



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873
Email: fiscal.bureau@legis.wisconsin.gov • Website: <http://legis.wisconsin.gov/lfb>

May, 2019

Joint Committee on Finance

Paper #171

Reserves for General Salary-Related Provisions (Budget Management and Compensation Reserves)

[LFB 2019-21 Budget Summary: Page 54, #1]

CURRENT LAW

For the 2017-19 biennium, all funds compensation reserves total \$6,818,700 in 2017-18 (\$3,080,500 GPR and \$3,738,200 other funds) and \$117,167,500 in 2018-19 (\$52,081,600 GPR and \$65,085,900 other funds). These funds are reserved for cost increases related to state and University of Wisconsin (UW) System employee salaries and fringe benefits. Amounts in compensation reserves in the 2017-19 biennium include funding for two general wage adjustments of 2%, both provided in 2018-19, as well as \$2,100,000 GPR annually for market wage adjustments.

GOVERNOR

Provide to compensation reserves the following amounts associated with general state employee salary-related provisions: (a) \$20,448,300 GPR (\$47,305,800 all funds) in 2019-20 and \$61,705,600 GPR (\$142,765,200 all funds) in 2020-21 intended to support a 2% general wage adjustment (GWA) for state and UW System employees on January 1, 2020, as well as another 2% general wage adjustment for state and UW System employees on January 1, 2021; (b) \$6,050,000 GPR (\$12,319,300 all funds) annually to support market wage and parity adjustments for state employees in the classified service; and (c) \$93,300 GPR (\$190,000 all funds) in 2020-21 to support an increase of minimum starting pay for all non-UW executive branch employees to \$15 per hour by January 1, 2021. Funding amounts are summarized in Table 1.

TABLE 1

GPR Compensation Reserves for General Salary-Related Provisions

	<u>2019-20</u>	<u>2020-21</u>
General Wage Adjustments	\$20,448,300	\$61,705,600
Market Wage and Parity Adjustments	6,050,000	6,050,000
Minimum Pay Increase to \$15 per Hour	<u>0</u>	<u>93,300</u>
Total	\$26,498,300	\$67,848,900

DISCUSSION POINTS

1. This paper addresses amounts budgeted under compensation reserves for general salary-related provisions not targeted to specific position classifications. Separate budget papers have been prepared for the following provisions also budgeted under compensation reserves: (a) fringe benefit cost increases, net of estimated fringe benefit cost savings under current law; (b) a pay progression system for certain correctional security positions; (c) a pay progression system for professional forensic science staff of the State Crime Labs; and (d) savings from additional health insurance opt-outs that could result from a statutory modification to an exclusion of employees who opted out of the state's health insurance coverage in 2015 from receiving annual opt-out incentive payments.

General Wage Adjustments

2. Amounts in compensation reserves include two general wage adjustments of 2% each on January 1, 2020, and January 1, 2021, for state and UW System employees. Combined, these increases represent a 4.04% general wage increase for employees over the 2019-21 biennium. With regard to the timing and amount of the pay increases, the administration indicates the dates of implementation "strike a balance between providing competitive pay increases and moderating the costs by providing the increases halfway through each fiscal year."

3. Both the Department of Administration and the UW System Board of Regents point to research by consulting firms that shows employers in general, including the educational institutions considered to be salary peers of the UW-Madison, have on average provided 3% annual wage increases over the eight years (3.0% for employees generally, 3.0% for peer institution faculty, and 2.1% for peer institution staff). Table 2 summarizes the research on pay increases presented by the administration and the Board of Regents.

