



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

A

April 26, 2001

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Budget Issue Papers

Attached are 2001-03 budget issue papers, prepared by this office, on the following agencies:

- Employment Relations
- Insurance
- Employment Relations Commission
- Personnel Commission
- Military Affairs -- Emergency Management
- Investment Board
- Regulation and Licensing
- Public Service Commission -- Agencywide
- Commerce -- Building and Environmental Regulation
- Wisconsin Housing and Economic Development Authority
- Tourism

These agencies have been scheduled for executive action by the Joint Committee on Finance. The meeting will be held at 10:30 a.m. on Wednesday, May 2, in Room 411 South, State Capitol.

BL/sas
Attachments

2001-03 BUDGET PAPERS

May 2, 2001

Paper #

Employment Relations

- 420 Advance Labor Management Training Costs
- 421 Funding of Shared Human Resources System

Insurance

- 540 Standard Budget Adjustments
- 541 Information Technology -- Programming Services
- 542 Medigap Helpline
- 543 Treatment of Certain Revenues
- 544 Authority to Set Fees by Rule

Employment Relations Commission

- 425 Arbitration Award Affecting City of Milwaukee Police Officers
- 426 Staff Support for Collective Bargaining Training Activities

Personnel Commission

Military Affairs -- Emergency Management

- 610 Reimbursement of Certain County and Municipal Worker's Compensation and Liability
Costs Due to Emergency Management Activities
- 611 Emergency Response Equipment Funding

Investment Board

Regulation and Licensing

- 790 Information Technology Initiatives
- 791 Examination Fee Vendor Payment Reestimate
- 792 Revised Agency Credential Fees
- 793 GPR-Earned Credited from Criminal Background Check Fees
- 794 Technical Change -- GPR-Earned Reestimate

(Over)

Paper #

Public Service Commission -- Agencywide

- 780 Electronic Filing of Documents
- 781 Stray Voltage Research Funding

Commerce -- Building and Environmental Regulation

- 300 Transfer Mobile Home Park Water and Sewer Service Regulation from the Public Service Commission to Commerce
- 301 Aviation Fuel Petroleum Inspection Fee Allowance
- 302 PECFA -- Revenue Obligation Authority
- 303 PECFA Staff
- 304 PECFA -- High-Cost Sites
- 305 PECFA -- Interest Cost Reimbursement
- 306 PECFA -- Farm Tank Eligibility
- 307 Groundwater Monitoring Near Onsite Wastewater Treatment Systems
- 308 Transfer Code Consultant Section to Administrative Services Division
- 309 Fire Dues Distribution

Wisconsin Housing and Economic Development Authority

- 1005 Wisconsin Development Reserve Fund

Tourism

- 890 Kickapoo Valley Reserve Law Enforcement Funding
- 891 Expand Heritage Tourism Grant Program
- 892 DNR Tourism Support



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

No analysis prepared

Alt 2

May 2, 2001

Joint Committee on Finance

Paper #420

Advanced Labor Management Training Costs (Employment Relations)

[LFB 2001-03 Budget Summary: Page 281, #3 (part b)]

CURRENT LAW

Among the training courses offered to state employees by the Department of Employment Relations (DER) is a series on advanced labor management (ALM). Currently, staff in the Bureau of Collective Bargaining in DER, who are funded from GPR funds, serve as instructors for the ALM courses which are offered to supervisory state employees. Other costs of the training program are recovered from fees assessed course participants.

GOVERNOR

Provide additional PR funding of \$22,600 annually for increased course expenses and for the hiring of LTEs to serve as instructors in lieu of permanent employees for a portion of the ALM courses to be offered.

DISCUSSION POINTS

1. Currently, staff from DER offer the advanced labor management courses approximately eight times a year when labor negotiations are not underway and approximately five times a year when state labor contracts are being re-negotiated. The course is a five day program held at various sites around the state. The current tuition cost for the course is \$495 per participant and covers all of the course costs except for the salary and fringe benefit costs of the instructors who currently are full-time DER employees paid from the Department's GPR budget.

