

1999 DRAFTING REQUEST

Bill

Received: **12/2/98**

Received By: **champra**

Wanted: **As time permits**

Identical to LRB:

For: **David Zien (608) 266-7511**

By/Representing: **David Larson**

This file may be shown to any legislator: **NO**

Drafter: **champra**

May Contact:

Alt. Drafters:

Subject: **Employ Pub - employe benefits**
Employ Pub - miscellaneous

Extra Copies:

Pre Topic:

No specific pre topic given

Topic:

Volunteer Fire Fighter and Emergency Medical Technician Service Award Program

Instructions:

Redraft 1997 LRB-5118.

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 12/8/98	chanaman 12/15/98		_____			S&L
/1			ismith 12/15/98	_____	lrb_docadmin 12/15/98		S&L
/2	champra 01/4/99	chanaman 01/5/99	martykr 01/7/99	_____	lrb_docadmin 01/7/99		S&L

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typist</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/3	champra 02/1/99	chanaman 02/9/99	jfrantze 02/9/99	_____ _____	lrb_docadmin 02/9/99		S&L
/4	champra 03/2/99	chanaman 03/2/99	jfrantze 03/2/99	_____ _____ _____ _____	lrb_docadmin 03/2/99	lrb_docadmin 03/2/99 lrb_docadmin 03/2/99	

FE Sent For: 3/4/99

<END>

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*Jacketed for
Senate
1/4/99*

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FE Sent For:

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kmj
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Employ Pub - miscellaneous

Extra Copies:

Topic: *and Emergency Medical Technician*

Volunteer Firefighter Service Award Program
^

Instructions:

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/1		<i>cmM</i> 1/4/98	ismith 12/15/98	_____	lrb_docadmin 12/15/98		
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1?	champra	CMM 12/8 1	IS 12/15	IS/JF 12/15	Submit		
FE Sent For:		1-12-15 KMG	Hmk				

<END>

FEB 26 1998



WISCONSIN LEGISLATIVE COUNCIL STAFF MEMORANDUM

One East Main Street, Suite 401; P.O. Box 2536; Madison, WI 53701-2536
Telephone (608) 266-1304
Fax (608) 266-3830

DATE: February 24, 1998
TO: SENATOR DAVID ZIEN
FROM: Robert J. Conlin, Staff Attorney
SUBJECT: Volunteer Fire Fighter Service Award Program

*Instructions
for
97-5118/1*

This memorandum, prepared at your request, describes the Volunteer Fire Fighter Service Award Program (SAP) proposal which you have recently discussed introducing into the Legislature.

A. PURPOSE

You have noted that fire service officials have expressed concern about the ability of volunteer fire departments to attract and retain volunteer fire fighters. You have indicated that fire officials have pointed out that a number of factors have combined to reduce the desirability of joining volunteer fire departments and of maintaining long-term service with these fire departments. Some of those factors include significant time commitments for training, working in communities other than in which they live and lack of flexibility in employment which makes it difficult to respond to fire calls during work hours.

The purpose of the SAP would be to provide a tax-deferred reward [see s. 457 (e) (11), Internal Revenue Code] to persons who have actively served for a significant number of years as volunteer fire fighters. Additionally, by offering an SAP, it is hoped that more individuals are attracted to the volunteer fire service and that volunteer fire departments throughout the state are better able to retain, for longer periods of time, experienced fire fighters.

B. GENERAL DESCRIPTION OF PROGRAM

The SAP would be designed and governed by a state volunteer fire fighter service award board appointed by the Governor and made up of volunteer fire fighters and others. The SAP designed by the board would allow Wisconsin municipalities that have volunteer fire departments the opportunity to make tax deferred contributions, up to a maximum of \$250 per year, for each active duty volunteer fire fighter on the fire department of that municipality. Fire fighters eligible to participate in the SAP would need to meet certain requirements pertaining to their

"volunteer" and "active duty" status. For each annual contribution made by a municipality, the state would provide a 100% match.

Contributions would be invested by a state-approved investor, like the State of Wisconsin Investment Board, or a private contract investor approved by the board. Each fire fighter for whom contributions are made would have an SAP account to which future contributions and earnings on the invested sums would be credited.

Fire fighters would gain vested rights in their SAP accounts after serving 10 years of generally uninterrupted service during which contributions on behalf of the fire fighter would have to be made by a municipality. When the fire fighter accumulates 20 years of active service and attains the age of 60, the fire fighter may withdraw or roll over, as a lump sum, the balance of his or her account. A vested fire fighter who does not meet the years of service/age criteria, may receive as a lump sum the amounts credited to his or her account, minus a significant penalty.

C. PROGRAM DESIGN: LEGISLATION

The legislation that you would propose would establish the board, its duties and some specifics of the SAP. The provisions of the legislation would include the following:

- There would be created a volunteer fire fighter service award board, attached to the Department of Employee Trust Funds (DETF). The board would be made up of seven (7) members. One member would be the Administrator of the Division of Emergency Management in the Department of Military Affairs. The Governor would appoint the other six (6) members of the board, three of whom must be volunteer fire fighters and three of whom must be representatives of local governments with volunteer fire departments. To the extent practicable, the appointments should represent different areas of the state and different size municipalities.
- A general purpose revenue appropriation would be provided for the start-up of the board.
- The board would be charged with designing the SAP. The board would be directed to report its recommendations for legislation, including the necessary appropriations, to create the SAP to the Joint Committee on Finance and the Joint Committee on Retirement Systems no later than February 1, 1999. The board's staff would be supplied by the DETF.
- While the board would have wide latitude in designing the SAP, it would be guided by certain statutory requirements. Those statutory requirements would include the following: (1) voluntary participation by municipalities; (2) annual municipal financial contributions capped at \$250 per fire fighter; (3) dollar-for-dollar state financial match of municipal contributions; (4) vesting period of 10 years (with municipal contributions for each year of the vesting period); (5) lump sum payout of principal and

interest on contributions (less any administrative costs) after a fire fighter reaches 20 years of service and age 60; (6) lump sum payout with a substantial penalty, as determined by the board, for less than 20 years of service and pre-age 60; (7) forfeiture of contributions if there is a break in volunteer service of six months or more, prior to vesting without good cause, as determined by the board by rule; (8) board/DETF responsibility for oversight and administration of the SAP; and (9) board responsibility for hearing appeals.

- The board would also be required to recommend legislation or promulgate rules on the following: (1) eligibility for participation in the SAP; (2) record keeping and reporting requirements for participating municipalities; (3) appropriate investment vehicles (including private sector investors or the State of Wisconsin Investment Board); (4) annual deadlines for municipalities to sign up for participation in the program; and (5) providing information to municipalities and volunteer fire fighters about the SAP.
- The board would be required to report on its activities each year to the Legislature.
- The Legislative Audit Bureau would be required to audit the SAP no later than the program's fifth full year of existence.

If you would like additional assistance on this matter, please contact me at the Legislative Council Staff offices.

RJC:jt:rv;ksm

Champagne, Rick

From: Larson, David
Sent: Wednesday, December 02, 1998 12:18 PM
To: Champagne, Rick
Subject: LRB-5118

Rick -

Please re-draft last session's LRB-5118 (Volunteer Firefighter Service Award Program) as a Senate Bill for this session, and please send to Sen. Zien's office as soon as possible - thanks

D-Note

1997 - 1998 LEGISLATURE

LRB-5118/2

RAC:jlg:km

1997-2000

LRB-1094/0

RAC:cmh:kg

1997 BILL

Due ~~By 1/11/99~~ Today - ASAP
Requester Called

91 report

1 AN ACT to amend 40.03 (1) (d) (intro.), 40.03 (2) (i), 40.03 (5) (c) and 40.04 (5) (e);
2 and to create 13.94 (1) (p), 15.165 (5), 20.515 (2), 25.17 (1) (xu), 25.85, 40.03 (2)
3 (v) and 40.03 (10) of the statutes; relating to: establishing a service award
4 program for volunteer fire fighters, creating a volunteer fire fighter service
5 award board and requiring the exercise of rule-making authority.

Analysis by the Legislative Reference Bureau (board)

This bill creates a volunteer fire fighter service award board, attached to the department of employe trust funds (DETF). The board consists of the secretary of employe trust funds or his or her designee, ^{three} members who are volunteer fire fighters and ^{three} members who represent municipalities that operate volunteer fire departments.

Under the bill, the board must establish by rule a volunteer fire fighter service award program for volunteer fire fighters in municipalities that operate volunteer fire departments or that contract with volunteer fire companies. The program is required to provide for all of the following:

~~The program must be organized as a tax-deferred length-of-service award program under the federal income tax code.~~ Keep hyphen

1. All municipalities that operate volunteer fire departments or that contract with volunteer fire companies may voluntarily participate in the program.

2. Annual contributions must be paid by municipalities for each volunteer fire fighter in an amount determined by the municipalities.

The key features of the program include all of the following:

5-12

ETB
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conditions

BILL

34. The state must match all annual municipal contributions paid for volunteer fire fighters up to \$250 per year. This amount is to be adjusted annually to reflect changes in the cost of living.

45. A municipality ~~is authorized to~~ ^{may} purchase additional years of service for volunteer fire fighters who have at least ~~5~~ ^{ten} years of service.

56. A vesting period of ~~10~~ ^{five} years of volunteer fire fighting service for a municipality is required before a volunteer fire fighter qualifies to receive any benefits under the program.

68. A requirement that a volunteer fire fighter ^{must} be paid a lump sum, consisting of all municipal and state contributions made on behalf of the fire fighter and all earnings on the contributions, after the fire fighter attains 20 years of service with any volunteer fire department and reaches the age of 60. If a volunteer fire fighter has satisfied all vesting requirements but has less than 20 years of service with any volunteer fire department or has not reached the age of 60, the program must provide for a reduced lump sum payment.

78. A requirement that a volunteer fire fighter ^{must} forfeit his or her rights to all contributions under the program if he or she should cease providing volunteer fire fighting services for ~~6~~ ^{ten} months or more for a municipality and he or she has not provided volunteer fire fighting service for a municipality for at least ~~10~~ ^{ten} years, unless the board finds good cause for the period of separation.

