

**1999 DRAFTING REQUEST**

**Assembly Amendment (AA-ASA1-AB133)**

Received: 06/22/99

Received By: champra

Wanted: Soon

Identical to LRB:

For: Senate Democratic Caucus

By/Representing: Walter

This file may be shown to any legislator: NO

Drafter: champra

May Contact:

Alt. Drafters:

Subject: **Employ Pub - employe benefits**

Extra Copies:

**Pre Topic:**

SDC:.....Walter - Caucus #1815,

**Topic:**

Payment of health insurance premiums for UW faculty and staff

**Instructions:**

See Attached.

**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	champra 06/22/99	jgeller 06/22/99		_____			
/1			martykr 06/23/99	_____	lrb_docadmin 06/23/99		

FE Sent For:

<END>

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1?	champra	11/6/22 JLG	Am 6/23	J.F. 6/23			

FE Sent For:

<END>

yes

SDC

**Agency: University of Wisconsin System**

caucus number 1808

duplicate flag:  
duplicate with:

Other reference numbers: Paper 988 alt d1	LFB Sum #:
bill number/amendment number:	
LRB draft #	LRB P-draft:

description: Restore \$150,000 in UW for international business development initiatives. Paper #988, Alternative D1.

**other notes**

drafting instructions: See above and attached

more instructions:

caucus number 1815

duplicate flag:  
duplicate with:

Other reference numbers:	LFB Sum #:
bill number/amendment number: SB 3	
LRB draft #	LRB P-draft:

description: First day pick of health insurance for new UW System employees. Senate approved SB 3 on a 28-5 voice vote.

**other notes Modifications to above: SB 3 as passed by Senate including SA 1**

drafting instructions: See above and attached

more instructions:

caucus number 2807

duplicate flag:  
duplicate with:

Other reference numbers:	LFB Sum #:
bill number/amendment number:	
LRB draft #	LRB P-draft:

description: \$1 million to UW-Madison Institute for Environmental Studies, to establish the Gaylod Nelson Chair in Integrated Environmental Studies, to be matched by private money.

**other notes**

drafting instructions: See above

more instructions:

caucus number 3206

duplicate flag: y

duplicate with: 3628, 3822,  
1525

Other reference numbers: Paper 996	LFB Sum #: page 871
bill number/amendment number:	
LRB draft #	LRB P-draft:

description: Provides increases recommended by the Gov for the Precollege programs

**other notes**

drafting instructions: See above and attached

more instructions:

SENATE BUDGET AMENDMENT

Agency name: UW

CN 1815

**Related Fiscal Bureau papers and motions:**

**Description:** Include language from Senate Bill 3, relating to first day pick of health insurance for new UW System employees. The Senate has approved SB 3 on a 28-5 vote. It is currently in Assembly Rules. It is important to enact this legislation at this time to assist them in the recruiting efforts for the upcoming school year.

**Fiscal effect:** No increase, University will reallocate base resources to fund this benefit.

**Attachments:** Senate Bill 3, fiscal notes, letters from President Lyall confirming their willingness to fund this internally.

SB3 AS PASSED BY SENATE  
(inc. SA 1)



State of Wisconsin  
1999 - 2000 LEGISLATURE

LRB-0903/1  
RAC:cmh&jlg:km

## 1999 SENATE BILL 3

January 20, 1999 – Introduced by Senators GROBSCHMIDT, ROESSLER, ERPENBACH, HUELSMAN, BAUMGART, BURKE, RUDE, RISSER, PLACHE, CLAUSING, MOEN, DARLING, PANZER and SCHULTZ, cosponsored by Representatives ALBERS, KREIBICH, SCHNEIDER, BOCK, BRANDEMUEHL, J. LEHMAN, POCAN, TURNER, BOYLE, BLACK, PLALE, MEYER, MILLER, COLON, GOETSCH, CARPENTER, KREUSER, SYKORA and POWERS. Referred to Committee on Education.

1 **AN ACT to amend** 40.02 (25) (b) 1. and 40.05 (4) (a) 2.; and **to create** 40.02 (25)  
2 (b) 1m. of the statutes; **relating to:** payment of health insurance premiums for  
3 University of Wisconsin System faculty and certain administrative staff.

