



**WISCONSIN DEPARTMENT OF
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To All State Employees:

This morning a proposed new Compensation Plan was submitted to the Legislature's Joint Committee on Employment Relations (JCOER). Later today you will receive a letter from Gregory Gracz, Director of the Office of State Employment Relations (OSER), which will provide direction on where you can obtain additional information. I wanted to reach out to you in advance for several reasons.

First, while respecting OSER's obligation to provide the Plan to JCOER first, I wanted to make every effort to ensure you heard about the Plan as early as possible. I feel strongly about how important it is to communicate with you in as timely and complete a manner as possible.

Second, the Compensation Plan was developed taking into consideration the commitment the Governor made to maintain base pay and earned benefits under the new Plan. While there have been many rumors associated with this new Compensation Plan, I believe you will see little has changed in the proposed Plan. Items like base pay, vacation, holidays, sick leave, and sick leave conversion credits remain largely unchanged. The vast majority of add-ons and differentials that were in the prior Compensation Plan for nonrepresented employees, as well as many of those that were included in the various union contracts, remain the same.

Third, while much remains the same there are things that will change in an effort to reform the current system. While the majority of pay and benefit-related provisions from former contracts were incorporated into the Compensation Plan, there are many contract provisions that were not. These changes relate primarily to day-to-day agency operations, which we must conduct in the most effective and efficient manner possible. Overtime is one of the major areas that will be affected as agencies will now have discretion in determining how overtime is assigned. In addition, payment for overtime will be calculated in accordance with federal law which will impact how many employees are compensated for these additional hours. Another change is the addition of Discretionary Merit Compensation, which will be similar in nature to the Discretionary Compensation Adjustments of the past but, as the name implies, will focus on rewarding outstanding performance. We have talented professionals working for the State of Wisconsin who do great things – we will now have a way to recognize them appropriately.

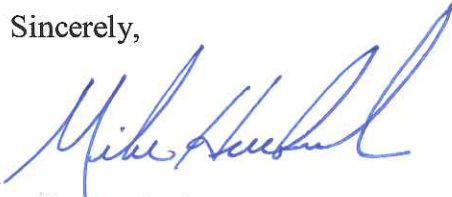
Fourth, this is a process. OSER submitted a proposed Plan to JCOER and that Plan must be approved before it can be implemented effective January 1, 2012. As promised, the governor has requested that any vote on the Plan take place no sooner than ten days from today so members of the Committee have ample time to

gather public input. Once approval has been secured, your agency leadership will be able to provide further details and answer questions about what the changes will mean. In the interim, the proposed Compensation Plan will be on OSER's website, along with a variety of reference documents that you can review that will likely answer many of your initial questions. In order to ensure that all employees are aware that these resources are available, please feel free to share this letter with any fellow state employees you believe may not have received this communication.

As a state employee myself, I understand that this has been a time of significant change for all of us. I understand that some employees may feel this is a challenging time in our history. Please know that each agency's leadership will be working with you to ensure you understand the upcoming changes and how they will affect your position with the State of Wisconsin.

Lastly, on behalf of the Governor and myself, I want thank you for the hard work you and your fellow state employees do every day to make Wisconsin a great place to live and work.

Sincerely,



Mike Huebsch
Secretary