Under the bill, the volunteer fire fighter service award board must submit the proposed rules to the legislative council staff no later than February 1, ~~2000~~ ²⁰⁰¹. In addition, the legislative audit bureau must prepare a performance evaluation audit of the volunteer fire fighter service award program no later than February 1, ~~2005~~ ²⁰⁰⁶.

For further information see the *state and local* 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:

1 SECTION 1. 13.94 (1) (p) of the statutes is created to read:

2 13.94 (1) (p) No later than February 1, ~~2005~~ ²⁰⁰⁶, prepare a performance evaluation
3 audit of the volunteer fire fighter service award program established under s. 40.03
4 (10). The legislative audit bureau shall file a copy of the audit report under this
5 paragraph with the distributees specified in par. (b).

6 SECTION 2. 15.165 (5) of the statutes is created to read:

7 15.165 (5) VOLUNTEER FIRE FIGHTER SERVICE AWARD BOARD. (a) There is created
8 in the department of employe trust funds a volunteer fire fighter service award board

BILL

1 consisting of the secretary of employe trust funds or his or her designee and the
2 following members appointed for 3-year terms:

- 3 1. Three members who are volunteer fire fighters.
- 4 2. Three members who represent municipalities that operate volunteer fire
- 5 departments or that contract with volunteer fire companies organized under ch. 181
- 6 or 213.

7 (b) 1. In appointing the members under par. (a) 1., the governor shall appoint
8 one member who is a member of the Wisconsin State Fire Chiefs Association and at
9 least one member who is a member of the Wisconsin State Fire Fighters Association.

10 2. In appointing the members under par. (a) 1. and 2., the governor shall seek
11 to appoint members from different regions of the state and municipalities of different
12 sizes.

13 **SECTION 3.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert
14 the following amounts for the purposes indicated:

	1999-00	2000-01
	1997-98	1998-99



15 **20.515 Employe trust funds, department of**

16 (2) VOLUNTEER FIRE FIGHTER SERVICE AWARD PROGRAM

17 (a) Volunteer fire fighter service				
18 award board; start-up costs	GPR	A	-0-	-0-
19 (q) Volunteer fire fighter service				
20 award program	SEG	A	-0-	-0-

21 **SECTION 4.** 20.515 (2) of the statutes is created to read:

BILL

1 20.515 (2) VOLUNTEER FIRE FIGHTER SERVICE AWARD PROGRAM. (a) *Volunteer fire*
 2 *fighter service award board; start-up costs.* The amounts in the schedule for the
 3 start-up costs for the operations of the volunteer fire fighter service award board.

4 (q) *Volunteer fire fighter service award program.* From the volunteer fire fighter
 5 service award fund, the amounts in the schedule for the operation of the volunteer
 6 fire fighter service award program and for the payment of volunteer fire fighter
 7 service awards.

8 **SECTION 5.** 25.17 (1) (xu) of the statutes is created to read:

9 25.17 (1) (xu) Volunteer fire fighter service award fund (s. 25.85).

10 **SECTION 6.** 25.85 of the statutes is created to read:

11 **25.85 Volunteer fire fighter service award fund.** There is established a
 12 separate nonlapsible trust fund designated as the volunteer fire fighter service
 13 award fund, consisting of moneys paid by municipalities and the state on behalf of
 14 volunteer fire fighters covered by the volunteer fire fighter service award program
 15 established under s. 40.03 (10).

16 **SECTION 7.** 40.03 (1) (d) (intro.) of the statutes is amended to read:

17 40.03 (1) (d) (intro.) Shall select and retain an actuary or an actuarial firm,
 18 under one or more contractual agreements which shall run to the department for the
 19 purpose of performing all actuarial services which are necessary for the operation
 20 and control of each of the insurance and benefit programs under this chapter, other
 21 than the volunteer fire fighter service award program established under sub. (10).

22 Under this paragraph, the board shall:

23 **SECTION 8.** 40.03 (2) (i) of the statutes is amended to read:

24 40.03 (2) (i) Shall promulgate, with the approval of the board, all rules, except
 25 rules promulgated under par. (ig) or (ir), that are required for the efficient

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1 administration of the fund or of any of the benefit plans established by this chapter,
 2 other than the volunteer fire fighter service award program established under sub.
 3 (10). In addition to being approved by the board, rules promulgated under this
 4 paragraph relating to teachers must be approved by the teachers retirement board
 5 and rules promulgated under this paragraph relating to participants other than
 6 teachers must be approved by the Wisconsin retirement board, except rules
 7 promulgated under s. 40.30.

8 **SECTION 9.** 40.03 (2) (v) of the statutes is created to read:

9 40.03 (2) (v) Shall administer the volunteer fire fighter service award program
 10 established under sub. (10). Notwithstanding s. 227.10 (1), the secretary may not
 11 promulgate any rules relating to the volunteer fire fighter service award program.

12 **SECTION 10.** 40.03 (5) (c) of the statutes is amended to read:

13 40.03 (5) (c) Shall determine the proper rates of premiums and contributions
 14 required, or advise as to the appropriateness of premium rates proposed by
 15 independent insurers, for each of the benefit plans provided for by this chapter, other
 16 than the volunteer fire fighter service award program established under sub. (10).

17 **SECTION 11.** 40.03 (10) of the statutes is created to read:

18 40.03 (10) VOLUNTEER FIRE FIGHTER SERVICE AWARD BOARD. (a) The volunteer fire
 19 fighter service award board shall establish by rule a volunteer fire fighter service
 20 award program for volunteer fire fighters in municipalities that operate volunteer
 21 fire departments or that contract with volunteer fire companies organized under ch.
 22 181 or 213.

23 (b) The program established under par. (a) shall provide for all of the following:
 24 The program shall be organized as a tax-deferred length-of-service award
 25 program under 26 USC 457 (e) (11).

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key features of the program include

the program shall be organized as a tax-deferred length-of-service award program under 26 USC 457 (e) (11). set

BILL

1 ¹ All municipalities that operate volunteer fire departments or that contract
 2 with volunteer fire companies organized under ch. ~~181~~ or 213 may voluntarily
 3 participate in the program.

4 ² Annual contributions shall be paid by municipalities for each volunteer fire
 5 fighter in an amount determined by the municipalities.

6 ³ 4. The state shall match all annual municipal contributions paid for volunteer
 7 fire fighters up to \$250 per year, other than contributions paid under subd. ⁴ 5. This
 8 amount shall be adjusted annually to reflect any changes in the U.S. consumer price
 9 index for all urban consumers, U.S. city average, as determined by the U.S.
 10 department of labor.

11 ⁴ A municipality may purchase additional years of service for volunteer fire
 12 fighters who have at least 5 years of service as a volunteer fire fighter.

13 ⁵ A vesting period of 10 years of volunteer fire fighting service for a
 14 municipality shall be required before a volunteer fire fighter qualifies to receive any
 15 benefits under the program.

16 ⁶ A requirement that a volunteer fire fighter ~~shall~~ ^{shall} be paid a lump sum, consisting
 17 of all municipal and state contributions made on behalf of the volunteer fire fighter
 18 and all earnings on the contributions, after the fire fighter attains 20 years of service
 19 with any volunteer fire department and reaches the age of 60. If a volunteer fire
 20 fighter has satisfied all vesting requirements but has less than 20 years of service
 21 with any volunteer fire department or has not reached the age of 60, the program
 22 shall provide for the payment of a reduced lump sum ^{as determined by the ~~board~~ ^{award} volunteer fire fighter service board}

23 ⁷ A requirement that a volunteer fire fighter ~~shall~~ ^{shall} forfeit his or her rights to all
 24 contributions under the program if he or she should cease providing volunteer fire
 25 fighting services for a municipality for 6 months or more and he or she has not

BILL

1 provided fire fighting services for a municipality for at least 10 years, unless the
2 volunteer fire fighter service award board finds good cause for the period of
3 separation.

4 (c) The volunteer fire fighter service award board shall accept timely appeals
5 of determinations made by the department affecting any right or benefit relating to
6 the program established under par. (a).

7 (d) Annually, on or before December 31, the volunteer fire fighter service award
8 board shall submit a report to the chief clerk of each house of the legislature under
9 s. 13.172 (2) describing the activities of the volunteer fire fighter service award
10 board.

11 **SECTION 12.** 40.04 (5) (e) of the statutes is amended to read:

12 40.04 (5) (e) Credited all amounts waived, released or forfeited under any
13 provision of this chapter, other than s. 40.03 (10).

14 **SECTION 13. Nonstatutory provisions.**

15 (1) VOLUNTEER FIRE FIGHTER SERVICE AWARD BOARD. Notwithstanding the length
16 of terms specified for the members of the volunteer fire fighter service award board
17 under section 15.165 (5) (a) 1. and 2. of the statutes, as created by this act, the initial
18 members shall be appointed for the following terms:

19 (a) One member specified under section 15.165 (5) (a) 1. of the statutes, as
20 created by this act, and one member specified under section 15.165 (5) (a) 2. of the
21 statutes, as created by this act, for terms expiring on May 1, 2001, 2002

22 (b) One member specified under section 15.165 (5) (a) 1. of the statutes, as
23 created by this act, and one member specified under section 15.165 (5) (a) 2. of the
24 statutes, as created by this act, for terms expiring on May 1, 2002, 2003

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stats.*

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1 (c) One member specified under section 15.165 (5) (a) 1. of the statutes, as
2 created by this act, and one member specified under section 15.165 (5) (a) 2. of the
3 statutes, as created by this act, for terms expiring on May 1, ~~2003~~²⁰⁰⁴

4 (2) SUBMISSION OF PROPOSED RULES ESTABLISHING A VOLUNTEER FIRE FIGHTER
5 SERVICE AWARD PROGRAM. No later than February 1, ~~2003~~²⁰⁰¹, the volunteer fire fighter
6 service award board shall submit in proposed form the rules required under section
7 40.03 (10) (a) of the statutes, as created by this act, to the legislative council staff
8 under section 227.15 (1) of the statutes.