TABLE 2**Comparison of Compensation Increases, 2011 - 2018**

<u>Calendar Year</u>	<u>U.S. Average Salary Budget Increases</u>	<u>Fiscal Year</u>	<u>UW-Madison salary Peers Average Compensation Increases</u>	
			<u>Faculty</u>	<u>Staff</u>
2011	2.8%	2010-11	2.5%	1.5%
2012	2.8	2011-12	2.9	2.0
2013	2.9	2012-13	2.6	1.9
2014	3.0	2013-14	3.0	2.3
2015	3.0	2014-15	3.2	2.4
2016	3.0	2015-16	3.1	2.4
2017	3.0	2016-17	3.1	2.2
2018	3.1	2017-18	3.3	2.4
 Eight-Year Average	 3.0%		 3.0%	 2.1%

4. Over a similar period, the State of Wisconsin has provided lower wage increases with less frequency. Therefore, the administration argues that general wage adjustments of 2% are recommended as "a moderate measure to maintain competitiveness" as an employer. Table 3 summarizes the general wage adjustments provided to state employees and percentage change in the consumer price index for all urban consumers (CPI-U) from 2010-11 to 2018-19 (through March, 2019).

TABLE 3**General Wage Adjustments for State Employees and CPI-U Changes, 2010-11 to 2018-19**

<u>Fiscal Year</u>	<u>General Wage Adjustment</u>	<u>Consumer Price Index Change</u>
2010-11	0.0%	2.0%
2011-12	0.0	2.9
2012-13	0.0	1.7
2013-14	1.0	1.6
2014-15	1.0	0.7
2015-16	0.0	0.7
2016-17	0.0	1.8
2017-18	0.0	2.3
2018-19	4.0	1.7
 Percent Change, FY 2010 to 2019	 6.1%	 16.4%

5. In reviewing Table 3, it should be noted that state employees may be eligible to receive salary increases separate from general wage adjustments, at the employer's discretion or the approval of the Division of Personnel Management (DPM) in DOA. For example, under the state's compensation plan certain employees may receive pay progression increases, discretionary merit compensation, equity or retention adjustments, and market wage and parity adjustments. In 2017-18, base pay and lump sum awards were provided to 5,269 state employees (out of 33,687.11 authorized positions, excluding the UW System, the Courts, and the Legislature) as discretionary merit compensation and equity and retention adjustments. Increases in salaries through discretionary merit compensation and equity and retention adjustments are approved by DPM and may be supported by a state agency through the utilization of existing resources during the biennium in which the award is made or through a supplement request. In the subsequent biennium, standard budget adjustments would provide the agency any necessary funding to support employees' updated salary and fringe benefits costs.

6. In addition, non-retirement separations from state employment have been increasing since 2011-12, from just over 6% in 2011-12 to almost 10% in 2017-18. Over the same period, Wisconsin rates of unemployment have decreased from 7.4% in 2011-12 to 3.1% in 2017-18. As unemployment rates decrease, competition for a limited supply of workers between employers increases. As of March, 2019, the unemployment rate in Wisconsin is 2.9%. Table 4 summarizes state separation rates, by retirement and non-retirement separations, and unemployment rates in Wisconsin from 2010-11 to 2017-18.

TABLE 4

State Employee Separation Rates and Unemployment Rates in Wisconsin

<u>Fiscal Year</u>	<u>State Employee Separation Rates</u>			<u>Wisconsin Rate of Unemployment</u>
	<u>Non-Retirement Separations</u>	<u>Retirements</u>	<u>Total Separations</u>	
2010-11	3.9%	6.8%	10.7%	8.1%
2011-12	6.1	4.5	10.6	7.4
2012-13	6.1	2.9	9.0	6.9
2013-14	6.8	3.1	9.9	6.1
2014-15	7.7	4.3	12.0	4.9
2015-16	9.1	4.3	13.4	4.3
2016-17	9.5	4.2	13.7	3.6
2017-18	9.7	3.9	13.6	3.1