---

### *Analysis by the Legislative Reference Bureau*

Under current law, any state employe who is covered by the Wisconsin retirement system is eligible for coverage under the state employes group health insurance program on the first day of the month immediately after the employe submits an application for coverage if the application is submitted within the first 30 days after being hired. If the state employe is a member or employe of the legislature, a state constitutional officer, a justice of the supreme court, a court of appeals judge, a circuit judge, the chief clerk or sergeant at arms of the senate or assembly or an insured crew leader employed by the Wisconsin conservation corps board, he or she is immediately eligible for employer contribution towards the premiums. All other state employes are ineligible for employer contribution towards group health insurance premiums during the first six months of employment.

This bill makes University of Wisconsin System faculty and certain administrative staff immediately eligible for employer contribution towards group health insurance premiums.





State of Wisconsin  
1999 - 2000 LEGISLATURE

LRBa0415/1  
RAC:kmgjf

SENATE AMENDMENT 1,  
TO 1999 SENATE BILL 3

May 18, 1999 - Offered by Senator COWLES.

1 At the locations indicated, amend the bill as follows:

2 1. Page 2, line 1: before that line insert:

3 "SECTION 1c. 20.928 (1m) of the statutes is created to read:

4 20.928 (1m) Notwithstanding sub. (1), the board of regents of the University  
5 of Wisconsin System may not include in any certification to the department of  
6 administration under sub. (1) any sum to pay the costs resulting from employer  
7 contributions for the payment of health insurance premiums for any teacher  
8 described under s. 40.02 (25) (b) 1m., for coverage before the first day of the 7th month  
9 beginning after the teacher begins employment with the state."

10 2. Page 2, line 1: delete "SECTION 1" and substitute "SECTION 1r".

11 (END)



**The University of Wisconsin System**

Office of the President  
1720 Van Hise Hall, 1220 Linden Drive  
Madison, Wisconsin 53706-1559  
Tel (608) 262-2321 Fax (608) 262-3985  
E-mail: klyall@ccmail.uwsp.edu

563

February 22, 1999

Representative Sheryl Albers  
Wisconsin State Assembly  
127 West, State Capitol  
P.O. Box 8952  
Madison, WI 53708

*File*

Dear Sheryl:

I am very pleased to learn that you may be interested in reintroducing a bill this session that would enable the UW System institutions to pay the state share of health insurance premiums for new unclassified UW employees for the first 6 months. As you know, this 6-month waiting period is unique to Wisconsin. Virtually none of the other universities with whom we compete for faculty and staff have this wait for health insurance coverage. As the UW System works hard to recruit new faculty to replace those who are retiring over the next several years, it would be very helpful for us to be able to eliminate this competitive barrier.

We have said that UW institutions would reallocate base resources to fund the costs of this benefit. This remains true; however, should the legislature ultimately fund first-day pick up of health insurance for classified and other state employees, the UW System would seek parallel treatment for our employees.

Again, I am most appreciative of your continuing interest in helping the UW System compete effectively for the next generation of faculty and staff.

Sincerely,

Katharine C. Lyall  
President

cc: Ed Muzik



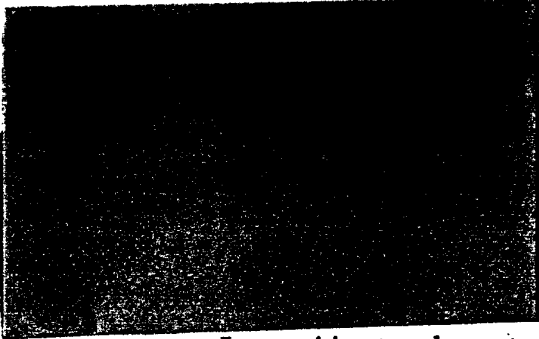


## The University of Wisconsin System

### Office of the President

1720 Van Hise Hall, 1220 Linden Drive  
Madison, Wisconsin 53706-1559  
Tel (608) 262-2321 Fax (608) 262-3985  
E-mail: klyall@ccmail.uwsa.edu

May 17, 1999



I am writing to ask you to vote in favor of Senate Bill 3, which eliminates the six-month waiting period for health insurance coverage for new University of Wisconsin System employees.