9 (END)

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-5118/2dn

RAC:jlg:km

Monday, June 15, 1998

This draft is based on the revised instructions I received from George Brown. Per my conversation with Bob Seitz on June 10, 1998, I did not provide that a municipality that participates in the program must contribute a minimum amount on behalf of each volunteer fire fighter. Also, I was uncertain as to what amounts to put into the new appropriations. When you have these amounts, I can either redraft the bill or draft an amendment. If you have any questions, please do not hesitate to contact me.

Richard A. Champagne
Legislative Attorney
266-9930

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-0761/1dn
RAC&PIK.wlj&king:lp

November 25, 1998

LRB-1094/1dn
RAC cmj & KG

1. For this draft, ^I we have included an appropriation but have specified "\$-0-" for expenditure in fiscal years 1999-00 and 2000-01. When you know the dollar amounts that you need to include in the proposal, contact ^{me} ~~one of us~~ and ^{me} ~~we~~ will either redraft the proposal or draft an amendment, whichever is appropriate. ^I

2. Under s. 16.47(2), stats., any bill that increases the cost of state government by more than \$10,000 may not be passed by either house of the legislature until the budget bill passes both houses, unless the governor or the joint committee on finance recommends the bill's passage.

Because the budget bill repeals and recreates the appropriation schedule in ch. 20, stats., the appropriation schedule entry in this bill will be repealed if not incorporated into the budget bill.

Richard A. Champagne
Legislative Attorney
266-9930

Pamela J. Kahler
Senior Legislative Attorney
266-2682

Finally, please note that I ^{moved} all ^{of} the dates back one year. Is this OK?

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-1094/1dn
RAC:cmh&kg:ijs

December 15, 1998

1. For this draft, I have included an appropriation but have specified "\$-0-" for expenditure in fiscal years 1999-00 and 2000-01. When you know the dollar amounts that you need to include in the proposal, please contact me and I will either redraft the proposal or draft an amendment, whichever is appropriate.

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Finally, please note that I moved all of the dates back one year. Is this OK?

Richard A. Champagne
Legislative Attorney
266-9930

12/17/98

per Bob Seitz:

-1094/1

ZIEN

Redraft

- ① Cover volunteer EMT (ones certified by state)
- ② p 6, 11-12 : specify that municipality can purchase more gas that fueling EMT has served w/ the municipality.



*Redraft notes have
been run* *Stamp*

1999 BILL

*W.P.D.s
please off
topic line
on cover
sheet*

*and emergency medical
technicians*

*and emergency
medical
technician*

gen. cat.

1 **AN ACT to amend** 40.03 (1) (d) (intro.), 40.03 (2) (i), 40.03 (5) (c) and 40.04 (5) (e);
 2 **and to create** 13.94 (1) (p), 15.185 (5), 20.515 (2), 25.17 (1) (xu), 25.85, 40.03 (2)
 3 (v) and 40.03 (10) of the statutes; **relating to:** establishing a service award
 4 program for volunteer fire fighters, creating a volunteer fire fighter service
 5 award board and requiring the exercise of rule-making authority.

Analysis by the Legislative Reference Bureau

This bill creates a volunteer fire fighter service award board (board), attached to the department of employe trust funds (DETF). The board consists of the secretary of employe trust funds or his or her designee, three members who are volunteer fire fighters and three members who represent municipalities that operate volunteer fire departments.

Under the bill, the board must establish by rule a volunteer fire fighter service award program for volunteer fire fighters in municipalities that operate volunteer fire departments or that contract with volunteer fire companies. The program must be organized as a tax-deferred length-of-service award program under the federal income tax code. The key features of the program include all of the following:

1. All municipalities that operate volunteer fire departments or that contract with volunteer fire companies may voluntarily participate in the program.
2. Annual contributions must be paid by municipalities for each volunteer fire fighter in an amount determined by the municipalities.

*and emergency medical
technician*

BILL

and emergency medical technicians

3. The state must match all annual municipal contributions paid for volunteer fire fighters up to \$250 per year. This amount is to be adjusted annually to reflect changes in the cost of living.

4. A municipality may purchase ^{any number of} additional years of service for volunteer fire fighters who have at least five years of service.

5. A vesting period of ten years of volunteer fire fighting service for a municipality is required before a volunteer fire fighter ^{or emergency medical technician} qualifies to receive any benefits under the program.

6. A requirement that a volunteer fire fighter must be paid a lump sum, consisting of all municipal and state contributions made on behalf of the fire fighter and all earnings on the contributions, after the fire fighter attains 20 years of service with any volunteer fire department and reaches the age of 60. If a volunteer fire fighter has satisfied all vesting requirements but has less than 20 years of service with any volunteer fire department or has not reached the age of 60, the program must provide for a reduced lump sum payment.

7. A requirement that a volunteer fire fighter must forfeit his or her rights to all contributions under the program if he or she should cease providing volunteer fire fighting services for six months or more for a municipality and he or she has not provided volunteer fire fighting service for a municipality for at least ten years, unless the board finds good cause for the period of separation.

Under the bill, the volunteer fire fighter service award board must submit the proposed rules to the legislative council staff no later than February 1, 2001. In addition, the legislative audit bureau must prepare a performance evaluation audit of the volunteer fire fighter service award program no later than February 1, 2006.

For further information see the *state and local* 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:

and emergency medical technicians

1 SECTION 1. 13.94 (1) (p) of the statutes is created to read:

2 13.94 (1) (p) No later than February 1, 2006, prepare a performance evaluation
3 audit of the volunteer fire fighter service award program established under s. 40.03
4 (10). The legislative audit bureau shall file a copy of the audit report under this
5 paragraph with the distributees specified in par. (b).

6 SECTION 2. 15.165 (5) of the statutes is created to read:

7 15.165 (5) VOLUNTEER FIRE FIGHTER SERVICE AWARD BOARD. (a) There is created
8 in the department of employe trust funds a volunteer fire fighter service award board

AND EMERGENCY MEDICAL TECHNICIAN CS

BILL

1 consisting of the secretary of employe trust funds or his or her designee and the
2 following members appointed for 3-year terms:

3 1. Three members who are volunteer fire fighters.

4 2. Three members who represent municipalities that operate volunteer fire
5 departments or that contract with volunteer fire companies organized under ch. 181
6 or 213.

7 (b) 1. In appointing the members under par. (a) 1., the governor shall appoint
8 one member who is a member of the Wisconsin State Fire Chiefs Association and at
9 least one member who is a member of the Wisconsin State Fire Fighters Association.

10 2. In appointing the members under par. (a) 1. and 2., the governor shall seek
11 to appoint members from different regions of the state and municipalities of different
12 sizes.

13 **SECTION 3.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert
14 the following amounts for the purposes indicated:

1999-00 2000-01

15 **20.515 Employe trust funds, department of**

AND EMERGENCY MEDICAL TECHNICIAN (CS)

(16) (2) VOLUNTEER FIRE FIGHTER SERVICE AWARD PROGRAM

(17) (a) Volunteer fire fighter/service

(18) ~~award board; start-up costs~~ GPR A -0- -0-

(19) (q) Volunteer fire fighter/service

(20) ~~award program~~ SEG A -0- -0-

21 **SECTION 4.** 20.515 (2) of the statutes is created to read:

; general program^m operations

and emergency medical technician

BILL

and emergency medical technician

AND EMERGENCY MEDICAL TECHNICIAN

(25)

1 20.515 (2) VOLUNTEER FIRE FIGHTER SERVICE AWARD PROGRAM. (a) Volunteer fire
 2 fighter/service award board; start-up costs. The amounts in the schedule for the
 3 start-up costs for the operations of the volunteer fire fighter/service award board.
 4 (q) Volunteer fire fighter/service award program. From the volunteer fire fighter
 5 service award fund, the amounts in the schedule for the operation of the volunteer
 6 fire fighter/service award program and for the payment of volunteer fire fighter
 7 service awards.

and emergency medical technician

general program

I → ; general program operations

8 SECTION 5. 25.17 (1) (xu) of the statutes is created to read:

9 25.17 (1) (xu) Volunteer fire fighter/service award fund (s. 25.85).

10 SECTION 6. 25.85 of the statutes is created to read:

and emergency medical technician

(B)

11 **25.85 Volunteer fire fighter/service award fund.** There is established a
 12 separate nonlapsible trust fund designated as the volunteer fire fighter/service
 13 award fund, consisting of moneys paid by municipalities and the state on behalf of
 14 volunteer fire fighters covered by the volunteer fire fighter/service award program
 15 established under s. 40.03 (10).

and emergency medical technicians

16 SECTION 7. 40.03 (1) (d) (intro.) of the statutes is amended to read:

17 40.03 (1) (d) (intro.) Shall select and retain an actuary or an actuarial firm,
 18 under one or more contractual agreements which shall run to the department for the
 19 purpose of performing all actuarial services which are necessary for the operation
 20 and control of each of the insurance and benefit programs under this chapter, other
 21 than the volunteer fire fighter/service award program established under sub. (10).

and emergency medical technician

22 Under this paragraph, the board shall:

23 SECTION 8. 40.03 (2) (i) of the statutes is amended to read:

24 40.03 (2) (i) Shall promulgate, with the approval of the board, all rules, except
 25 rules promulgated under par. (ig) or (ir), that are required for the efficient

BILL

and emergency medical technician

1 administration of the fund or of any of the benefit plans established by this chapter,
2 other than the volunteer fire fighter/service award program established under sub.
3 (10). In addition to being approved by the board, rules promulgated under this
4 paragraph relating to teachers must be approved by the teachers retirement board
5 and rules promulgated under this paragraph relating to participants other than
6 teachers must be approved by the Wisconsin retirement board, except rules
7 promulgated under s. 40.30.

8 **SECTION 9.** 40.03 (2) (v) of the statutes is created to read:

9 40.03 (2) (v) Shall administer the volunteer fire fighter/service award program
10 established under sub. (10). Notwithstanding s. 227.10 (1), the secretary may not
11 promulgate any rules relating to the volunteer fire fighter/service award program.

