

**From:** ACE - Association of Career Employees  
**To:** [Paul](#)  
**Subject:** Here is you May Newsletter from ACE  
**Date:** Thursday, May 4, 2017 9:52:10 AM

**Here is Your ACE Newsletter!**

Is this email not displaying correctly?  
[View it in your browser.](#)



# ACE Newsletter

A Periodic Publication of Wisconsin's Association of Career Employees

## May 2017

By Sally Drew, President

*The Joint Committee on Finance began meeting this week on the State Budget deliberations. So far the committee schedule through May 9 has not listed Employee Trust Funds as being considered, so it is still unknown how soon any further discussion of either employee compensation or self-insurance will take place.*

*If you are concerned about either of these, ACE strongly suggests that you contact your Assembly and Senate representatives soon. This newsletter includes ACE letters to the Joint Committee on Finance on state employee compensation and state employee health*

insurance. In addition, the Group Insurance Board letter to the Joint Committee on Finance concerning state employee health insurance is included for your reference.

## State Employee Compensation:

The Honorable Alberta Darling, Co-Chair  
Joint Committee on Finance  
317 East, State Capitol  
Madison, WI 53701

The Honorable John Nygren, Co-Chair  
Joint Committee on Finance  
309 East, State Capitol  
Madison, WI 53701

Dear Co-chairs Nygren and Darling:

The 2017-2019 Budget addresses state employee compensations as follows:

Provide funding for expected inflation in fringe benefits costs in each year and funding in fiscal year 2018-19 for general wage adjustments of 2 percent on both September 30, 2018, and May 26, 2019, for state employees in the compensation reserve. Lapse an anticipated \$30,000,000 GPR in savings to the general fund after the Joint Committee on Finance approves the execution of the contract to self-insure healthcare costs for state employees.

The Association of Career Employees urges the Joint Finance Committee to approve the funding for 2% general wage adjustment for 2018 and 2019 regardless of any action taken on the self-insurance proposal and related proposals for state employee health insurance. State employees have only received 2% in increased compensation since 2009 (1% on June 30, 2013 and 1% on June 29, 2014). Between July 2009 and March 2017, the Consumer Price Index has risen by 13.2%.

State employees should receive modest adjustments in compensation to protect the ability to recruit and maintain talented employees. State employee salaries and fringe benefits have been eroded over the last decade, and the ACE Board is glad to see that this increase has been included in the Governor's budget and urges the Joint Committee on Finance to support these increases. In addition, these increases should not be held hostage to dubious plans for saving funds related to changes in state employee health insurance.

If the Joint Committee on Finance approves the ETF proposal for self-insurance/regionalization, **which we urge the Joint Committee on Finance to reject**, we also recommend that there be a delay in the lapse of funding until it is clear that the savings from self-insurance will actually materialize.

Sincerely,  
Sally Drew  
President, Association of Career Employees

## State Employee Health Insurance:

The Honorable Alberta Darling, Co-Chair  
Joint Committee on Finance  
317 East, State Capitol

The Honorable John Nygren, Co-Chair  
Joint Committee on Finance  
309 East, State Capitol

Madison, WI 53701

Madison, WI 53701

Dear Co-chairs Nygren and Darling:

The Association of Career Employees (ACE) remains very concerned about the scope of the changes in the state employee health insurance program. Having watched the Joint Committee on Finance hearing, we understand that Joint Committee on Finance members have some skepticism about the self-insurance portion of the plan and that you have the most control on this portion. ACE shares your concern as to whether Employee Trust Funds can guarantee that when implemented, claims and other costs will not exceed the amount budgeted for the self-insurance reserve. If there are cost overruns, we fear that other needed programs would be cut or that state employee compensation will be further decreased. ACE asked for information about where the savings came from for the three-year contract period, but was unable to get additional data from Employee Trust Funds beyond the 40% administrative cost savings and the 60% amount due to decreased claims and discounts. Presumably that cost information is part of the RFP responses and will be included in the contracts. We request that when the contracts are brought to the Joint Committee on Finance, that you make every effort to verify that the savings are locked in as claimed and will really materialize.

ACE also remains concerned that this transition will cause disruption to provider services and that state employees and their families will not be able to use the providers that they currently have. Since ETF has made so many program changes involving regionalization and other aspects, it is not clear that they can easily backtrack in a way that insures that current providers will be included whether the program is self-insured or fully insured. Once the contracts are presented to the Joint Committee on Finance, we urge you to verify that the primary quality providers are still all available to state employees.

Given the uncertainty as to whether the “Cadillac tax” under the Affordable Care Act will ever be imposed; the probability of negative impact to state employees and retirees; and the proposal’s negative impact on what is now a competitive and cost-effective health insurance market in Wisconsin, ***we request that Joint Committee on Finance deny permission to Employee Trust Funds*** to go ahead with the self-insurance/regionalization proposal.

Although it may not be part of the Joint Committee on Finance budget process, ACE also has concerns about the amount of data that will be collected through the Well Wisconsin Program with StayWell and the data warehouse contract with Truven. We are concerned with how much data is being collected and how it could be used in the future.

Sincerely,  
Sally Drew  
President, Association of Career Employees

**Group Insurance Board letter to the Joint Committee on Finance concerning state employee health insurance is [HERE](#).**

[forward to a friend](#)

*Copyright © 2017 Association of Career Employees*

CONTACT: [ace@wiscow.com](mailto:ace@wiscow.com) /  
608.848.9008

**Our mailing address is:**

ACE, P.O. Box 44578  
Madison, WI 53744

[unsubscribe from this list](#) | [update subscription preferences](#)