The delay in employer contributions for health insurance immediately upon hire is a serious impediment to recruitment of faculty and academic staff. This is because all the Big Ten states, except Wisconsin, provide health insurance coverage beginning with the first day or within the first month, as do most public universities and large private sector employers.

The vast majority of new faculty and academic staff we are recruiting are currently in positions with benefits or considering other offers with immediate benefits. For a family assuming a new position with the UW System, the cost of purchasing group health insurance coverage is prohibitive: \$458 to \$814 per month.

Our chancellors, deans, and department chairs who are on the frontlines in recruiting tell us that as health care costs continue to rise, more staff are concerned about having this coverage prior to accepting a position. In fact, this is so important that they are prepared to cover the cost from their base budgets. The recruitment of the best and brightest faculty and academic staff is an increasing challenge in a period of a high rate of retirements and increased competition from other institutions and the private sector. Competitive benefits as well as competitive compensation are critical to the university's ability to hire new faculty and academic staff in coming years.

I urge you to vote in favor of this legislation. Please contact my staff or me if you have any questions or need additional information. Thank for your consideration of this important element in preserving quality at UW System institutions.

Sincerely,

Katharine C. Lyall  
President

1999 Session

FISCAL ESTIMATE  
DOA-2048 (R10/94)

ORIGINAL       UPDATED  
 CORRECTED       SUPPLEMENTAL

LRB or Bill No./Adm. Rule No.  
LRB 0903/1      SB 3  
Amendment No. if Applicable

Subject  
Payment of Health Insurance Premiums for UW System Faculty and Staff

Fiscal Effect

State:  No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

Increase Costs - May be possible to Absorb Within Agency's Budget  Yes  No

Increase Existing Appropriation       Increase Existing Revenues  
 Decrease Existing Appropriation       Decrease Existing Revenues  
 Create New Appropriation

Decrease Costs

Local:  No local government costs

1.  Increase Costs  
     Permissive       Mandatory  
2.  Decrease Costs  
     Permissive       Mandatory

3.  Increase Revenues  
     Permissive       Mandatory  
4.  Decrease Revenues  
     Permissive       Mandatory

5. Types of Local Governmental Units Affected:  
 Towns       Villages       Cities  
 Counties       Others \_\_\_\_\_  
 School Districts       WTCS Districts

Fund Sources Affected

GPR    FED    PRO    PRS    SEG    SEG-S

Affected Ch. 20 Appropriations

Assumptions Used in Arriving at Fiscal Estimate

Current law prohibits employer contribution for health insurance premiums during the first six months of employment for faculty, academic staff and most other state employees. Members and employees of the legislature, certain judges, certain employees of the Wisconsin Conservation Corps, and the chief clerk and sergeant at arms of the Senate and Assembly receive the employer contribution immediately upon hire. Although all new employees are eligible for health insurance immediately, most, including faculty and academic staff, must either pay the full cost of coverage for six months or delay coverage until the seventh month when the employer contribution becomes effective. This delay in the employer contribution places the UW System at a disadvantage in recruiting new faculty and academic staff and treats newly hired faculty and staff differently from the categories of employees named above.

LRB 0903/1 would make newly hired University of Wisconsin System faculty and academic staff eligible for the employer contribution to health insurance coverage immediately upon hire. Calculation of the fiscal impact of LRB 0903/1 includes: (1) the cost of health insurance benefits for a six-month period, and (2) the number of new faculty and academic staff hires per year who actually elect coverage. Based on 1998 premiums in Dane County, the average six-month cost for HMO coverage for new hires is \$3,348 for family coverage and \$1,344 for single coverage. The number of new faculty and academic staff hires per year is estimated to be 1,499.

Based on the assumptions noted above, LRB 0903/1 would increase costs for the UW System by \$4,177,500 (of which \$2,633,900 is GPR/Fees) annually. The UW System would absorb these costs.

Long-Range Fiscal Implications

Agency/Prepared by: (Name & Phone No.)

University of Wisconsin System

Authorized Signature/Telephone No.



