



State of Wisconsin

LEGISLATIVE REFERENCE BUREAU


RESEARCH APPENDIX - **PLEASE DO NOT REMOVE FROM DRAFTING FILE**


Date Added To File: 05/20/2004 (Per: RAC)



Appendix To: **LRB 03-3694/1** **2003 SB-565**

(Part 01 of 11)

 The attached 2003 draft was incorporated into the new 2003 draft listed above. For research purposes, this cover sheet and the attached drafting file were copied, and added, as an appendix, to the new 2003 drafting file. If introduced this section will be scanned and added, as a separate appendix, to the electronic drafting file folder.

 This cover sheet was added to rear of the original 2003 drafting file. The drafting file was then returned, intact, to its folder and filed.



May 6, 2004

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(3)(e), Wis. Stats., I am submitting for your consideration and approval proposed revisions to the 2003-2005 compensation and benefit adjustments for University of Wisconsin System senior executives, faculty and academic staff. Included in these revisions are additions necessary to provide parity to the unclassified senior executives, faculty and academic staff, and nonrepresented graduate assistants.

FY 2003-2005

Wage Recommendations

1. A funded general wage increase of 1.0% over the 2002-2003 base payroll of the University of Wisconsin System senior executives, to be used for merit, retention, across-the-board, or other pay increases for University of Wisconsin System senior executives. The effective date shall be July 1, 2004.
2. A funded general wage increase of \$0.10 per hour over the 101.0% of the 2002-2003 base payroll, of the University of Wisconsin System senior executives, and faculty and academic staff, to be used for merit, retention, across-the-board, or other pay increases. The effective date shall be July 1, 2004.
3. The Board of Regents shall be authorized to allocate funds appropriate for University of Wisconsin System senior executives, faculty and academic staff for salary increases consistent with the criteria and effective dates as identified above.
4. The Board of Regents shall be authorized to grant a \$250.00 general wage adjustment lump sum payment (pro-rated by budgeted FTE for fiscal year 2004-05) for all University of Wisconsin faculty and academic staff employees, except nonrepresented graduate assistants and senior executives, covered by this pay plan for the 2004-05 fiscal year. The lump sum payment shall be paid as soon as administratively feasible after July 1, 2004.

5. The Board of Regents shall be authorized to grant a \$125.00 general wage adjustment lump sum payment (not pro-rated by budgeted FTE) for all University of Wisconsin nonrepresented graduate assistant employees, covered by this pay plan, effective June 27, 2004 or for the 2004-05 fiscal year. The lump sum payment shall be paid as soon as administratively feasible after the effective date.
6. Pursuant to s. 20.923(4g), Wis. Stats., I am recommending salary ranges 1 and 2 of the university senior executive salary group (SEG) be adjusted by 1.0% for the 2004-2005 fiscal year, per the attached schedule (Attachment A).
7. The Board of Regents shall be authorized to adjust the salary schedule for the academic staff by up to \$209 annually for the 2004-2005 fiscal year.

Health Insurance Provisions

I am recommending a modification to the three-tiered health insurance schedule for determining employees' monthly share of health insurance premiums, which you approved on October 16, 2003, for unclassified senior executives, faculty and academic staff. These changes are recommended as parity with nonrepresented classified and certain unclassified employees, and to the recently negotiated 2003-2005 represented employee Agreements. The following reflects the revised employee monthly contribution schedule effective with coverage for January 2004 for employees with at least a fifty percent (50%) appointment.

Calendar 2004 Employee Monthly Contribution

	<u>Single</u>	<u>Family</u>
Tier 1	\$18.00	\$45.00
Tier 2	\$47.00	\$117.50
Tier 3	\$100.00	\$250.00

Calendar 2005 Employee Monthly Contribution

	<u>Single</u>	<u>Family</u>
Tier 1	\$22.00	\$ 55.00
Tier 2	\$50.00	\$125.00
Tier 3	\$100.00	\$250.00

For nonrepresented graduate assistants, the method of determining the monthly premium contribution, which you approved on October 16, 2003, is established at fifty percent (50%) of the schedule for unclassified senior executives. Therefore, approval of the above schedule recommendation will revise the premium contribution for nonrepresented graduate assistants, accordingly.

To provide parity for part-time employees with less than a fifty percent (50%) appointment, effective with coverage for January 2004, they will be required to pay a monthly premium equal to fifty percent (50%) of the total monthly premium for the selected health provider.

On April 2, 2004, the Board of Regents of the University of Wisconsin System adopted a resolution endorsing the provision of health insurance benefits for domestic partners of all state employees, including employees of the University of Wisconsin System, provided that those benefits were funded from the compensation reserve. Due to the limits of the biennial budget and the reduction in the compensation reserve from the Governor's original proposal, funding for domestic partner health insurance benefits is not available in this biennium. Accordingly, consistent with the direction from the Board of Regents and UW System President Katharine Lyall, I am unable to request this benefit for the UW System employees covered by this compensation plan at this time. Governor Doyle and the Office of State Employment Relations support the provision of domestic partner health insurance benefits to all state employees. I look forward to working with the Legislature to provide funding for this benefit in the 2005-2007 biennium.