12 **SECTION 10.** 40.03 (5) (c) of the statutes is amended to read:

13 40.03 (5) (c) Shall determine the proper rates of premiums and contributions
14 required, or advise as to the appropriateness of premium rates proposed by
15 independent insurers, for each of the benefit plans provided for by this chapter, other
16 than the volunteer fire fighter/service award program established under sub. (10).

17 **SECTION 11.** 40.03 (10) of the statutes is created to read:

18 40.03 (10) **VOLUNTEER FIRE FIGHTER SERVICE AWARD BOARD.** (a) The volunteer fire
19 fighter/service award board shall establish by rule a volunteer fire fighter/service
20 award program for volunteer fire fighters *and emergency medical technicians*
21 fire departments or that contract with volunteer fire companies organized under ch.
22 181 or 213. The program shall be organized as a tax-deferred length-of-service
23 award program under 26 USC 457 (e) (11).

24 (b) The key features of the program established under par. (a) include all of the
25 following:

and emergency medical technician

AND EMERGENCY MEDICAL TECHNICIAN

LS

BILL

1 1. All municipalities that operate volunteer fire departments or that contract
2 with volunteer fire companies organized under ch. 181 or 213 may voluntarily
3 participate in the program.

4 2. Annual contributions shall be paid by municipalities for each volunteer fire
5 fighter ^{and emergency medical technicians} in an amount determined by the municipalities.

6 3. The state shall match all annual municipal contributions paid for volunteer
7 fire fighters ^{and emergency medical technicians} up to \$250 per year, other than contributions paid under subd. 4. This
8 amount shall be adjusted annually to reflect any changes in the U.S. consumer price
9 index for all urban consumers, U.S. city average, as determined by the U.S.
10 department of labor.

11 4. A municipality may purchase ^{any number of} additional years of service for volunteer fire
12 fighters ^{or emergency medical technicians} who have at least 5 years of service as a volunteer fire fighter ^{or emergency medical technician}.

13 5. A vesting period of 10 years of volunteer fire fighting ^{or emergency medical technicians} service for a
14 municipality shall be required before a volunteer fire fighter ^{or emergency medical technician} qualifies to receive any
15 benefits under the program.

16 6. A requirement that a volunteer fire fighter shall be paid a lump sum,
17 consisting of all municipal and state contributions made on behalf of the volunteer
18 fire fighter ^{and all earnings on the contributions, after the fire fighter attains 20}
19 years of service with any volunteer fire department and reaches the age of 60. If a
20 volunteer fire fighter ^{has satisfied all vesting requirements but has less than 20}
21 years of service with any volunteer fire department or has not reached the age of 60,
22 the program shall provide for the payment of a reduced lump sum, as determined by
23 the volunteer fire fighter ^{and emergency medical technician} service award board.

24 7. A requirement that a volunteer fire fighter shall forfeit his or her rights to
25 all contributions under the program if he or she should cease providing volunteer fire

BILL

or emergency medical technical

1 fighting services for a municipality for 6 months or more and he or she has not
2 provided fire fighting services for a municipality for at least 10 years, unless the
3 volunteer fire fighter service award board finds good cause for the period of
4 separation.

and emergency medical technicians

5 (c) The volunteer fire fighter service award board shall accept timely appeals
6 of determinations made by the department affecting any right or benefit relating to
7 the program established under par. (a).

8 (d) Annually, on or before December 31, the volunteer fire fighter service award
9 board shall submit a report to the chief clerk of each house of the legislature under
10 s. 13.172 (2) describing the activities of the volunteer fire fighter service award
11 board.

12 **SECTION 12.** 40.04 (5) (e) of the statutes is amended to read:

13 40.04 (5) (e) Credited all amounts waived, released or forfeited under any
14 provision of this chapter, other than s. 40.03 (10). (CS)

AND EMERGENCY MEDICAL TECHNICIAN

15 **SECTION 13. Nonstatutory provisions.**

16 (1) **VOLUNTEER FIRE FIGHTER SERVICE AWARD BOARD.** Notwithstanding the length
17 of terms specified for the members of the volunteer fire fighter service award board
18 under section 15.165 (5) (a) 1. and 2. of the statutes, as created by this act, the initial
19 members shall be appointed for the following terms:

20 (a) One member specified under section 15.165 (5) (a) 1. of the statutes, as
21 created by this act, and one member specified under section 15.165 (5) (a) 2. of the
22 statutes, as created by this act, for terms expiring on May 1, 2002.

23 (b) One member specified under section 15.165 (5) (a) 1. of the statutes, as
24 created by this act, and one member specified under section 15.165 (5) (a) 2. of the
25 statutes, as created by this act, for terms expiring on May 1, 2003.

BILL

1 (c) One member specified under section 15.165 (5) (a) 1. of the statutes, as
2 created by this act, and one member specified under section 15.165 (5) (a) 2. of the
3 statutes, as created by this act, for terms expiring on May 1, 2004.

4 (2) SUBMISSION OF PROPOSED RULES ESTABLISHING A VOLUNTEER FIRE FIGHTER
5 SERVICE AWARD PROGRAM. No later than February 1, 2001, the volunteer fire fighter
6 service award board shall submit in proposed form the rules required under section
7 40.03 (10) (a) of the statutes, as created by this act, to the legislative council staff
8 under section 227.15 (1) of the statutes.

9 (END)

*and emergency medical
technicians*

*AND EMERGENCY MEDICAL
TECHNICIAN*

ES

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1094/1dn
RAC:cml&kg:ijs

December 15, 1998

*-change
date*

CMMH

1. For this draft, I have included an appropriation but have specified "\$-0-" for expenditure in fiscal years 1999-00 and 2000-01. When you know the dollar amounts that you need to include in the proposal, please contact me and I will either redraft the proposal or draft an amendment, whichever is appropriate.

2. Under s. 16.47 (2), stats., any bill that increases the cost of state government by more than \$10,000 may not be passed by either house of the legislature until the budget bill passes both houses, unless the governor or the joint committee on finance recommends the bill's passage.

Because the budget bill repeals and recreates the appropriation schedule in ch. 20, stats., the appropriation schedule entry in this bill will be repealed if not incorporated into the budget bill.

Finally, please note that I moved all of the dates back one year. Is this OK?

Richard A. Champagne
Legislative Attorney
266-9930

9A 3. Because the program now ^{covers} emergency medical technicians, do you wish to change the composition of the board?
(S)

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-1094/2dn
RAC:cmh&kg:km

January 6, 1999

1. For this draft, I have included an appropriation but have specified "\$-0-" for expenditure in fiscal years 1999-00 and 2000-01. When you know the dollar amounts that you need to include in the proposal, please contact me and I will either redraft the proposal or draft an amendment, whichever is appropriate.

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3. Because the program now covers emergency medical technicians, do you wish to change the composition of the board?

Because the budget bill repeals and recreates the appropriation schedule in ch. 20, stats., the appropriation schedule entry in this bill will be repealed if not incorporated into the budget bill.

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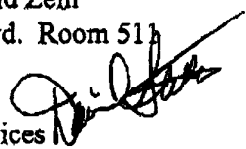
Richard A. Champagne
Legislative Attorney
266-9930

STATE OF WISCONSIN
DEPARTMENT OF EMPLOYE TRUST FUNDS
801 West Badger Road
Madison, WI 53702

CORRESPONDENCE MEMORANDUM

DATE: January 15, 1999

TO: Bob Seitz
Office of State Senator David Zein
119 Martin Luther King Blvd. Room 511

FROM: David Stella, Administrator 
Division of Retirement Services

SUBJECT: Volunteer Firefighter Award Program - LRB 1094/1 dn

This follows our conversation of January 4, 1999 concerning LRB 1094/1 dn that creates a volunteer firefighter award program within the Department of Employee Trust Funds. You asked that I review the bill draft and comment on policy and technical issues. In addition, you asked that I provide an estimate of the administrative costs of the award program.

As I mentioned in our telephone conversation, the Department appreciates the opportunity to provide comments on the draft legislation. Our comments and suggestions are intended to assist you in developing a program that is administratively simple and meets the objectives of the legislation. However, I would like to initially focus on a significant concern with respect to the placement of the program within the Department of Employee Trust Funds. The Department believes that this program should be placed in another state agency that has GPR funding of administrative costs. (1)

The primary obligation of the Department of Employee Trust Funds is the administration of the Wisconsin Retirement System (WRS) and thirteen other associated benefit programs. The staffing and resources of the Department are fully committed to the administration of these programs. Current staff cannot be reassigned to administration of the volunteer fire fighter award program without having a detrimental impact on these employee benefit plans. Funding for administrative costs of these benefit plans are paid from the Public Employee Trust Fund. There can be no subsidization of one benefit plan by another. Consequently, if costs of administering the firefighter award program exceeded available funding a 13.101 request to the Joint Finance Committee would be necessary. If additional funding was not approved the program would have to cease operation for the remainder of the budget period or until additional GPR funding was granted. (2)

Bob Seitz
January 15, 1999
Page 2

Our experience in starting new programs is that significant internal resources are required, even where much of the administration is performed by a third party administrator. While it may be contemplated that only one biennia of GPR funding is needed for this program, I think a minimum of two biennia of GPR funding would be necessary before operations costs could be paid from program revenue. In this regard I would note a technical drafting problem with LRB 1094/1dn. While 20.515 (2) (q), stats. is created to provide an expenditure schedule for payment of awards and "operational" costs, s.40.10 (b)6. specifies that a lump sum benefit consisting of all municipal and state contributions made on behalf of the volunteer fire fighter and all earning on contributions be paid after the fire fighter attains 20 years of service and reaches age 60.

Under these provisions it is not clear what the source of funding for operational costs will be. Beyond GPR for start up costs the only other source of funding available is from forfeitures by those volunteer fire fighters that participate less than 10 years or who participate less than 20 years and take a benefit prior to reaching age 60. This funding source is highly unreliable and will very likely be insufficient to provide adequate funding for operational costs of the agency, the third party administrator and the Board. I would suggest that the language in the bill draft be amended to permit fee charges to be assessed against the assets of the program to cover the ordinary costs of administration.

