

2001 Jr2 DRAFTING REQUEST

Senate Amendment (SA-SSA1-AB1)

Received: **04/02/2002**

Received By: **champra**

Wanted: **Soon**

Identical to LRB:

For: **Senate Democratic Caucus**

By/Representing: **Engel**

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

Drafter: **champra**

May Contact:

Addl. Drafters:

Subject: **Employ Pub - civil service**
Employ Pub - miscellaneous

Extra Copies:

Submit via email: **NO**

Pre Topic:

SCC:.....Engel - CN5557,

Topic:

Voluntary state employee furlough

Instructions:

See Attached.

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	champra 04/02/2002	gilfokm 04/02/2002	haugeca 04/02/2002	_____	lrb_docadmin 04/03/2002		
/2	champra 04/03/2002	gilfokm 04/03/2002	rschluet 04/03/2002	_____	lrb_docadmin 04/03/2002		

FE Sent For:

<END>

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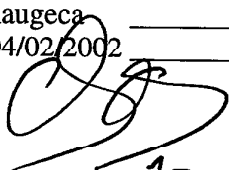
See Attached.

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/1	champra 04/02/2002	gilfokm 04/02/2002	haugeca 04/02/2002		lrb_docadmin 04/03/2002		

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12-4/3
KMG



4-3-1 END>

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/1	champra	1-4/2 King	CH 4/2	CH 4/2			

FE Sent For:

<END>

Employee Trust Funds

Include the provisions of Fiscal Bureau Motion #273 (attached), providing for voluntary state employee furloughs, but modified to exclude payment and accrual of pension benefits during the period of the voluntary furlough.

CN 5557

RAC

<u>Funding Source</u>	<u>Total Salary Amount with 7.65% Fringe</u>	
	<u>Hourly</u>	<u>8-Week Furlough</u>
GPR	\$659,000	\$210,880,000
PR	\$45,000	174,400,000
SEG	118,000	37,760,000
FED	<u>180,000</u>	<u>57,600,000</u>
Total	\$1,502,000	\$480,640,000
Total Non-FED Amounts	\$1,322,000	\$423,040,000

For every 1% of payroll opting for a voluntary eight-week furlough, the potential salary and Social Security fringe benefits savings are estimated as follows:

<u>Funding Source</u>	<u>Total Salary Amount with 7.65% Fringe</u>
GPR	\$2,108,800
PR	1,744,000
SEG	377,600
FED	<u>576,000</u>
Total	\$4,806,400
Total Non-FED Amounts	\$4,230,400

[Change to Bill: Indeterminate]

EMPLOYMENT RELATIONS

Voluntary State Employee Furlough

Motion:

Move to require any state appointing authority to grant any state employee, other than an elected official or an employee nominated or appointed by the Governor to a fixed term, a voluntary furlough during the remainder of the 2001-03 fiscal biennium, not to exceed eight weeks duration. Stipulate that during the period of the voluntary furlough, the appointing authority would continue to pay the employee's fringe benefits costs, other than for Social Security, and the employee would continue to accrue benefits as though employment was continuous. Specify that the timing of any voluntary furlough would be at the discretion of the appointing authority. Stipulate that for employees included in a collective bargaining unit for which representation is recognized or certified under the State Employment Relations Act, these voluntary furlough provisions would apply unless otherwise provided in a collective bargaining agreement. Specify that all non-FED salary and Social Security fringe benefits savings amounts not expended for employees taking a voluntary furlough would lapse to the general fund.

** modify for retirees: employees would not accrue pension benefits*

Note:

Because a furlough would be voluntary and a similar program has not previously been implemented, it is not known the number of state employees who might participate under the program or what the cost savings to the state would be. For any employee taking the voluntary furlough, the savings to the state would derive from lapsed non-FED salary amounts for up to eight weeks and associated fringe benefits amounts equal to 7.65% of salary to reflect the fact that the employer would not make Social Security contributions during the period of the furlough. Unspent FED salary and fringe benefits amounts must generally revert to the federal government and cannot be lapsed to the general fund.