7. The calculation of bill funding for general wage adjustments includes the base salaries of state legislators, constitutional officers, judges and justices, assistant and deputy district attorneys, assistant state public defenders, assistant and deputy attorneys general, elected district attorneys, and staff of the Legislature and the Courts. It should be noted that state legislators and elected district attorneys would become eligible for a pay increase under the Wisconsin State Constitution when assuming office in January, 2021. Elected officials qualifying for any increased salary amounts at that

time would generally be those elected in November, 2020. Additionally, constitutional officers may not receive a salary modification until the officer completes his or her current term of office. The State Superintendent would be eligible for a pay increase when assuming office in July, 2021, while other constitutional officers would be eligible for a pay increase in January, 2023. Further, it should be noted that additional funding for salary increases for assistant and deputy district attorneys and assistant state public defenders is provided separately elsewhere in the budget, and the Department of Justice is authorized under current law to utilize existing resources to support annual salary increases for assistant attorneys general under a pay progression plan. As a result, assistant and deputy district attorneys, assistant state public defenders, and assistant attorneys general would not be eligible to receive general wage adjustments. However, the administration indicates that correctional positions who would receive pay increases under a separate compensation proposal would continue to be eligible for both general wage adjustments provided for in the bill.

8. A separate provision in compensation reserves provides \$48,100 GPR (\$97,900 all funds) in 2020-21 to institute a pay progression system for the professional forensic science staff at the State Crime Labs in the Department of Justice to address recruitment and retention issues. As a result of instituting a pay progression system for crime laboratory positions, individuals in those positions would not be eligible for the second general wage adjustment. Funding for the GWA was reduced accordingly in 2020-21.

9. Several adjustments could be made to funding for the recommended general wage adjustments to reflect other provisions in the budget, in addition to the timing of eligibility for certain elected officials to receive pay increases. After accounting for timing and eligibility of employees (assistant and deputy district attorneys, assistant state public defenders, assistant and deputy attorneys general) and elected officials (state legislators, constitutional officers, and district attorneys) to be provided pay increases, it is estimated that funding needed for the two 2% general wage adjustments would be \$19,577,700 GPR in 2019-20 and \$59,672,400 GPR in 2020-21.

10. It should be noted that passage of a budget bill that includes funding in compensation reserves for pay increases would not itself effectuate a general wage adjustment for state employees or a salary increase for state elected officials. Rather, salaries for most state employees, including state elected officials, are established in the state employee compensation plan. The compensation plan, which is separate from the budget bill, is established by DPM and approved by the Joint Committee on Employment Relations (JCOER). Therefore, general wage adjustments would not be effectuated unless such increases were included in the 2019-21 state employee compensation plan prepared by DPM, and then subsequently approved by JCOER. Similarly, pay plan recommendations separately requested by the Board of Regents, UW System President, and the UW-Madison Chancellor must ultimately be approved by JCOER. The compensation plan and pay plan recommendations of the UW System are typically reviewed by JCOER in the summer of odd-numbered years. Funding is included in the budget bill to support a general wage adjustment if such an increase is anticipated in the upcoming compensation plan. If funding in the budget bill for pay increases is not approved, general wage adjustments may not ultimately be included in the state compensation plan, and pay increases for UW System employees would be limited.

11. An employee's contribution to a state agency's mission tends to increase with length of

service as an employee gains experience and expertise. With experience, the ability of these employees to handle increasing and more complicated workloads grows, and the quality of service that these employees can provide to the state and affected members of the public may also improve. Moreover, when employee turnover is reduced, agencies can minimize the resources that must be applied to the recruitment and training of new employees. Finally, in retaining qualified staff, increased compensation can be a tangible way for the state to indicate that the staff, and the work the staff performs, is valued.

12. The administration argues that not providing general wage adjustments would erode the state's ability to recruit and retain employees because it would: reduce the state's market competitiveness in a strong economy with low unemployment rates; damage the reputation of the state as an employer that respects and values its employees; cause resentment among employees who do not receive an increase and who observe significant pay adjustments for other employees in targeted occupations; and result in the continuation of increased rates of position separations.