Date

2-6423

1/13/99

**FISCAL ESTIMATE WORKSHEET**

**1999 Session**

Detailed Estimate of Annual Fiscal Effect  
DOA-3047 (R10/94)

ORIGINAL     UPDATED  
 CORRECTED     SUPPLEMENTAL

LRB or SB No./Adm. Rule No.	Amendment No.
LRB 0903/1    SB 3	

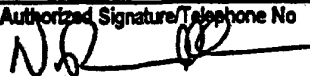
subject  
Payment of Health Insurance Premiums for UW System Faculty and Staff

**I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):**

II. Annualized Costs:	Annualized Fiscal Impact on State funds from:	
	Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>		
State Operations - Salaries and Fringes	\$4,177,500	\$ -
(FTE Position Changes)	( FTE)	(- FTE)
State Operations - Other Costs		-
Local Assistance		-
Aids to Individuals or Organizations		-
<b>TOTAL State Costs by Category</b>	<b>\$4,177,500</b>	<b>\$ -</b>
<b>B. State Costs by Source of Funds</b>		
GPR	\$1,821,900	\$ -
FED	676,300	-
PRO/PRS	1,679,300	-
SEG/SEG-S		-
<b>III. State Revenues -</b> Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)	<b>Increased Rev.</b>	<b>Decreased Rev.</b>
GPR Taxes	\$	\$ -
GPR Earned		-
FED		-
PRO/PRS		-
SEG/SEG-S		-
<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$ -</b>

**NET ANNUALIZED FISCAL IMPACT**

	STATE	LOCAL
NET CHANGE IN COSTS	\$ 4,177,500	\$ _____
NET CHANGE IN REVENUES	\$ _____	\$ _____

Agency/Prepared by: (Name & Phone No.) University of Wisconsin System	Authorized Signature/Telephone No.  2-6423	Date 1/13/99
--	---	-----------------

1999

Date (time) needed soon

LRB b 0939, 1

**CAUCUS BUDGET AMENDMENT  
[ONLY FOR CAUCUS]**

RAC:jlg

See form **AMENDMENTS — COMPONENTS & ITEMS.**

**CAUCUS AMENDMENT  
TO ASSEMBLY SUBSTITUTE AMENDMENT 1  
TO 1999 ASSEMBLY BILL 133**

>>FOR CAUCUS SUPERAMENDMENT — NOT FOR INTRODUCTION<<

At the locations indicated, amend the substitute amendment as follows:

#. Page . . . . , line . . . . :

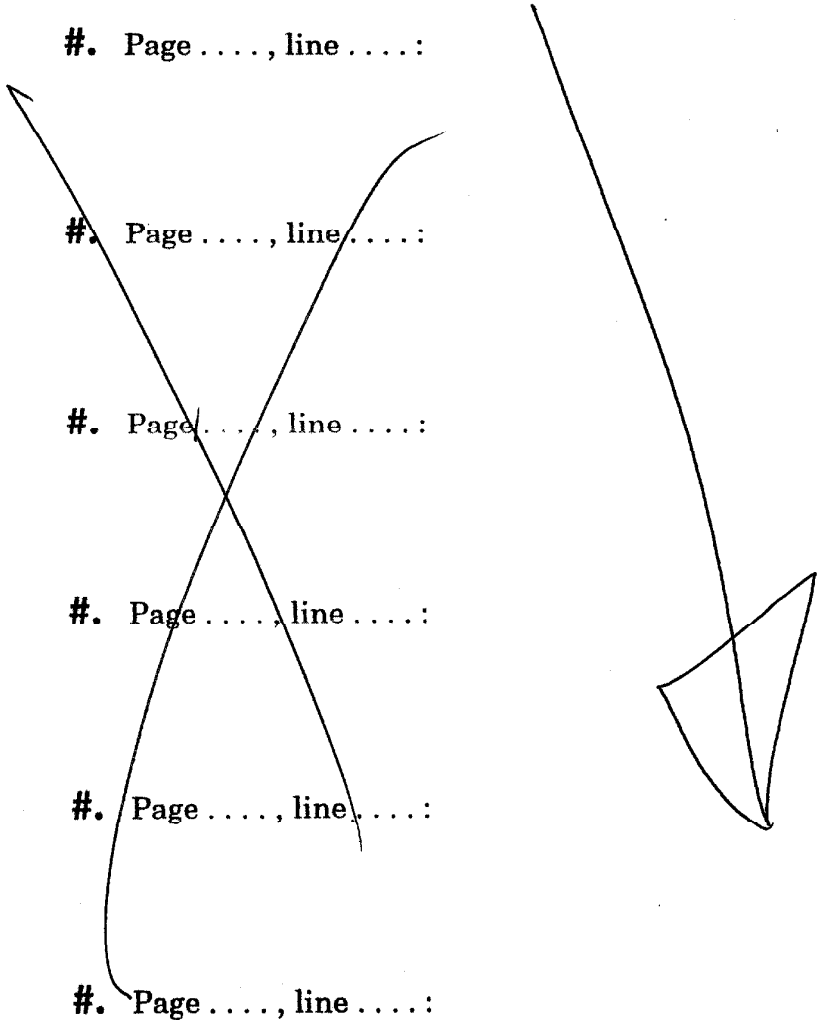
#. Page . . . . , line . . . . :