The bill draft contains no authority with respect to the investment of the assets of the funds. If the Volunteer Fire Fighter Award Board is to be responsible for selection of one or more investment managers that should be made clear in the draft. If it is the intent of the bill to grant this responsibility to the Board, members will become trustees with full fiduciary liability and are subject to law suit for breach of their trustee duties. The duties and responsibilities should be spelled out more specifically in s.40.03 (10) to protect Board members from possible litigation involving questions of their authority and responsibility. Please refer to the responsibilities of the Employee Trust Funds Board in s.40.03(1), stats. for examples of the type of board powers and responsibilities that are customarily granted by the legislature. Court decisions and Attorney General opinions have made it clear that Boards only have the authority granted in statute and cannot assume any authority outside the specific powers granted by law.

I also note that the agency Secretary has no rule making authority with respect to this program. This means the Board will be responsible for drafting and promulgation of the administrative rules of the program. It is generally impractical for a part-time board to draft and promulgate administrative rules. It is more practical to provide the agency head the authority to promulgate the administrative rules with the Board having the authority to approve, reject or modify them.

The agency and the Board have no authority to compel contributions from a municipality that elects to participate. I suggest that some enforcement mechanism be authorized or that municipalities be allowed to terminate participation upon filing written notice with the agency and effective the last day of the month 60 days after the notice is received by the agency. This clarification will guide the rule drafter when developing administrative rules on participation requirements.

3

Could be a
GPR
app.

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6

Bob Seitz
January 15, 1999
Page 3

The draft also provides that the program will operate as a deferred compensation plan under 26 USC 457 (e) (11). I have reviewed this section of the federal code and I do not believe it applies to this type of plan. 457 (e) (11) provides an exception to the definition of an eligible deferred compensation plan and states that any bona fide vacation leave, sick leave, compensatory time severance pay, disability pay, or death benefit is not a plan providing for the deferral of compensation. I am not sure what the drafter intended this type of plan to be, but I would suggest this be reviewed more closely. I assume the intent is to have the assets held in trust be tax exempt until the benefit is taken. There are a number of different federal laws that impact the creation of this type of plan. Advice from an expert in federal tax law is recommended prior to determining which section of the tax code this plan governs this type of plan. (7)

Finally, I would like to provide an estimate of the staffing and administrative cost requirements that I believe are reasonable for the award program as described in this bill draft. I estimate that 1.5 FTE are necessary to initiate and operate this program. Additional costs would include agency overhead, Board member expenses, third party administrator fees and investment manager fees (unless deducted from investment returns). The following are estimated GPR expenditures for the biennium:

Fiscal Summary

Total Cost	<u>1999-2000</u>	<u>2000-2001</u>	<u>2001-2002</u>	<u>2002-2003</u>
<input checked="" type="checkbox"/> Ongoing	\$163,155	\$185,800	\$191,400	\$197,100
<input checked="" type="checkbox"/> One-time financing	\$ 17,000			
<input checked="" type="checkbox"/> State GPR matching@ \$250 /person			\$250,000	\$500,000
Total	\$180,155	\$185,800	\$441,400	\$697,100

(State matching fund cost assumes 1,000 participants in FY 2001 and 2,000 participants in FY 2002 after administrative rules are in effect and municipalities elect to provide coverage)

Positions	1.5	1.5
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Staffing- Cost Estimates

Position	Number	Cost	FY00	FY01
Program Assistant 4-	0.5 FTE	\$29,902	\$12,815	\$17,087

Bob Seitz
 January 15, 1999
 Page 4

Program and Planning Analyst - 6	1.0 FTE	\$90,858	\$38,940	\$51,919
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Other costs:

Supplies/equipment: System Furniture - \$10,000; Supplies and Services- \$2,400 (on-going);
 Computer equipment-\$7,000

Agency overhead charge: \$108,000 annually (assuming .86% of agency overhead).
 Board member expenses - \$1,000 annually

The cost of a contract administrator to maintain individual participant accounts, receipt and disburse funds and payout benefits is very difficult to estimate because it is dependent on the number of participants. Individual account administration, as well as investment management, would have to be based on a bid process unless additional funding and staff are authorized for internal administration. Since the contractors will have fixed costs that will need to be recouped, regardless of the number of program participants, the cost per participant may be high in the early years of the program.

Based on the current contractor cost of the Wisconsin Deferred Compensation Plan I estimate a cost of \$50 per participant per year to maintain an account for each fire fighter and a fixed start-up cost of \$50,000 in the first year. Assuming participation in the first year of 1,000 volunteer fire fighters the total cost for contract services would be at least \$100,000 and increasing in the second year to reflect increased participation. Costs could be reduced somewhat if administration was simplified to allow contributions from employers and the state to be made only once per year, rather than monthly, for each participant. Some mutual funds may absorb some or all of the administrative cost if they are given sole authority to invest all of the state and local government contributions to the plan for an extended period of time.

I hope that this information is helpful in finalizing the drafting of the bill. If you need further assistance please contact me or Pam Henning, our legislative liaison, at 267-2929.

Revised INSTRUCTIONS

- ① Look over DETF MEMO
- ② Keep program in DETF
- ③ Change general program operation costs to fund
- ④ Out source the administration & maintenance of the program; SWIB should not have authority to invest
- ⑤ Use DETF promulgate rules, w/ Board approval



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-1094/2 3

RAC:cmh&km

soon

Redraft notes
has been run

1999 BILL

WPS
please fix topic
line on
request
cover
sheet

1 AN ACT to amend 40.03 (1) (d) (intro.), 40.03 (2) (i), 40.03 (5) (c) and 40.04 (5) (e);
2 and to create 13.94 (1) (p), 15.165 (5), 20.515 (2), 25.17 (1) (xu), 25.85, 40.03 (2)
3 (v) and 40.03 (10) of the statutes; relating to: establishing a service award
4 program for volunteer fire fighters and emergency medical technicians,
5 creating a volunteer fire fighter and emergency medical technician service
6 award board and requiring the exercise of rule-making authority and making
appropriations

Analysis by the Legislative Reference Bureau

This bill creates a volunteer fire fighter and emergency medical technician service award board (board), attached to the department of employe trust funds (DETF). The board consists of the secretary of employe trust funds or his or her designee, three members who are volunteer fire fighters and three members who represent municipalities that operate volunteer fire departments.

Under the bill, the board must establish by rule a volunteer fire fighter and emergency medical technician service award program for volunteer fire fighters and emergency medical technicians in municipalities that operate volunteer fire departments or that contract with volunteer fire companies. The program must be organized as a tax-deferred length-of-service award program under the federal income tax code. The key features of the program include all of the following:

1. All municipalities that operate volunteer fire departments or that contract with volunteer fire companies may voluntarily participate in the program.

Insert Analysis

emergency technicians
emergency medical technicians and any municipality that authorizes volunteer emergency medical technicians to provide emergency medical technical services in the municipality

BILL

2. Annual contributions must be paid by municipalities for each volunteer fire fighter and emergency medical technician in an amount determined by the municipalities.

3. The state must match all annual municipal contributions paid for volunteer fire fighters and emergency medical technicians up to \$250 per year. This amount is to be adjusted annually to reflect changes in the cost of living.

4. A municipality may purchase any number of additional years of service for volunteer fire fighters and emergency medical technicians who have at least five years of service.

5. A vesting period of ten years of volunteer fire fighting or emergency medical technical service for a municipality is required before a volunteer fire fighter or emergency medical technician qualifies to receive any benefits under the program.

6. A requirement that a volunteer fire fighter or emergency medical technician must be paid a lump sum, consisting of all municipal and state contributions made on behalf of the fire fighter or emergency medical technician and all earnings on the contributions, after the fire fighter or emergency medical technician attains 20 years of service with any volunteer fire department and reaches the age of 60. If a volunteer fire fighter or emergency medical technician has satisfied all vesting requirements but has less than 20 years of service with any volunteer fire department or has not reached the age of 60, the program must provide for a reduced lump sum payment.

7. A requirement that a volunteer fire fighter or emergency medical technician must forfeit his or her rights to all contributions under the program if he or she should cease providing volunteer fire fighting or emergency medical technical services for six months or more for a municipality and he or she has not provided volunteer fire fighting or emergency medical technical service for a municipality for at least ten years, unless the board finds good cause for the period of separation.

Under the bill the volunteer fire fighter and emergency medical technician service award board must submit the proposed rules to the legislative council staff no later than February 1, 2001. In addition, the legislative audit bureau must prepare a performance evaluation audit of the volunteer fire fighter and emergency medical technician service award program no later than February 1, 2006.

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

less any amounts used to fund the general program
used to fund the general program
operations of the program
Dist Budget II

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

- 1 **SECTION 1.** 13.94 (1) (p) of the statutes is created to read:
- 2 13.94 (1) (p) No later than February 1, 2006, prepare a performance evaluation
- 3 audit of the volunteer fire fighter and emergency medical technician service award

BILL

1 program established under s. 40.03 (10). The legislative audit bureau shall file a copy
2 of the audit report under this paragraph with the distributees specified in par. (b).

3 **SECTION 2.** 15.165 (5) of the statutes is created to read:

4 **15.165 (5) VOLUNTEER FIRE FIGHTER AND EMERGENCY MEDICAL TECHNICIAN SERVICE**
5 **AWARD BOARD.** (a) There is created in the department of employe trust funds a
6 volunteer fire fighter and emergency medical technician service award board
7 consisting of the secretary of employe trust funds or his or her designee and the
8 following members appointed for 3-year terms:

9 1. Three members who are volunteer fire fighters.

10 2. Three members who represent municipalities that operate volunteer fire
11 departments or that contract with volunteer fire companies organized under ch. 181
12 or 213.

13 (b) 1. In appointing the members under par. (a) 1., the governor shall appoint
14 one member who is a member of the Wisconsin State Fire Chiefs Association and at
15 least one member who is a member of the Wisconsin State Fire Fighters Association.

