



1995 SENATE BILL 347

September 21, 1995 - Introduced by Senators ADELMAN, WINEKE, BURKE and MOEN, cosponsored by Representatives HAHN, VANDER LOOP, WOOD, NOTESTEIN, MEYER and PLOMBON. Referred to Committee on Education and Financial Institutions.

1 **AN ACT to repeal** 25.156 (6) and (7); and **to amend** 25.156 (2), 25.16 (7) and 40.63
2 (1) (c) of the statutes; **relating to:** bonus compensation for certain employes of
3 the investment board.

Analysis by the Legislative Reference Bureau

Under current law, the investment board is authorized to provide bonus compensation to the executive director of the board and other employes of the board for meritorious performance. The bonuses awarded for any fiscal year may not exceed a total of 10% of the total annualized salaries of all unclassified employes of the board and no bonus awarded to any individual employe for any fiscal year may exceed a total of 25% of the annual salary of the employe at the beginning of the fiscal year. In awarding bonus compensation for a given period, the board shall consider the performance of funds similar to those for which it has managing authority and market indices for the same period. In addition, the board is generally required to provide for a portion of the bonus compensation awarded to be distributed to an employe over a 3-year period.

This bill eliminates the investment board's bonus compensation program.

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

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

4 **SECTION 1.** 25.156 (2) of the statutes is amended to read:
5 25.156 (2) The investment board shall employ an executive director, who shall
6 serve outside the classified service. The executive director shall be qualified by

1 training and prior experience to manage, administer and direct the investment of
2 funds. The investment board shall fix the compensation of the executive director,
3 and may award bonus compensation as authorized under sub. (6).

4 **SECTION 2.** 25.156 (6) and (7) of the statutes are repealed.

5 **SECTION 3.** 25.16 (7) of the statutes is amended to read:

6 25.16 (7) The executive director shall fix the compensation of all employes
7 appointed by the executive director, subject to restrictions set forth in the
8 compensation plan under s. 230.12 or any applicable collective bargaining
9 agreement in the case of employes in the classified service, but the investment board
10 may provide for bonus compensation to employes in the unclassified service as
11 authorized under s. 25.156 (6).

12 **SECTION 4.** 40.63 (1) (c) of the statutes is amended to read:

13 40.63 (1) (c) The employe is not entitled to any earnings from the employer and
14 the employer has certified that it has paid to the employe all earnings to which the
15 employe is entitled, that the employe is on a leave of absence and is not expected to
16 resume active service, or that the employe's participating employment has been
17 terminated, because of a disability as described in par. (b) and as a consequence the
18 employe is not entitled to any earnings from the employer. ~~In this paragraph,~~
19 ~~"earnings" does not include bonus compensation to which the employe is entitled~~
20 ~~under s. 25.156 (7) (a).~~

21 **SECTION 5. Initial applicability.**

22 (1) This act first applies to bonus compensation awarded by the investment
23 board on the effective date of this subsection.

24 **SECTION 6. Appropriation changes.**

1 (1) In the schedule under section 20.005 (3) of the statutes for the appropriation
2 to the investment board under section 20.536 (1) (k) of the statutes, as affected by the
3 acts of 1995, the dollar amount is decreased by \$472,900 for fiscal year 1995-96 and
4 the dollar amount is decreased by \$525,500 for fiscal year 1996-97 to eliminate
5 funding of bonus compensation for employes of the investment board.

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(END)