#. Page . . . . , line . . . . :

#. Page . . . . , line . . . . :

#. Page . . . . , line . . . . :

#. Page . . . . , line . . . . :



**1999 SENATE BILL 3**

January 20, 1999 - Introduced by Senators GROBSCHMIDT, ROESSLER, ERPENBACH, HUELSMAN, BAUMGART, BURKE, RUDE, RISSER, PLACHE, CLAUSING, MOEN, DARLING, PANZER and SCHULTZ, cosponsored by Representatives ALBERS, KREIBICH, SCHNEIDER, BOCK, BRANDEMUEHL, J. LEHMAN, POCAN, TURNER, BOYLE, BLACK, PLALE, MEYER, MILLER, COLON, GOETSCH, CARPENTER, KREUSER, SYKORA and POWERS. Referred to Committee on Education.

- 1 **AN ACT to amend** 40.02 (25) (b) 1. and 40.05 (4) (a) 2.; and **to create** 40.02 (25)
- 2 (b) 1m. of the statutes; **relating to:** payment of health insurance premiums for
- 3 University of Wisconsin System faculty and certain administrative staff.

***Analysis by the Legislative Reference Bureau***

Under current law, any state employee who is covered by the Wisconsin retirement system is eligible for coverage under the state employees group health insurance program on the first day of the month immediately after the employee submits an application for coverage if the application is submitted within the first 30 days after being hired. If the state employee is a member or employee of the legislature, a state constitutional officer, a justice of the supreme court, a court of appeals judge, a circuit judge, the chief clerk or sergeant at arms of the senate or assembly or an insured crew leader employed by the Wisconsin conservation corps board, he or she is immediately eligible for employer contribution towards the premiums. All other state employees are ineligible for employer contribution towards group health insurance premiums during the first six months of employment.

This bill makes University of Wisconsin System faculty and certain administrative staff immediately eligible for employer contribution towards group health insurance premiums.

**SENATE BILL 3**

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

Insert A

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

#. Page 532, line 11: after that line insert:

1 SECTION 4. 40.02 (25) (b) 1. of the statutes is amended to read:

2 930vc ← (B)

3 40.02 (25) (b) 1. Any teacher who is employed by the university for an expected  
4 duration of not less than 6 months on at least a one-third full-time employment  
5 basis and who is not described in subd. 1m.;

6 SECTION 7. 40.02 (25) (b) 1m. of the statutes is created to read:

7 930va ← (B)

8 40.02 (25) (b) 1m. Any teacher who is a participating employe and who is  
9 employed by the university for an expected duration of not less than 6 months on at  
10 least a one-third full-time employment basis; ) ,

#. Page 535, line 6: after that line insert:

11 SECTION 8. 40.05 (4) (a) 2. of the statutes is amended to read:

12 940c ← (B)

13 40.05 (4) (a) 2. For an insured employe who is an eligible employe under s. 40.02  
14 (25) (a) 2. or (b) 1m. or 2m., the employer shall pay required employer contributions  
15 toward the health insurance premium of the insured employe beginning on the date  
16 on which the employe becomes insured. For an insured employe who is currently  
17 employed but who is not an eligible employe under s. 40.02 (25) (a) 2. or (b) 1m. or  
18 2m., the employer shall pay required employer contributions toward the health  
19 insurance premium of the insured employe beginning on the first day of the 7th  
20 month beginning after the date on which the employe begins employment with the  
21 state, not including any leave of absence. ) .

SECTION 4. Initial applicability.