13. In addition to the above considerations, given that other employers have provided greater average pay raises in recent years, the Committee could approve the Governor's recommendation, as reestimated, to provide \$19,577,700 GPR in 2019-20 and \$59,672,400 GPR in 2020-21 to compensation reserves for two 2% general wage adjustments on January 1, 2020, and January 1, 2021. The annual cost of the raises in 2021-22 is estimated at \$82,527,100 GPR. [Alternative A1]

14. Due to the implementation dates of the proposed increases occurring in the middle of the fiscal year, the state would not incur the full annual cost of the general wage adjustments in 2020-21. As a result, the Governor's recommendation would result in an out-year commitment. Based on the reestimates above, the cost of the wage increases during the 2021-23 biennium, less funding provided in 2020-21 that would be included as base funding in the 2021-23 biennium (also known as the out-year commitment), would be \$20,157,300 GPR in 2021-22 and \$20,171,500 GPR in 2022-23. This represents the additional cost to support the wage increases in the 2021-23 biennial budget.

15. The Committee could modify the percentage increase or the timing of the general wage adjustments for which funding is budgeted in compensation reserves. With regard to timing, for example, the Committee could provide funding to support increases at the beginning of each fiscal year rather than at the beginning of each calendar year. While supporting pay increases earlier in the fiscal year increases the costs of the provision during the 2019-21 biennium, it also reduces the out-year commitment associated with the adjustments. It should be noted, however, that a modest out-year commitment would still exist if the general wage adjustments were moved to the beginning of the fiscal year, because increases provided to elected officials (legislators and district attorneys) in January, 2021, would need to be supported on an annual basis and Constitutional officers would first become eligible for pay increases in the 2021-23 biennium. If the Committee wishes to minimize the out-year commitment, it could provide \$39,155,300 GPR in 2020-21 and \$79,826,700 in 2021-22 to fund two 2% wage increases on July 1, 2019, and July 1, 2020. The out-year commitment would be reduced to \$3,000 GPR in 2021-22 and \$17,200 GPR in 2022-23. [Alternative A2]

16. In December, 2018, the UW Board of Regents recommended that two general wage adjustments of 3% each be provided to UW System employees on July 1, 2019, and July 1, 2020. The Board of Regent's recommended pay increases are based on a comparison with compensation

practices of peer institutions, noted previously. Most of the UW System's GPR positions are funded with a combination of state GPR and tuition revenues. Historically, when the Legislature has approved salary increases for the UW System, GPR funding has been provided through to compensation reserves to fund the GPR portion of the salary increases. Prior to 2013-14, the Board of Regents could increase tuition rates to generate the tuition portion of the salary increases. However, the Board of Regents noted that the UW System tuition freeze, which has been in place since the 2013-15 biennial budget, has limited the institutions' ability to fund the tuition-funded share of pay increases. Therefore, at its December meeting, the Board of Regents additionally recommended that the pay increases for positions funded from GPR and tuition moneys be fully funded through GPR in compensation reserves. If implemented, the Board of Regents recommendation would require that additional GPR funding be provided to compensation reserves, given that the Governor's budget included raises of only 2%, provided on later dates, and only partially funded from GPR (38.45% of all UW System position funding, including federal and segregated funds).

17. It should be noted that, under a separate provision, the Governor recommended allowing the Board of Regents and the Chancellor of UW-Madison to provide supplemental pay plans in the 2019-21 biennium, in addition to the 2019-21 state compensation plan, for employees of the UW System and employees assigned to UW-Madison. Under the proposal, the Board would be prohibited from requesting supplemental funding to pay the costs of the supplemental pay plans. The Board would additionally be prohibited from requesting any funding of increases in salary and fringe benefit costs provided in these plans through the UW System agency budget request. Further, the proposal would allow the Board of Regents to allocate all or a portion of its base budget for performance based funding (\$26,250,000 GPR annually) to fund the supplemental pay plans in each fiscal year of the 2019-21 biennium.