16 2. In appointing the members under par. (a) 1. and 2., the governor shall seek
17 to appoint members from different regions of the state and municipalities of different
18 sizes.

19 **SECTION 3.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert
20 the following amounts for the purposes indicated:

BILL

SECTION 3

1999-00

2000-01

1 20.515 Employe trust funds, department of

2 (2) VOLUNTEER FIRE FIGHTER AND EMERGENCY

3 MEDICAL TECHNICIAN SERVICE AWARD PROGRAM

4 (a) Volunteer fire fighter and emer-
5 gency medical technician service

6 award board; start-up costs GPR A -0- -0-

7 (q) Volunteer fire fighter and emer-
8 gency medical technician service

9 award program; general program

10 operations SEG A -0- -0-

11 **SECTION 4.** 20.515 (2) of the statutes is created to read:

12 20.515 (2) VOLUNTEER FIRE FIGHTER AND EMERGENCY MEDICAL TECHNICIAN SERVICE

13 AWARD PROGRAM. (a) *Volunteer fire fighter and emergency medical technician service*

14 *award board; start-up costs.* The amounts in the schedule for the start-up costs for

15 the operations of the volunteer fire fighter and emergency medical technician service

16 award board.

17 (q) *Volunteer fire fighter and emergency medical technician service award*

18 *program; general program operations.* From the volunteer fire fighter and

19 emergency medical technician service award fund, the amounts in the schedule for

20 the general program operations of the volunteer fire fighter and emergency medical

21 technician service award program ~~and for the payment of volunteer fire fighter and~~

22 ~~emergency medical technician service awards.~~

23 ~~SECTION 5. 25.17 (1) (x) of the statutes is created to read:~~

Insert
4-6

Insert
4-10

Insert
4-16

Insert
4-22

BILL

1 ~~25.17 (1) (xu) Volunteer fire fighter and emergency medical technician service~~
2 ~~award fund (s. 25.85).~~

3 SECTION 6. 25.85 of the statutes is created to read:

4 **25.85 Volunteer fire fighter and emergency medical technician service**

5 **award fund.** There is established a separate nonlapsible trust fund designated as
6 the volunteer fire fighter and emergency medical technician service award fund,
7 consisting of moneys paid by municipalities ~~and the state~~ on behalf of volunteer fire
8 fighters and emergency medical technicians covered by the volunteer fire fighter
9 emergency medical technician service award program established under s. 40.03

10 (10).

11 SECTION 7. 40.03 (1) (d) (intro.) of the statutes is amended to read:

12 40.03 (1) (d) (intro.) Shall select and retain an actuary or an actuarial firm,
13 under one or more contractual agreements which shall run to the department for the
14 purpose of performing all actuarial services which are necessary for the operation
15 and control of each of the insurance and benefit programs under this chapter, other
16 than the volunteer fire fighter and emergency medical technician service award
17 program established under sub. (10). Under this paragraph, the board shall:

18 SECTION 8. 40.03 (2) (i) of the statutes is amended to read:

19 40.03 (2) (i) Shall promulgate, with the approval of the board, all rules, except
20 rules promulgated under par. (ig) ^(im) or (ir), that are required for the efficient
21 administration of the fund or of any of the benefit plans established by this chapter
22 ~~other than the volunteer fire fighter and emergency medical technician service~~
23 ~~award program established under sub. (10).~~ In addition to being approved by the
24 board, rules promulgated under this paragraph relating to teachers must be
25 approved by the teachers retirement board and rules promulgated under this

Insert
5-10

BILL

SECTION 8

1 paragraph relating to participants other than teachers must be approved by the
2 Wisconsin retirement board, except rules promulgated under s. 40.30.

3 ~~SECTION 9. 40.03 (2) (v) of the statutes is created to read:~~

4 ~~40.03 (2) (v) Shall administer the volunteer fire fighter and emergency medical
5 technician service award program established under sub. (10). Notwithstanding s.
6 227.10 (1), the secretary may not promulgate any rules relating to the volunteer fire
7 fighter and emergency medical technician service award program.~~

Insert
6-8
8

8 SECTION 10. 40.03 (5) (c) of the statutes is amended to read:

9 40.03 (5) (c) Shall determine the proper rates of premiums and contributions
10 required, or advise as to the appropriateness of premium rates proposed by
11 independent insurers, for each of the benefit plans provided for by this chapter, other
12 than the volunteer fire fighter and emergency medical technician service award
13 program established under sub. (10).

14 SECTION 11. 40.03 (10) of the statutes is created to read:

15 40.03 (10) VOLUNTEER FIRE FIGHTER AND EMERGENCY MEDICAL TECHNICIAN SERVICE

16 AWARD BOARD. (a) ~~The volunteer fire fighter and emergency medical technician
17 service award board shall establish by rule a volunteer fire fighter service award
18 program for volunteer fire fighters and emergency medical technicians in
19 municipalities that operate volunteer fire departments or that contract with
20 volunteer fire companies organized under ch. 181 or 213. The program shall be
21 organized as a tax-deferred length-of-service award program under 26 USC 457 (e)
22 (11).~~

Insert
624
24

23 (b) The key features of the program established under par. (a) include all of the
24 following:

BILL

1 1. All municipalities that operate volunteer fire departments or that contract
2 with volunteer fire companies organized under ch. 181 or 213 may voluntarily
3 participate in the program.

4 2. Annual contributions shall be paid by municipalities for each volunteer fire
5 fighter and emergency medical technician in an amount determined by the
6 municipalities.

7 3. The state shall match all annual municipal contributions paid for volunteer
8 fire fighters and emergency medical technicians up to \$250 per year, other than
9 contributions paid under subd. 4. This amount shall be adjusted annually to reflect
10 any changes in the U.S. consumer price index for all urban consumers, U.S. city
11 average, as determined by the U.S. department of labor.

12 4. A municipality may purchase any number of additional years of service for
13 volunteer fire fighters and emergency medical technicians who have at least 5 years
14 of service as a volunteer fire fighter or emergency medical technician.

15 5. A vesting period of 10 years of volunteer fire fighting or emergency medical
16 technical service for a municipality shall be required before a volunteer fire fighter
17 or emergency medical technician qualifies to receive any benefits under the program.

18 6. A requirement that a volunteer fire fighter or emergency medical technician
19 shall be paid a lump sum, consisting of all municipal and state contributions made
20 on behalf of the volunteer fire fighter or emergency medical technician and all
21 earnings on the contributions, after the fire fighter or emergency medical technician
22 attains 20 years of service with any volunteer fire department and reaches the age
23 of 60. If a volunteer fire fighter or emergency medical technician has satisfied all
24 vesting requirements but has less than 20 years of service with any volunteer fire
25 department or has not reached the age of 60, the program shall provide for the

Insert
7-2

Insert
7-11

Insert
7-21

BILL

1 payment of a reduced lump sum, as determined by the volunteer fire fighter and
2 emergency medical technician service award board.

3 7. A requirement that a volunteer fire fighter or emergency medical technician
4 shall forfeit his or her rights to all contributions under the program if he or she should
5 cease providing volunteer fire fighting or emergency medical technical services for
6 a municipality for 6 months or more and he or she has not provided fire fighting or
7 emergency medical technical services for a municipality for at least 10 years, unless
8 the volunteer fire fighter and emergency medical technician service award board
9 finds good cause for the period of separation.

10 (g) The volunteer fire fighter and emergency medical technician service award
11 board shall accept timely appeals of determinations made by the department
12 affecting any right or benefit relating to the program established under par. (a).

13 (h) Annually, on or before December 31, the volunteer fire fighter and
14 emergency medical technician service award board shall submit a report to the chief
15 clerk of each house of the legislature under s. 13.172 (2) describing the activities of
16 the volunteer fire fighter and emergency medical technician service award board.

17 **SECTION 12.** 40.04 (5) (e) of the statutes is amended to read:

18 40.04 (5) (e) Credited all amounts waived, released or forfeited under any
19 provision of this chapter, other than s. 40.03 (10).

20 **SECTION 13. Nonstatutory provisions.**

21 (1) VOLUNTEER FIRE FIGHTER AND EMERGENCY MEDICAL TECHNICIAN SERVICE AWARD
22 BOARD. Notwithstanding the length of terms specified for the members of the
23 volunteer fire fighter and emergency medical technician service award board under
24 section 15.165 (5) (a) 1. and 2. of the statutes, as created by this act, the initial
25 members shall be appointed for the following terms:

BILL

1 (a) One member specified under section 15.165 (5) (a) 1. of the statutes, as
2 created by this act, and one member specified under section 15.165 (5) (a) 2. of the
3 statutes, as created by this act, for terms expiring on May 1, 2002.

4 (b) One member specified under section 15.165 (5) (a) 1. of the statutes, as
5 created by this act, and one member specified under section 15.165 (5) (a) 2. of the
6 statutes, as created by this act, for terms expiring on May 1, 2003.

7 (c) One member specified under section 15.165 (5) (a) 1. of the statutes, as
8 created by this act, and one member specified under section 15.165 (5) (a) 2. of the
9 statutes, as created by this act, for terms expiring on May 1, 2004.

10 (2) SUBMISSION OF PROPOSED RULES ESTABLISHING A VOLUNTEER FIRE FIGHTER AND
11 EMERGENCY MEDICAL TECHNICIAN SERVICE AWARD PROGRAM. No later than February 1,

12 2001, the volunteer fire fighter and emergency medical technician service award *program*

13 ~~board~~ shall submit in proposed form the rules ^{establishing} ~~required~~ under section 40.03 (10) ~~(a)~~
14 of the statutes, as created by this act, to the legislative council staff under section
15 227.15 (1) of the statutes.

16 (END)

the department of employe trust funds

✓ **Insert Analysis I:**

9 Under the bill, the board must establish by rule a volunteer fire fighter and emergency medical technician service award program for volunteer fire fighters and emergency medical technicians in municipalities that operate volunteer fire departments or that contract with volunteer fire companies and in any municipality that authorizes volunteer emergency medical technicians to provide emergency medical technical services in the municipality. To the extent permitted by federal law, the award must be treated as a tax-deferred benefit under the federal income tax code. The board must promulgate rules to include the following design features for the program:

Insert Analysis II: ✓

9 Under the bill, the board must contract with an individual or organization in the private sector for all administrative and investment services required for the volunteer fire fighter and emergency medical technician service award program.