SENATE BILL 3

→ #. Page 1589, line 4: after that line insert:

① " (1) STATE EMPLOYE GROUP HEALTH INSURANCE. ~~This act~~ applies to any teacher  
 2 described under section 40.02 (25) (b) 1m. of the statutes, as created by this act, who  
 ③ is hired on ~~or after~~ after the effective date of this subsection. "

4

(END)

The treatment of section  
 40.05 (4) (a) 2. of the  
 statutes first

**SENATE AMENDMENT 1,  
TO 1999 SENATE BILL 3**

May 18, 1999 - Offered by Senator COWLES.

1 At the locations indicated, amend the bill as follows:

2 1. Page ~~2~~<sup>2419</sup> line ~~1~~<sup>13</sup>: before that line insert:

3 "SECTION ~~10~~<sup>652 M ← B</sup> 20.928 (1m) of the statutes is created to read:

4 20.928 (1m) Notwithstanding sub. (1), the board of regents of the University  
5 of Wisconsin System may not include in any certification to the department of  
6 administration under sub. (1) any sum to pay the costs resulting from employer  
7 contributions for the payment of health insurance premiums for any teacher  
8 described under s. 40.02 (25) (b) 1m., for coverage before the first day of the 7th month  
9 beginning after the teacher begins employment with the state."

10 2. Page 2, line 1: delete "SECTION 1" and substitute "SECTION 10".

11 (END)

(end ins A)

A





State of Wisconsin  
1999 - 2000 LEGISLATURE

LRBb0939/1  
RAC:jlg:km

SDC:.....Walter - Caucus #1815, Payment of health insurance premiums for  
UW faculty and staff

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

**CAUCUS AMENDMENT**

**TO ASSEMBLY SUBSTITUTE AMENDMENT 1,**

**TO 1999 ASSEMBLY BILL 133**

1 At the locations indicated, amend the substitute amendment as follows:

2 **1.** Page 419, line 13: before that line insert:

3 **"SECTION 652m.** 20.928 (1m) of the statutes is created to read:

4 20.928 (1m) Notwithstanding sub. (1), the board of regents of the University  
5 of Wisconsin System may not include in any certification to the department of  
6 administration under sub. (1) any sum to pay the costs resulting from employer  
7 contributions for the payment of health insurance premiums for any teacher  
8 described under s. 40.02 (25) (b) 1m., for coverage before the first day of the 7th month  
9 beginning after the teacher begins employment with the state."

10 **2.** Page 532, line 11: after that line insert:

1           **“SECTION 930vc.** 40.02 (25) (b) 1. of the statutes is amended to read:

2           40.02 (25) (b) 1. Any teacher who is employed by the university for an expected  
3 duration of not less than 6 months on at least a one-third full-time employment  
4 basis and who is not described in subd. 1m.;

5           **SECTION 930vq.** 40.02 (25) (b) 1m. of the statutes is created to read:

6           40.02 (25) (b) 1m. Any teacher who is a participating employe and who is  
7 employed by the university for an expected duration of not less than 6 months on at  
8 least a one-third full-time employment basis;”.

9           **3.** Page 535, line 6: after that line insert:

10           **“SECTION 940c.** 40.05 (4) (a) 2. of the statutes is amended to read:

11           40.05 (4) (a) 2. For an insured employe who is an eligible employe under s. 40.02  
12 (25) (a) 2. or (b) 1m. or 2m., the employer shall pay required employer contributions  
13 toward the health insurance premium of the insured employe beginning on the date  
14 on which the employe becomes insured. For an insured employe who is currently  
15 employed but who is not an eligible employe under s. 40.02 (25) (a) 2. or (b) 1m. or  
16 2m., the employer shall pay required employer contributions toward the health  
17 insurance premium of the insured employe beginning on the first day of the 7th  
18 month beginning after the date on which the employe begins employment with the  
19 state, not including any leave of absence.”.

20           **4.** Page 1589, line 4: after that line insert:

21           “(1e) STATE EMPLOYE GROUP HEALTH INSURANCE. The treatment of section 40.05  
22 (4) (a) 2. of the statutes first applies to any teacher described under section 40.02 (25)  
23 (b) 1m. of the statutes who is hired on the effective date of this subsection.”.

24

(END)