



ACE Newsletter

July 2023

State of Wisconsin Budget for State Employees for 2023-2025

The state budget was signed by the Governor (with vetoes) on July 5 and was published the next day. None of the Governor's vetoes impacted state employee compensation. The Department of Administration, Division of Employment Relations will now prepare a compensation package and send it to the Joint Committee on Employment Relations, which can make significant changes. There is no predictable schedule for the Committee to act.

In preparing his veto message, Governor Evers said, "State employees are one of Wisconsin's greatest assets, providing critical and necessary services to the people of Wisconsin each and every

day. The state must be able to offer competitive pay in order to fill vacancies, retain our workforce, and provide the quality service the people of Wisconsin expect and deserve.”

The purchasing power of state employee salaries and wages has shrunk since 2010. State employee salaries and wages experienced a 19.3% net loss of purchasing power from mid-2010 through 2022. While inflation grew 31.33%, employee wages only grew by 12% between 2010 and 2022. Since 2010, employees have also had increases in employee contributions towards retirement and health insurance. Most employees can no longer effectively bargain for wages and fringe benefits since very few are represented by unions.

This budget includes:

Funding for the compensation reserves from all sources:

Fund Source	<u>2023-24</u>	<u>2024-25</u>
General Purpose Revenue	\$311,180,900	\$397,930,000
Federal Revenue	66,376,100	79,117,100
Program Revenue	116,493,800	1 38,855,000
Segregated Revenue	65,481,200	78,050,400
Total	\$559,532,000	\$693,952,500

Specific compensation items included in the budget:

- *General Wage Adjustments and Fringe Benefit Costs:* Provides \$221,132,100 GPR over the biennium for a general wage adjustment for most state employees at state agencies and the University of Wisconsin System of 4 percent in July of 2023, and an additional 2 percent in July of 2024. Fringe Benefit costs were estimated at \$43,519,200 GPR in 2023-24 and \$81,634,700 in 2024-25.
- *Market Wage and Parity Adjustments:* Provides \$4 million GPR over the biennium for targeted market and parity wage adjustments for employees within certain classifications in state agencies to better align their wages to those paid by private and other public sector employees. This adjustment will help the state remain competitive for skilled workers. This budget also provides \$1,187,500 GPR in fiscal year 2024-25 to support market wage

adjustments for employees within certain information technology-related classifications.

- *Funding to Continue Pilot Add-ons*: Provides \$34,739,700 in all funds, including \$7,019,300 million GPR, over the biennium to support the continuation of existing hourly add-ons to address critical recruitment and retention needs within specific classifications at the Departments of Administration, Corrections, Health Services, Military, Safety and Professional Services, and Veterans Affairs.
- *Compensation for Correctional Security Positions*: Provides \$291.604,000 GPR over the biennium to enhance the pay structure (minimum pay of \$33 per hour) for correctional officers, sergeants, psychiatric care technicians, and youth counselors at the Department of Corrections and the Department of Health Services to address critical recruitment and retention needs

This funding will support:

- o Increasing the minimum starting hourly wage from \$20.29 to \$33, increasing to \$39 per hour for correctional officers with 25 or more years of experience.
- o Enhancing the existing pay progression for these classifications, plus supervisor parity.
- o Converting the existing \$4 per hour add-on to the base hourly wage.
 - Department of Corrections Workforce Shortages: Provides other pay initiatives aimed at addressing the workforce shortages at the Department of Corrections, including (\$52,399,300 GPR for the biennium) to support several additional pay initiatives for correctional officers and sergeants, including:
 - o Increasing the existing add-on for employees working within maximum security institutions from \$2 to \$3 per hour
 - o Implementing a \$1 per hour add-on for employees working within medium security institutions; and
 - o Continuing the \$5 per hour add-on for correctional officers, sergeants, and agents working as

officers within institutions with vacancy rates greater than 40 percent among security classifications

- *Retention Incentive Awards*: Extends the long-term service award program for protective positions within the Department of Corrections and the Department of Health Services and provides \$545,200 in fiscal year 2023-24.
- *Pay Progression Systems*: Provides \$5,814,000 GPR over the biennium to institute a pay progression for probation and parole officers at the Department of Corrections and to modify the existing pay progressions for wardens at the Department of Natural Resources and the Wisconsin State Capitol Police for a cost of \$127,800 annually.
- *Assistant district attorneys and public defenders*: Assistant district attorneys and public defenders will receive a \$8.76 pay increase, a \$36 minimum starting salary, and a new pay-progression system. Total funding for these changes equals \$36.75 million.
- *Engineering positions in the Department of Transportation*: In addition, SEG funding would be reserved for Department of Transportation-related compensation provisions as follows: (a) for potential pay increases of up to \$5 per hour for state patrol troopers and inspectors, subject to the current law collective bargaining process, which includes approval of a negotiated agreement by the Joint Committee on Employment Relations and the Legislature, \$5,399,300 SEG annually; and (b) for a 10% increase in base pay for positions in the civil engineer-transportation classification series, structural engineer-transportation classification series, or transportation specialist classification series, or who are classified as civil engineer-transportation supervisor, DOT engineering chief, DOT technical services chief, structural engineer-transportation-supervisor, or transportation specialist supervisor, \$2,535,500 SEG annually.

With regard to the timing of base pay increases such as general wage adjustments, correctional security pay increases, market adjustments, DOT engineering pay increases, and pay progression modifications, to the extent that the implementation of the 2023-25 compensation plan would follow the planned implementation date for a provision, the intent would be for lump-sum payments to be provided to eligible employees for hours in pay status dating back to the pay period of the proposed implementation date.

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