Cost

The estimated biennial cost of the 2003-2005 Compensation Plan modifications for University of Wisconsin System senior executives, faculty and academic staff will be \$10,891,065 all funds with fringe. The General Purpose Revenue portion is approximately \$4,920,629. A more detailed costing sheet is attached for your information (Attachment B).

I respectfully request that the Committee approve the above recommendations. I will be pleased to respond to any questions you may have about the above recommendations.

Sincerely,



Karen E. Timberlake
Director

Attachments: A: 2004-2005 SEG 1 & 2 Ranges
B: 2003-2005 Compensation Plan Amended Cost Estimate

cc: President Katharine Lyall
Board of Regents President Toby Marcovich
David Schmiedicke

Office of State Employment Relations

University of Wisconsin Senior Executive Group (SEG) Salary Ranges
SEG 1 & 2
2003-2005
(Amended May 2004)

SEG #	Senior Executive Position	Minimum	Midpoint	Maximum
2	VP - UW System	\$134,009	\$148,899	\$163,789
1	Vice Chancellors (13 institutions)	\$114,518	\$127,242	\$139,966

2003-2005 COMPENSATION PLAN COST ESTIMATE

May 06, 2004

University of Wisconsin System Senior Executive, Faculty and Academic Staff

FISCAL YEAR	All Funds Without Fringe	All Funds With Fringe	GPR With Fringe	Other Funds With Fringe
2003-2004	\$0	\$0	\$0	\$0
1st Year Cost				
1st Year Cost in 2nd Year	\$0	\$0	\$0	\$0
2004-2005	\$8,986,027	\$10,891,065	\$4,920,629	\$5,970,436
Biennial Total	<u>\$8,986,027</u>	<u>\$10,891,065</u>	<u>\$4,920,629</u>	<u>\$5,970,436</u>



May 6, 2004

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

Dear Co-Chairpersons and Committee Members:

The State of Wisconsin, represented by the Office of State Employment Relations (OSER) and the bargaining unit of the Wisconsin State Employees Union (WSEU), Professional Social Services (PSS), have completed the process of negotiating a successor contract for the 2003-2005 biennium.

Negotiations resulted in a tentative agreement which has been ratified by the membership of PSS. The Office of State Employment Relations recommends approval of the tentative agreement by the Joint Committee on Employment Relations and the Legislature.

The tentative agreement represents concessions by both parties and, if approved by the Joint Committee and by the Legislature thereafter, will enhance labor peace and stability through the remainder of the contract period to June 30, 2005.

The major provisions of the tentative agreement are:

I. Salary Adjustments

A. First Fiscal Year

No General Wage Adjustment

B. Second Fiscal Year

Effective June 27, 2004:

1. General Wage Adjustment provisions: a 1.0% general wage increase, \$.10/hour general wage increase and \$250 lump sum payment, prorated by FTE for all eligible employees.

2. Market Adjustments:

- a. Employees in pay status on this date will receive a base increase of \$0.25 per hour not to exceed a pay rate of \$13.00 per hour for employees who earn less than \$13.00 per hour. Employees who are eligible for the adjustment will receive no less than \$0.10 per hour.
- b. Employees classified as Psychologist-Licensed, in pay status on this date, will receive a pay range reassignment to 12-10.
- c. Employees classified as Psychological Services Assistant (A) and Chief Regional Psychologist, in pay status on this date, will receive a pay range reassignment to 12-05 and 12-11.
- d. Assign Social Worker-Clinical to pay range 12-09 (from Social Worker-Senior 12-07).
- e. Assign Veterans Claims Officer 1 and 2 to 12-05 and 12-06 (from Veterans Benefit Specialist 3 12-05).

Effective December 26, 2004:

- f. Employees classified as Ombudsman Services Specialist-Obj. and Medigap Insurance Specialist – Lead, in pay status on this date, will receive a pay range reassignment to 12-07.
- g. Employees in any Social Worker classification, in pay status on this date, will receive a market adjustment of \$0.20 per hour.
- h. Employees classified as Social Worker-Advanced working at the Milwaukee Bureau of Child Welfare, in pay status on this date, will receive a market adjustment of \$0.30 per hour.
- i. Employees classified as Probation and Parole Agent (A), (B) or (C) and Offender Class Specialist (A) and (B), in pay status on this date, will receive a market adjustment of \$.20 per hour.

Effective April 3, 2005:

- j. Employees classified as Unemployment Benefit Specialist 1-5, in pay status on this date, will receive a pay range reassignment to 12-05 through 12-09.

- k. Employees classified as Experiential Recreation Specialist-Obj. and Recreation Leader-Entry and Obj., in pay status on this date, will receive a pay range reassignment to 12-04 and 12-05.
- l. Employees classified as Probation and Parole Agent (A) or (B), in pay status on this date, will receive a pay range reassignment to 12-05 and 12-06.

II. Employee Benefits

- A. *Health Insurance:* Effective with coverage beginning January 2004, the 3-Tier health insurance model will be implemented for full-time employees and part time employees appointed to work at 50% time or more. Employee contribution levels will be based on the following schedule.