18. The administration believes that if adjustments of less than 2% each were provided, "the state would risk further weakening of its ability to retain quality employees in an increasingly competitive labor market." However, employees would likely appreciate receiving some amount of general wage adjustment, rather than receiving no general wage adjustment. If the Committee wishes to provide a lesser amount of funding for general wage adjustments for state and UW System employees, it could consider providing: (a) \$9,788,800 GPR in 2019-20 and \$29,737,400 in 2020-21 for two increases of 1% each on January 1, 2020, and January 1, 2021 [Alternative A3]; or (b) \$19,577,700 in 2019-20 and \$39,715,700 in 2020-21 for two increases of 1% each on July 1, 2019, and July 1, 2020 [Alternative A4].

19. Table 5 identifies the following alternatives for the Committee's consideration: the Governor's recommendation to provide two 2% GWAs at the beginning of each calendar year, as reestimated [Alternative A1]; two 2% GWAs at the beginning of each fiscal year [Alternative A2]; two 1% GWAs at the beginning of each calendar year [Alternative A3]; and two 1% GWAs at the beginning of each fiscal year [Alternative A4]. For each of these alternatives, the table identifies: (a) the change to base funding, equal to total funding that would be provided to compensation reserves for the provision; (b) the change to bill during the 2019-21 biennium; and (c) the out-year commitment associated with the alternative. If the Committee takes no action, general wage adjustments will likely not be provided. [Alternative A5]

TABLE 5

GPR Cost of General Wage Adjustments for State and UW System Employees

<u>Alternative</u>	<u>Change to Base (Total Funding)</u>			<u>Change to Bill</u>			<u>Out-Year Commitment</u>	
	<u>2019-20</u>	<u>2020-21</u>	<u>2019-21 Biennium</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2019-21 Biennium</u>	<u>2021-22</u>	<u>2022-23</u>
Alternative A1 Two 2% GWAs January 1, 2020, and January 1, 2021 (Governor, reestimated)	\$19,577,700	\$59,672,400	\$79,250,100	-\$870,600	-\$2,033,200	-\$2,903,800	\$20,157,300	\$20,171,500
Alternative A2 Two 2% GWAs July 1, 2020, and July 1, 2021	\$39,155,300	\$79,826,700	\$118,982,000	\$18,707,000	\$18,121,100	\$36,828,100	\$3,000	\$17,200
Alternative A3 Two 1% GWAs January 1, 2020, and January 1, 2021	\$9,788,800	\$29,737,400	\$39,526,200	-\$10,659,500	-\$31,968,200	-\$42,627,700	\$9,979,800	\$9,985,000
Alternative A4 Two 1% GWAs July 1, 2020, and July 1, 2021	\$19,577,700	\$39,715,700	\$59,293,400	-\$870,600	-\$21,989,900	-\$22,860,500	\$1,500	\$6,700

Market Wage and Parity Adjustments

20. Funding budgeted to compensation reserves in the bill includes \$6,050,000 GPR annually for market wage and parity adjustments for classified employees. Market wage and parity adjustments exist to provide pay increases to employees within certain classifications in which recruitment and retention problems have been identified due to issues such as state salaries being below market levels. The biennial state employee compensation plan identifies the employee classifications that are eligible for market wage and parity adjustments in the relevant biennium.

21. Including funding within compensation reserves for market wage and parity adjustments would assist agencies provide these adjustments to their employees. In addition, if funding is provided in compensation reserves, DPM could expand the number of classifications that would be eligible for market wage and parity adjustments, as well as increase the level of adjustments provided, since agencies would be able to request supplemental funding to support market wage and parity adjustments.

22. The 2017-19 biennial budget included \$2,100,000 GPR annually in compensation reserves for market wage adjustments. Funding provided for this purpose has been fully utilized. Most of the market wage adjustments funded from compensation reserves were in the amounts of \$0.30, \$0.50, or \$0.70 per hour, based on job level. The administration indicates that providing these adjustments helped prevent the state from falling further behind market wages. Due to limits on available funding, market wage adjustments were prioritized to classifications which were identified

as having wages more than 25% below market rates in Wisconsin, as well as to specific recruitment and retention challenges identified by agencies as high priority.