The current value of one hour's pay for all state employees in Wisconsin and the maximum amount of savings (including Social Security savings), if all employees took an eight week furlough, are estimated as follows:



State of Wisconsin
2001 - 2002 LEGISLATURE
January 2002 Special Session

LRBb2962/1

RAC: King

SCC:.....Engel – Voluntary state employee furlough

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

CAUCUS SENATE AMENDMENT ,
TO SENATE SUBSTITUTE AMENDMENT 1,
TO ASSEMBLY BILL 1

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

2 ✓ 1. Page 368, line 8: after that line insert:

3) “(4/z) VOLUNTARY EMPLOYEE FURLOUGH. Any chief administrative officer of a
4 state agency, as defined in section 20.001 (1) of the statutes, may permit any
5 employee of that agency, other than an employee who is an elected official or is
6 nominated or appointed by the governor for a fixed term to his or her position, to take
7 a voluntary unpaid leave of absence during the 2001-03 fiscal biennium for a period
8 not to exceed 8 weeks. During any time in which an employee is on a leave of absence
9 granted under this subsection, the chief administrative officer shall continue to
10 make all required employer contributions for that employee, as well as any required

1 employee contributions that the employer is required to make on behalf of that
2 employee in accordance with a collective bargaining agreement under subchapter V
3 of chapter 111 or section 230.12 of the statutes, for benefits provided under chapter
4 40 of the statutes, but not including any such contributions under section 40.05 (1)
5 and (2) of the statutes. During the leave of absence, the employee's employment shall
6 be considered not to have been interrupted for all purposes relating to wages, hours,
7 and conditions of employment, except that the employee shall not be paid a salary
8 nor accrue creditable service, as defined in section 40.02 (17) of the statutes, for
9 purposes of the Wisconsin retirement system. The timing of any leave of absence
10 granted under this subsection shall be at the discretion of the appointing authority.
11 Notwithstanding section 111.91 (1) of the statutes, for employees who are included
12 in a collective bargaining unit for which a representative is recognized or certified
13 under subchapter V of chapter 111 of the statutes, this subsection shall apply except
14 as otherwise provided in a collective bargaining agreement.”.

15 [✓]2. Page 430, line 9: after that line insert:

16 ^Z
17 “(6^Z) COMPENSATION AND FRINGE BENEFIT SAVINGS FOR STATE EMPLOYEES WHO
18 ELECT TO TAKE VOLUNTARY FURLOUGHS DURING THE 2001-03 FISCAL BIENNIUM.

18 (a) The definitions in section 20.001 of the statutes are applicable in this
19 subsection, except that “state agency” does not include the department of employee
20 trust funds.

21 (b) The secretary of administration shall determine for each state agency the
22 amount that the agency would have been required to expend for compensation and
23 contributions under section 40.05 (1) and (2) of the statutes for state employees who
24 elect to take a voluntary furlough under SECTION 9159 (4^Z) of this act and each

1 appropriation from which the moneys would have been expended, other than
2 appropriations of federal revenues.

3 (c) From each sum certain appropriation of general purpose revenue identified
4 in paragraph (b), the secretary of administration shall lapse to the general fund the
5 amount specified in paragraph (b) that would otherwise have been expended from
6 each of the appropriations. After the secretary of administration makes the lapse,
7 each of the sum certain appropriations is decreased by the amount specified in
8 paragraph (b) for that appropriation.

9 (d) For each sum sufficient appropriation of general purpose revenue identified
10 in paragraph (b), the expenditure estimate for the appropriation during the 2001–03
11 fiscal biennium is reestimated to subtract the amount specified in paragraph (b) for
12 that appropriation.

13 (e) From each appropriation of program revenues or program revenues[✓]–service
14 identified in paragraph (b), the secretary of administration shall lapse to the general
15 fund the amount specified in paragraph (b) that would otherwise have been
16 expended from each of the appropriations. After the secretary of administration
17 makes the lapse, each of the sum certain program revenues or program
18 revenues–service appropriations is decreased by the amount specified in paragraph
19 (b) for that appropriation.