Finally, under the bill, no 91

Insert 4-6:

(b) Volunteer fire fighter and emergency medical technician service award board state matching awards	program	GPR	S	-0-	-0-
Insert 4-10:					
(r) Volunteer fire fighter and emergency medical technician service award board service awards	program	SEC	S	-0-	-0-

Insert 4-16: ✓

(b) *Volunteer fire fighter and emergency medical technician service award program; state matching awards.* A sum sufficient to make the transfers to the volunteer fire fighter and emergency medical technician service award fund that are required under s. 40.03 (10) (f)

Insert 4-22: ✓

→ (b) *Volunteer fire fighter and emergency medical technician service award program; service awards.* From the volunteer fire fighter and emergency medical technician service award fund, a sum sufficient for the payment of volunteer fire fighter and emergency medical technician awards under s. 40.03 (10). (F)

Insert 5-10: ✓

and moneys required to be transferred by the state to the fund under s. 40.03 (10) (f) service

Insert 6-8: ✓

SECTION 1. 40.03 (2) (im) of the statutes is created to read:

40.03 (2) (im) Shall promulgate, with the approval of the volunteer fire fighter and emergency medical technician service award board, all rules required for the administration of the volunteer fire fighter and emergency medical technician service award program ~~established~~ under sub. (10). establishment and

Insert 6-24: ✓

No P The volunteer fire fighter and emergency medical technician service award board shall establish by rule a program to provide length-of service awards, described in 26 USC 457 (e) (11), to volunteer fire fighters in municipalities that operate volunteer fire departments or that contract with volunteer fire companies organized under ch. 181 or 213 and to volunteer emergency medical technicians in any municipality that authorizes volunteer emergency medical technicians to provide emergency medical technical services in the municipality. To the extent permitted by federal law, the volunteer fire fighter and emergency medical technician service award board shall design the program so as to treat the length-of service awards as a tax-deferred benefit under the Internal Revenue Code. add hyphen

(b) The volunteer fire fighter and emergency medical technician service award board shall promulgate rules to include the following design features for the program:

Insert 7-2: ✓

no R

and any municipality that authorizes volunteer emergency medical technicians to provide emergency medical technical services in the municipality

Insert 7-21: ✓

no R

less any amounts to fund the general operation costs of the volunteer fire fighter and emergency medical technician service award program,

program

Insert 8-10: ✓

R

(c) The volunteer fire fighter and emergency medical technician service award board may charge the volunteer fire fighter and emergency medical technician service award fund for the general program operations costs of the volunteer fire fighter and emergency medical technician service award program.

(d) The members of the volunteer fire fighter and emergency medical technician service award board shall be the trustees of the volunteer fire fighter and emergency medical technician service award fund and shall have all powers necessary or convenient to perform any fiduciary duty required by law.

(e) The volunteer fire fighter and emergency medical technician service award board shall contract with an individual or organization in the private sector for all administrative and investment services required, other than services funded from the appropriation account under s. 20.515 (2) for the volunteer fire fighter and emergency medical technician service award program.

(f) The volunteer fire fighter and emergency medical technician service award board shall transfer from the appropriation account under s. 20.515 (2) (b) to the

volunteer fire fighter and emergency medical technician service award fund all amounts necessary to match the municipal contributions under the volunteer fire fighter and emergency medical technician service award program.



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-1094/3 4

RAC:cmh&kmg:jf

WED

Redraft maker has
been seen. *gungo*

1999 BILL

W.P.O. -
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1 AN ACT to amend 40.03 (1) (d) (intro.), 40.03 (2) (i), 40.03 (5) (c) and 40.04 (5) (e);
2 and to create 13.94 (1) (p), 15.165 (5), 20.515 (2), 25.85, 40.03 (2) (im) and 40.03
3 (10) of the statutes; relating to: establishing a service award program for
4 volunteer fire fighters and emergency medical technicians, creating a volunteer
5 fire fighter and emergency medical technician service award board, requiring
6 the exercise of rule-making authority and making appropriations.

Analysis by the Legislative Reference Bureau

This bill creates a volunteer fire fighter and emergency medical technician service award board (board), attached to the department of employe trust funds (DETF). The board consists of the secretary of employe trust funds or his or her designee, three members who are volunteer fire fighters and three members who represent municipalities that operate volunteer fire departments.

Under the bill, the board must establish by rule a volunteer fire fighter and emergency medical technician service award program for volunteer fire fighters and emergency medical technicians in municipalities that operate volunteer fire departments or that contract with volunteer fire companies and in any municipality that authorizes volunteer emergency medical technicians to provide emergency medical technical services in the municipality. To the extent permitted by federal law, the award must be treated as a tax-deferred benefit under the federal income tax code. The board must promulgate rules to include the following design features for the program:

BILL

1. All municipalities that operate volunteer fire departments or that contract with volunteer fire companies and any municipality that authorizes volunteer emergency medical technicians to provide emergency medical technical services in the municipality may voluntarily participate in the program.

2. Annual contributions must be paid by municipalities for each volunteer fire fighter and emergency medical technician in an amount determined by the municipalities.

3. The state must match all annual municipal contributions paid for volunteer fire fighters and emergency medical technicians up to \$250 per year. This amount is to be adjusted annually to reflect changes in the cost of living.

4. A municipality may purchase ~~any number of~~ additional years of service for volunteer fire fighters and emergency medical technicians who have at least five years of service.

5. A vesting period of ten years of volunteer fire fighting or emergency medical technical service for a municipality is required before a volunteer fire fighter or emergency medical technician qualifies to receive any benefits under the program.

6. A requirement that a volunteer fire fighter or emergency medical technician must be paid a lump sum, consisting of all municipal and state contributions made on behalf of the fire fighter or emergency medical technician and all earnings on the contributions, less any amounts used to fund the general program operations of the program, after the fire fighter or emergency medical technician attains 20 years of service ~~with any volunteer fire department~~ and reaches the age of 60. If a volunteer fire fighter or emergency medical technician has satisfied all vesting requirements but has less than 20 years of service with ~~any volunteer fire department~~ or has not reached the age of 60, the program must provide for a reduced lump sum payment.

7. A requirement that a volunteer fire fighter or emergency medical technician must forfeit his or her rights to all contributions under the program if he or she should cease providing volunteer fire fighting or emergency medical technical services for six months or more for a municipality and he or she has not provided volunteer fire fighting or emergency medical technical service for a municipality for at least ten years, unless the board finds good cause for the period of separation.

Under the bill, the board must contract with an individual or organization in the private sector for all administrative and investment services required for the volunteer fire fighter and emergency medical technician service award program.

Finally, under the bill, the volunteer fire fighter and emergency medical technician service award board must submit the proposed rules to the legislative council staff no later than February 1, 2001. In addition, the legislative audit bureau must prepare a performance evaluation audit of the volunteer fire fighter and emergency medical technician service award program no later than February 1, 2006.

for a municipality



municipality
a municipality

BILL

For further information see the *state and local* 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:

1 **SECTION 1.** 13.94 (1) (p) of the statutes is created to read:

2 13.94 (1) (p) No later than February 1, 2006, prepare a performance evaluation
3 audit of the volunteer fire fighter and emergency medical technician service award
4 program established under s. 40.03 (10). The legislative audit bureau shall file a copy
5 of the audit report under this paragraph with the distributees specified in par. (b).

6 **SECTION 2.** 15.165 (5) of the statutes is created to read:

7 15.165 (5) VOLUNTEER FIRE FIGHTER AND EMERGENCY MEDICAL TECHNICIAN SERVICE
8 AWARD BOARD. (a) There is created in the department of employe trust funds a
9 volunteer fire fighter and emergency medical technician service award board
10 consisting of the secretary of employe trust funds or his or her designee and the
11 following members appointed for 3-year terms:

12 1. Three members who are volunteer fire fighters.

13 2. Three members who represent municipalities that operate volunteer fire
14 departments or that contract with volunteer fire companies organized under ch. 181
15 or 213.

16 (b) 1. In appointing the members under par. (a) 1., the governor shall appoint
17 one member who is a member of the Wisconsin State Fire Chiefs Association and at
18 least one member who is a member of the Wisconsin State Fire Fighters Association.

19 2. In appointing the members under par. (a) 1. and 2., the governor shall seek
20 to appoint members from different regions of the state and municipalities of different
21 sizes.

BILL

SECTION 3

1 **SECTION 3.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert
2 the following amounts for the purposes indicated:

1999-00 2000-01

3 **20.515 Employe trust funds, department of**

4 (2) **VOLUNTEER FIRE FIGHTER AND EMERGENCY**
5 **MEDICAL TECHNICIAN SERVICE AWARD PROGRAM**

6 (a) **Volunteer fire fighter and emer-**
7 **gency medical technician service**
8 **award board; start-up costs GPR A -0- -0-**

9 (q) **Volunteer fire fighter and emer-**
10 **gency medical technician service**
11 **award program; general program**
12 **operations SEG A -0- -0-**

13 **SECTION 4.** 20.515 (2) of the statutes is created to read:

14 **20.515 (2) VOLUNTEER FIRE FIGHTER AND EMERGENCY MEDICAL TECHNICIAN SERVICE**
15 **AWARD PROGRAM. (a) *Volunteer fire fighter and emergency medical technician service***
16 ***award board; start-up costs.* The amounts in the schedule for the start-up costs for**
17 **the operations of the volunteer fire fighter and emergency medical technician service**
18 **award board.**

19 (b) *Volunteer fire fighter and emergency medical technician service award*
20 *program; state matching awards.* A sum sufficient to make the transfers to the
21 volunteer fire fighter and emergency medical technician service award fund that are
22 required under s. 40.03 (10) (f).