23. The Division of Personnel Management believes additional funding would greatly assist in addressing continued market wage and parity adjustment needs that exceed the amount of previously provided funds. Occupational areas that could be targeted through the 2019-21 compensation plan with additional funds include: professional social services, administrative support, blue collar professions, skilled technicians, professional science, and professional education. If less funding is provided for this purpose, the targeted professions may need to be prioritized (not necessarily in the order listed above).

24. The administration believes that a reduction in the recommended funding of \$6,050,000 GPR annually would result in further increases in position separations, additional costs to recruit and train new employees, and a reduction in quantity and quality of work due to inexperience. Further, DPM indicates that while a number of agencies with positions funded from sources other than GPR may be able to provide market wage and parity adjustments through existing resources, agencies with positions funded from GPR may be at a disadvantage without a source of supplemental funding, creating inequities between agencies funded from GPR and agencies funded from other sources.

25. Providing for market wage and parity adjustments allows the state to compete as an employer with the private sector and other units of government in recruiting and retaining qualified employees. With more experienced and qualified staff, the services the state provides to Wisconsin may improve, and those services may be provided in a more efficient and effective manner. Finally, with greater recruitment and retention efforts, the state can minimize the resources that must be allocated toward the recruitment and training of new staff. In recognition of these considerations, the Committee could approve the Governor's recommendation to include \$6,050,000 GPR annually in compensation reserves for market wage and parity adjustments. [Alternative B1]

26. Alternatively, the Committee could provide a reduced level of funding in compensation reserves for market wage and parity adjustments. As noted previously, in the 2017-19 biennium, \$2,100,000 GPR annually is provided to compensation reserves for market wage adjustments. The Committee could provide: (a) \$5,000,000 GPR annually [Alternative B2]; (b) \$4,000,000 GPR annually [Alternative B3]; (c) \$3,000,000 GPR annually [Alternative B4]; or (d) \$2,000,000 GPR annually [Alternative B5].

27. If the Committee takes no action and funding is not provided for market wage and parity adjustments in compensation reserves, DPM could still propose market wage and parity adjustments for certain classifications in the 2019-21 compensation plan, to the extent such adjustments could be supported with the agencies' existing resources. [Alternative B6] For agencies that are not able to support market wage and parity adjustments with existing resources, market wage and parity adjustments would be awarded at a lower level or to a fewer number of position classifications, or both. Further, when market wage and parity adjustments are proposed for certain classifications, funding generally must be available for adjustments at all agencies that employ positions in that classification. This prevents an employee in a classification at one agency from earning a different salary than another employee with the same classification at a separate agency, which could create equity issues. The need for funding availability across all agencies with similar classifications can

present a barrier in providing certain classifications market wage and parity adjustments.

Minimum Pay for State Employees

28. The Governor recommends increasing minimum pay for state employees in the executive branch (not including the UW System) to \$15 per hour. The bill does not include language to accomplish this goal. Rather, the increase would be included through language in the state compensation plan for the 2019-21 biennium. The administration estimates that approximately 410 permanent employees (approximately 1.4% of permanent employees overall) currently earn less than \$15 per hour. The administration argues that "employees that work full-time for the state deserve a wage rate that allows them to meet basic housing and living expenses with minimal need for public or charitable assistance."