January 2004 through December 2004 Coverage (Monthly)

	<u>Single</u>	<u>Family</u>
Tier-1	\$18.00	\$45.00
Tier-2	\$47.00	\$117.50
Tier-3	\$100.00	\$250.00

January 2005 through December 2005 Coverage (Monthly)

	<u>Single</u>	<u>Family</u>
Tier-1	\$22.00	\$55.00
Tier-2	\$50.00	\$125.00
Tier-3	\$100.00	\$250.00

Effective with coverage for the January 2004, part-time employees appointed at less than 50% time will be required to pay 50% of the total monthly premium of the health plan for which the employee enrolls.

- B. *Personal Holiday:* Employees will receive one (1) additional paid personal holiday, effective calendar year 2004, in recognition of Veterans Day.

III. Other Key Contract Provisions

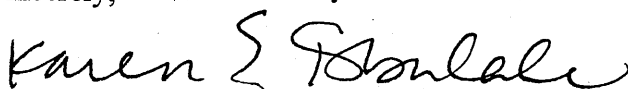
- A. *Grievance Processing:* If a grievance is denied at pre-filing, step one or step two, an explanation with the reason for denial will be included. Grievances may be held in abeyance for not more than 14 days if immediate supervisor has not been contacted. [4/2/1, 4/2/5, 4/2/6, 4/2/2]
- B. *Employee Representation:* A representative will be made available for employees regardless of the shift they work. The steward's schedule may be adjusted to allow the steward to be in pay status during hearing. An employee shall have the right to

- union representation should the employee reasonably believe a meeting with their supervisor will result in discipline. [4/8/4/B, 4/9/2/A]
- C. *Steward Training*: New stewards will be allowed a reasonable amount of time to observe current stewards during the investigation and processing of grievances. [4/8/1]
 - D. *Premium Rates*: Employees eligible to receive premium pay will continue to receive such pay. [6/3/2, PSS]
 - E. *Overtime*: Employees will receive 2 times the regular rate for all hours worked in excess of 16 consecutive hours. [6/3/6]
 - F. *Employee Benefits – Sick leave conversion*: Allows laid-off employees and insured dependents of deceased employees to convert sick leave at the premium rate to pay for health insurance coverage. Eligible employees with 15 years of service are also eligible for supplemental health insurance conversion credit. Conversion is at highest rate of pay. Defines acceptance of “other employment”. [8/14/1, 13/5/10]
 - G. *Contracting Out*: Outlines process as described in Chapter Adm 10, Wis. Admin. Code. [11/15/2, 11/15/3]
 - H. *Doctorate Add On*: Add on of 13% of the minimum for employees in the following classifications: Psychologist-Licensed, Chief Regional Psychologist, School Psychologist, School Psychologist-Senior, Psychological Associate A or B who have obtained a recognized doctoral degree in Psychology or a related field. Employees who possess a doctoral equivalent as evidenced by licensure issued by the Psychology Examining Board will also be eligible. [12/7/1]
 - I. *Class Meetings*: Employer may implement adjustments during the life of the agreement. [12/9/1]
 - J. *Military Differential Pay, Leave and Benefits*: Employees activated to serve military duty with the U.S. armed forces shall receive pay and benefits for 179 days of service in calendar year 2003. Upon completion of duty and before returning to employment, employees may use up to 160 hours of accumulated leave. [13/10/6, 13/10/7]
 - K. *Steward Activities*: The employer will take into account allowable steward activities and the union will make a good faith effort to evenly distribute steward work. [Negotiating Note #70]
 - L. *Internal Transfers*: Probation and Parole Agent vacancies shall first be offered to agents within the same work unit and city by seniority. [Negotiating Note #71]
 - M. *Transfer - between agencies*: Provides for improved transfer rights in lieu of layoff. [MOU #45]

- N. *Transfers*: Permissive transfers between Probation and Parole Agent and Social Worker classifications shall be without loss of pay. [Negotiating Note #80]
- O. *PSS Pay Progressions*: Pay progressions have been established for the following classifications in the PSS bargaining unit: Rehabilitation Case Manager [Neg. Note # 75], Recreation Leader [Neg. Note #74], Psychological Associate [Neg. Note #73], Psychological Services Assistant [Neg. Note #72], Ombudsman Services Specialist [Neg. Note #76], Medigap Insurance Specialist [Neg. Note #77], Experiential Recreation Specialist [Neg. Note #79]
- P. *Contracting Out, Chapter 16*: Employer agrees to develop a shared format to track the purchase of contracted services, coordinate the review of two contracts as identified by the union that perform the same work as performed by the union, and establish an advisory group of management and labor representatives to advise the DOA secretary on the procurement of services. [MOU #48]

The effective date of the Agreement, unless otherwise specified within the sections of the Agreement, is the day following publication in the official State newspaper. The Agreement remains in full force and effect through June 30, 2005, unless the parties mutually agree to extend any or all terms of the Agreement.

Sincerely,



Karen E. Timberlake, Director
Office of State Employment Relations

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- Attachments: 1. Fiscal Note
2. Bill Draft
3. 2003-2005 Tentative Agreement