CPI). The CPI averaged 2% in 2013 and for the first six months of 2014. ACE recommends that 2% pay increases be provided in each year of the 2015-2017 biennium.

Work toward increased pay for low-income state employees

In the 2012-2013 Fiscal Year, a provision was added to pay employees earning less than \$15 per hour an increase of \$.25 over the General Wage Increase (GWA.) There were 104 classifications representing 4,542 employees who benefited from this per hour increase. The lowest base salary was \$11.40 at that time.

ACE recommends that all state employees should be paid at least \$15 per hour and recommends that the Office of State Employment Relations (OSER) continue to provide incremental increases in the pay plan to bring existing employees to that compensation level and also to set the base pay level for these classifications at \$15 per hour.

Adjustments should be made to other civil service classifications that experience compression with this increased wage for low-income employees. This will help offset the impact of across the board increases for retirement and health insurance contributions on low-income employees.

Funding for market survey adjustments identified by OSER

OSER was only able to fund 48% of the needed classification market adjustments that were identified by market studies and by departments. Only the classifications with the highest needs were compensated. ACE recommends that sufficient funding be included in the compensation plan to provide for closer to 90% of the identified needs. ACE understands that some market adjustment studies yield ambiguous results.

Pay compression between managers, supervisors and their employees

ACE long worked successfully for parity compensation for managers, supervisors, and confidential employees when there was pay compression relative to the bargaining unit contracts for those supervised. However non-represented employees fell behind before Act 10 was enacted and this has never been rectified.

Non-represented employees were not successful in obtaining the GWA of 2% that came June 7, 2009, the end of the 2007-2009 biennium, that many unions had negotiated and were unwilling to give up at the state's request. The 2% increase was removed from the non-represented pay plan and was not available in FY2009-2010. This caused pay compression between managers and supervisors and the employees they supervise.

ACE recommends that an adjustment be made to rectify this problem.

Health insurance benefits

Both higher and lower paid employees contribute toward their health insurance premiums at the same rate. In the past, ACE has pointed out that lower paid employees are at risk of losing their pay increases when premium increases exceed the General Wage Adjustment.

ACE recommends restricting increases in employee's health insurance premiums to a percentage equal to or less than the increases in the state's health insurance costs and in an amount that does not exceed the GWA for lower paid employees.

Sick leave conversion

ACE recommends preserving the current program where sick leave can be converted to health insurance and the state provides a supplement up to a specified number of hours.