29. The proposal is planned for implementation in January, 2021. The implementation date is based, in part, on anticipated market wage and parity adjustments for which many employees earning less than \$15 per hour would be eligible, as well as the proposed general wage adjustments that would occur in January, 2020, and January, 2021. These increases to employees' base wages would reduce the amounts by which employee pay would need to be increased in order to reach a minimum of \$15 per hour. Based on the administration's argument that the lowest-paid state employees should be better compensated to meet basic living expenses, the Committee could approve the Governor's recommendation to provide \$93,300 GPR (\$190,000 all funds) in 2020-21 to support an increase of minimum starting pay for all non-UW executive branch employees to \$15 per hour by January 1, 2021. [Alternative C1]

30. If the Committee takes no action with regard to the proposal to fund a minimum pay increase to \$15 per hour, the provision may or may not be included in the compensation plan. [Alternative C2] While the cost to implement the minimum pay increase proposal appears to be relatively modest, the administration indicates that some agencies may have difficulty providing the increases without a pay plan supplement. If funding is made available for this purpose in compensation reserves, agencies may request funding for this purpose through the supplemental pay process. However, if funding is not provided to compensation reserves for this purpose, agencies may be required to fund such increases in minimum pay for employees within their appropriated budgets, and could have difficulty doing so.

ALTERNATIVES

A. General Wage Adjustments

1. Approve the Governor's recommendation, as reestimated, to provide \$19,577,700 GPR in 2019-20 and \$59,672,400 GPR in 2020-21 to compensation reserves for two general wage adjustments of 2% each on January 1, 2020, and January 1, 2021, for state and UW System employees.

ALT A1	Change to	
	Base	Bill
GPR	\$79,250,100	- \$2,903,800

2. Modify the proposal to provide \$39,155,300 GPR in 2020-21 and \$79,826,700 in 2021-22 to fund two 2% wage increases on July 1, 2019, and July 1, 2020.

ALT A2	Change to	
	Base	Bill
GPR	\$118,982,000	\$36,828,100

3. Modify the proposal to provide \$9,788,800 GPR in 2019-20 and \$29,737,400 in 2020-21 for two 1% wage increases on January 1, 2020, and January 1, 2021.

ALT A3	Change to	
	Base	Bill
GPR	\$39,526,200	- \$42,627,700

4. Modify the proposal to provide \$19,577,700 in 2019-20 and \$39,715,700 in 2020-21 for two increases of 1% each on July 1, 2019, and July 1, 2020.

ALT A4	Change to	
	Base	Bill
GPR	\$59,293,400	- \$22,860,500

5. Take no action.

ALT A5	Change to	
	Base	Bill
GPR	\$0	- \$82,153,900

B. Market Wage and Parity Adjustments

1. Approve the Governor's recommendation to provide \$6,050,000 GPR annually in compensation reserves for market wage and parity adjustments.

ALT B1	Change to	
	Base	Bill
GPR	\$12,100,000	\$0

2. Modify the proposal to provide \$5,000,000 GPR annually for market wage and parity adjustments.

ALT B2	Change to	
	Base	Bill
GPR	\$10,000,000	- \$2,100,000

3. Modify the proposal to provide \$4,000,000 GPR annually for market wage and parity adjustments.

ALT B3	Change to	
	Base	Bill
GPR	\$8,000,000	- \$4,100,000

4. Modify the proposal to provide \$3,000,000 GPR annually for market wage and parity adjustments.

ALT B4	Change to	
	Base	Bill
GPR	\$6,000,000	- \$6,100,000

5. Modify the proposal to provide \$2,000,000 GPR annually for market wage and parity adjustments.

ALT B5	Change to	
	Base	Bill
GPR	\$4,000,000	- \$8,100,000

6. Take no action.

ALT B6	Change to	
	Base	Bill
GPR	\$0	- \$12,100,000

C. Minimum Pay for State Employees

1. Approve the Governor's recommendation to provide \$93,300 GPR (\$190,000 all funds) in 2020-21 to support an increase of minimum starting pay for all non-UW executive branch

employees to \$15 per hour by January 1, 2021.

ALT C1	Change to	
	Base	Bill
GPR	\$93,300	\$0

2. Take no action.

ALT C2	Change to	
	Base	Bill
GPR	\$0	- \$93,300

Prepared by: Rachel Janke