BILL

1 (q) *Volunteer fire fighter and emergency medical technician service award*
2 *program; general program operations.* From the volunteer fire fighter and
3 emergency medical technician service award fund, the amounts in the schedule for
4 the general program operations of the volunteer fire fighter and emergency medical
5 technician service award program.

6 (r) *Volunteer fire fighter and emergency medical technician service award*
7 *program; service awards.* From the volunteer fire fighter and emergency medical
8 technician service award fund, a sum sufficient for the payment of volunteer fire
9 fighter and emergency medical technician service awards under s. 40.03 (10).

10 **SECTION 5.** 25.85 of the statutes is created to read:

11 **25.85 Volunteer fire fighter and emergency medical technician service**
12 **award fund.** There is established a separate nonlapsible trust fund designated as
13 the volunteer fire fighter and emergency medical technician service award fund,
14 consisting of moneys paid by municipalities on behalf of volunteer fire fighters and
15 emergency medical technicians covered by the volunteer fire fighter emergency
16 medical technician service award program established under s. 40.03 (10) and
17 moneys required to be transferred by the state to the fund under s. 40.03 (10) (f).

18 **SECTION 6.** 40.03 (1) (d) (intro.) of the statutes is amended to read:

19 40.03 (1) (d) (intro.) Shall select and retain an actuary or an actuarial firm,
20 under one or more contractual agreements which shall run to the department for the
21 purpose of performing all actuarial services which are necessary for the operation
22 and control of each of the insurance and benefit programs under this chapter, other
23 than the volunteer fire fighter and emergency medical technician service award
24 program established under sub. (10). Under this paragraph, the board shall:

25 **SECTION 7.** 40.03 (2) (i) of the statutes is amended to read:

BILL**SECTION 7**

1 40.03 (2) (i) Shall promulgate, with the approval of the board, all rules, except
2 rules promulgated under par. (ig), (im) or (ir), that are required for the efficient
3 administration of the fund or of any of the benefit plans established by this chapter.
4 In addition to being approved by the board, rules promulgated under this paragraph
5 relating to teachers must be approved by the teachers retirement board and rules
6 promulgated under this paragraph relating to participants other than teachers must
7 be approved by the Wisconsin retirement board, except rules promulgated under s.
8 40.30.

9 **SECTION 8.** 40.03 (2) (im) of the statutes is created to read:

10 40.03 (2) (im) Shall promulgate, with the approval of the volunteer fire fighter
11 and emergency medical technician service award board, all rules required for the
12 establishment and administration of the volunteer fire fighter and emergency
13 medical technician service award program under sub. (10).

14 **SECTION 9.** 40.03 (5) (c) of the statutes is amended to read:

15 40.03 (5) (c) Shall determine the proper rates of premiums and contributions
16 required, or advise as to the appropriateness of premium rates proposed by
17 independent insurers, for each of the benefit plans provided for by this chapter, other
18 than the volunteer fire fighter and emergency medical technician service award
19 program established under sub. (10).

20 **SECTION 10.** 40.03 (10) of the statutes is created to read:

21 **40.03 (10) VOLUNTEER FIRE FIGHTER AND EMERGENCY MEDICAL TECHNICIAN SERVICE**
22 **AWARD BOARD.** (a) The volunteer fire fighter and emergency medical technician
23 service award board shall establish by rule a program to provide length-of-service
24 awards, described in 26 USC 457 (e) (11), to volunteer fire fighters in municipalities
25 that operate volunteer fire departments or that contract with volunteer fire

BILL

1 companies organized under ch. 181 or 213 and to volunteer emergency medical
2 technicians in any municipality that authorizes volunteer emergency medical
3 technicians to provide emergency medical technical services in the municipality. To
4 the extent permitted by federal law, the volunteer fire fighter and emergency medical
5 technician service award board shall design the program so as to treat the
6 length-of-service awards as a tax-deferred benefit under the Internal Revenue
7 Code.

8 (b) The volunteer fire fighter and emergency medical technician service award
9 board shall promulgate rules to include the following design features for the
10 program:

11 1. All municipalities that operate volunteer fire departments or that contract
12 with volunteer fire companies organized under ch. 181 or 213 and any municipality
13 that authorizes volunteer emergency medical technicians to provide emergency
14 medical technical services in the municipality may voluntarily participate in the
15 program.

16 2. Annual contributions shall be paid by municipalities for each volunteer fire
17 fighter and emergency medical technician in an amount determined by the
18 municipalities.

19 3. The state shall match all annual municipal contributions paid for volunteer
20 fire fighters and emergency medical technicians up to \$250 per year, other than
21 contributions paid under subd. 4. This amount shall be adjusted annually to reflect
22 any changes in the U.S. consumer price index for all urban consumers, U.S. city
23 average, as determined by the U.S. department of labor.

BILL

Insert
8-3

1 4. A municipality may purchase any number of additional years of service for
2 volunteer fire fighters and emergency medical technicians who have at least 5 years
3 of service as a volunteer fire fighter or emergency medical technician. ↑

4 5. A vesting period of 10 years of volunteer fire fighting or emergency medical
5 technical service for a municipality shall be required before a volunteer fire fighter
6 or emergency medical technician qualifies to receive any benefits under the program.

7 6. A requirement that a volunteer fire fighter or emergency medical technician
8 shall be paid a lump sum, consisting of all municipal and state contributions made
9 on behalf of the volunteer fire fighter or emergency medical technician and all
10 earnings on the contributions, less any amounts to fund the general program
11 operations costs of the volunteer fire fighter and emergency medical technician
12 service award program, after the fire fighter or emergency medical technician
13 attains 20 years of service ^{for a municipality} ~~with any volunteer fire department~~ and reaches the age

14 of 60. If a volunteer fire fighter or emergency medical technician has satisfied all
15 vesting requirements but has less than 20 years of service ~~with any volunteer fire~~

16 ~~department~~ ^{for a municipality} or has not reached the age of 60, the program shall provide for the
17 payment of a reduced lump sum, as determined by the volunteer fire fighter and
18 emergency medical technician service award board.

19 7. A requirement that a volunteer fire fighter or emergency medical technician
20 shall forfeit his or her rights to all contributions under the program if he or she should
21 cease providing volunteer fire fighting or emergency medical technical services for
22 a municipality for 6 months or more and he or she has not provided fire fighting or
23 emergency medical technical services for a municipality for at least 10 years, unless
24 the volunteer fire fighter and emergency medical technician service award board
25 finds good cause for the period of separation.

BILL

1 (c) The volunteer fire fighter and emergency medical technician service award
2 board may charge the volunteer fire fighter and emergency medical technician
3 service award fund for the general program operations costs of the volunteer fire
4 fighter and emergency medical technician service award program.

5 (d) The members of the volunteer fire fighter and emergency medical
6 technician service award board shall be the trustees of the volunteer fire fighter and
7 emergency medical technician service award fund and shall have all powers
8 necessary or convenient to perform any fiduciary duty required by law.

9 (e) The volunteer fire fighter and emergency medical technician service award
10 board shall contract with an individual or organization in the private sector for all
11 administrative and investment services required, other than services funded from
12 the appropriation account under s. 20.515 (2) (a), for the volunteer fire fighter and
13 emergency medical technician service award program.

14 (f) The volunteer fire fighter and emergency medical technician service award
15 board shall transfer from the appropriation account under s. 20.515 (2) (b) to the
16 volunteer fire fighter and emergency medical technician service award fund all
17 amounts necessary to match the municipal contributions under the volunteer fire
18 fighter and emergency medical technician service award program.

19 (g) The volunteer fire fighter and emergency medical technician service award
20 board shall accept timely appeals of determinations made by the department
21 affecting any right or benefit relating to the program established under par. (a).

22 (h) Annually, on or before December 31, the volunteer fire fighter and
23 emergency medical technician service award board shall submit a report to the chief
24 clerk of each house of the legislature under s. 13.172 (2) describing the activities of
25 the volunteer fire fighter and emergency medical technician service award board.

BILL

1 **SECTION 11.** 40.04 (5) (e) of the statutes is amended to read:

2 40.04 (5) (e) Credited all amounts waived, released or forfeited under any
3 provision of this chapter, other than s. 40.03 (10).

4 **SECTION 12. Nonstatutory provisions.**

5 (1) VOLUNTEER FIRE FIGHTER AND EMERGENCY MEDICAL TECHNICIAN SERVICE AWARD
6 BOARD. Notwithstanding the length of terms specified for the members of the
7 *volunteer fire fighter and emergency medical technician service award board* under
8 section 15.165 (5) (a) 1. and 2. of the statutes, as created by this act, the initial
9 members shall be appointed for the following terms:

10 (a) One member specified under section 15.165 (5) (a) 1. of the statutes, as
11 created by this act, and one member specified under section 15.165 (5) (a) 2. of the
12 statutes, as created by this act, for terms expiring on May 1, 2002.

13 (b) One member specified under section 15.165 (5) (a) 1. of the statutes, as
14 created by this act, and one member specified under section 15.165 (5) (a) 2. of the
15 statutes, as created by this act, for terms expiring on May 1, 2003.

16 (c) One member specified under section 15.165 (5) (a) 1. of the statutes, as
17 created by this act, and one member specified under section 15.165 (5) (a) 2. of the
18 statutes, as created by this act, for terms expiring on May 1, 2004.

19 (2) SUBMISSION OF PROPOSED RULES ESTABLISHING A VOLUNTEER FIRE FIGHTER AND
20 EMERGENCY MEDICAL TECHNICIAN SERVICE AWARD PROGRAM. No later than February 1,
21 2001, the department of employe trust funds shall submit in proposed form the rules
22 establishing the *volunteer fire fighter and emergency medical technician service*
23 *award program* under section 40.03 (10) of the statutes, as created by this act, to the
24 legislative council staff under section 227.15 (1) of the statutes.

25

(END)

**1999-2000 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-1094/4ins
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✓
Insert 8-3:

The number of additional years of service that may be purchased under this subdivision may not exceed the number of years of volunteer fire fighting or emergency medical technical service performed by the volunteer fire fighter or emergency medical technician for the municipality.