20 (f) From each sum certain[✓] appropriation of segregated fund revenues or
21 segregated fund revenues — service identified in paragraph (b), the secretary of
22 administration shall lapse to the underlying fund the amount specified in paragraph
23 (b) that would otherwise have been expended from each of the appropriations. After
24 the secretary of administration makes the lapse, each of the sum certain segregated
25 revenues or segregated revenues — service appropriations is decreased by the

1 amount specified in paragraph (b) for that appropriation. For each appropriation
2 of segregated fund revenues or segregated fund revenues — service identified in
3 paragraph (b) that is not a sum certain appropriation, the expenditure estimate for
4 each appropriation is reestimated to subtract the amount specified in paragraph (b)
5 for that appropriation. The secretary of administration shall transfer from the
6 underlying fund the lapsed amounts and an amount equal to the amount subtracted
7 from the estimates to the general fund.”

8 (END)



D. N. ()
State of Wisconsin
2001 - 2002 LEGISLATURE
January 2002 Special Session

LRBb2962/12
RAC:kmg:ch

RMR

SCC:.....Engel – Voluntary state employee furlough

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

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TO ASSEMBLY BILL 1

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2 **1.** Page 368, line 8: after that line insert:

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5 that agency, other than an employee who is an elected official or is nominated or
6 appointed by the governor for a fixed term to his or her position, to take a voluntary
7 unpaid leave of absence during the 2001-03 fiscal biennium for a period not to exceed
8 8 weeks. During any time in which an employee is on a leave of absence granted
9 under this subsection, the chief administrative officer shall continue to make all
10 required employer contributions for that employee, as well as any required employee

1 contributions that the employer is required to make on behalf of that employee in
2 accordance with a collective bargaining agreement under subchapter V of chapter
3 111 or section 230.12 of the statutes, for benefits provided under chapter 40 of the
4 statutes, but not including any such contributions under section 40.05 (1) and (2) of
5 the statutes. During the leave of absence, the employee's employment shall be
6 considered not to have been interrupted for all purposes relating to wages, hours, and
7 conditions of employment, except that the employee shall not be paid a salary nor
8 accrue creditable service, as defined in section 40.02 (17) of the statutes, for purposes
9 of the Wisconsin retirement system. The timing of any leave of absence granted
10 under this subsection shall be at the discretion of the ^{chief administrative} ~~appointing authority~~ officer.
11 Notwithstanding section 111.91 (1) of the statutes, for employees who are included
12 in a collective bargaining unit for which a representative is recognized or certified
13 under subchapter V of chapter 111 of the statutes, this subsection shall apply except
14 as otherwise provided in a collective bargaining agreement."

15 **2.** Page 430, line 9: after that line insert:

16 "(6z) COMPENSATION AND FRINGE BENEFIT SAVINGS FOR STATE EMPLOYEES WHO ELECT
17 TO TAKE VOLUNTARY FURLOUGHS DURING THE 2001-03 FISCAL BIENNIUM.

18 (a) The definitions in section 20.001 of the statutes are applicable in this
19 subsection, except that "state agency" does not include the department of employee
20 trust funds ^{or the investment board}

21 (b) The secretary of administration shall determine for each state agency the
22 amount that the agency would have been required to expend for compensation and
23 contributions under section 40.05 (1) and (2) of the statutes for state employees who
24 elect to take a voluntary furlough under SECTION 9159 (4z) of this act and each

1 appropriation from which the moneys would have been expended, other than
2 appropriations of federal revenues.

3 (c) From each sum certain appropriation of general purpose revenue identified
4 in paragraph (b), the secretary of administration shall lapse to the general fund the
5 amount specified in paragraph (b) that would otherwise have been expended from
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8 (END)

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBb2962/2dn

RAC: |

KMG

I added the investment board as one of the state agencies excluded from the lapse and transfer provisions of the draft, because the operations of the investment board are largely funded from moneys in the different trusts of the public employee trust fund.
✓ is this OK?
=

Rick A. Champagne
Senior Legislative Attorney
Phone: (608) 266-9930
E-mail: rick.champagne@legis.state.wi.us

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBb2962/2dn
RAC:kmg:rs

April 3, 2002

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State of Wisconsin
2001 - 2002 LEGISLATURE
January 2002 Special Session

LRBb2962/2
RAC:kmg:rs

SCC:.....Engel – CN5557, Voluntary state employee furlough

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