2. Under the Governor's budget, additional PR funding would be provided for the ALM program (to be funded from increased course fees) to allow the following: (a) an offering of a total of nine sessions per year using a combination of LTE and permanent staff as instructors (the

budget would provide PR funding of \$10,600 annually for the new LTE staff); (b) additional supplies expenses for the existing targeted eight courses per year (\$8,000 PR annually) and for one additional course session per year (\$4,000 PR annually)

3. Given the increased demand for these courses (DER indicates that course sessions, limited to 30 enrollees per session, are filled up as much as one year in advance), the increased funding seems warranted. The Department indicates that it expects that retired state employees with experience in these areas would be available to be hired as LTE instructors.

4. This request does, however, raise the issue as to whether the estimated GPR cost of the permanent employees in DER who will continue to teach the other sessions of the ALM courses should not also be recovered from the course fees just as the salaries for the proposed LTE instructors salaries will be. It would seem reasonable to charge the full costs of the training courses to the participants, especially since the costs will normally be paid by the employee's agency. In some cases, these agencies will be GPR-funded, but in other cases the agencies will be PR or SEG-funded and in those cases the cost of those employees' training should be borne by those fund sources and not by GPR. If the estimated remaining hours required annually for the teaching of these ALM courses by the DER staff who will be serving as instructors were to be charged to PR funding for this activity rather than against the Department's GPR appropriation, the current base GPR budget could be reduced by \$13,000 annually and the current base PR budget would be increased by a like amount.

ALTERNATIVES TO BASE

1. Approve the Governor's recommendation to provide additional PR funding of \$22,600 annually for increased course expenses and for the hiring of LTEs to serve as instructors in lieu of permanent employees for a portion of the ALM courses to be offered.

<u>Alternative 1</u>	<u>PR</u>
2001-03 FUNDING (Change to Base)	\$45,200
[Change to Bill]	\$0

2. Provide additional PR funding of \$22,600 annually for increased course expenses and for the hiring of LTEs to serve as instructors in lieu of permanent employees for a portion of the ALM courses to be offered. Also, provide PR funding for ALM courses of \$13,000 annually and decrease GPR funding by \$13,000 annually to reflect the transfer of all instructors' salary and fringe benefit costs for ALM courses to funding that will be recovered from participant fees.

<u>Alternative 2</u>	<u>GPR</u>	<u>PR</u>	<u>TOTAL</u>
2001-03 FUNDING (Change to Base)	- \$26,000	\$71,200	\$45,200
[Change to Bill]	- \$26,000	\$26,000	\$0

3. Take no action.

Alternative 3	PR
2001-03 FUNDING (Change to Base)	\$0
[Change to Bill]	- \$45,200

Prepared by: Terry Rhodes

MO# Alt 2

BURKE	<input checked="" type="radio"/>	N	A
DECKER	<input checked="" type="radio"/>	N	A
MOORE	<input checked="" type="radio"/>	N	<input checked="" type="radio"/>
SHIBILSKI	<input checked="" type="radio"/>	N	A
PLACHE	<input checked="" type="radio"/>	N	A
WIRCH	<input checked="" type="radio"/>	N	A
DARLING	<input checked="" type="radio"/>	N	A
WELCH	<input checked="" type="radio"/>	N	A
GARD	<input checked="" type="radio"/>	N	A
KAUFERT	<input checked="" type="radio"/>	N	A
ALBERS	<input checked="" type="radio"/>	N	A
DUFF	<input checked="" type="radio"/>	N	A
WARD	<input checked="" type="radio"/>	N	A
HUEBSCH	<input checked="" type="radio"/>	N	<input checked="" type="radio"/>
COGGS	<input checked="" type="radio"/>	N	A
HUBER	<input checked="" type="radio"/>	N	A

AYE 14 NO 0 ABS 2



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

May 2, 2001

Joint Committee on Finance

Paper #421

Funding of Shared Human Resources System (Employment Relations)

No analysis prepared

CURRENT LAW

No provision.

Att 2

GOVERNOR

No provision.

DISCUSSION POINTS

1. On June 13, 2000, the Secretary of the Department of Employment Relations (DER) distributed a memorandum to state agency heads indicating that in October of 1999, DER had deployed to state agencies and university campuses a new automated human resources information processing system called the shared human resources system (SHRS). This system is to be used by the agencies, or by DER on behalf of an agency, for all personnel transactions involving the announcement, examination and certification process for filling positions in the classified service. The DER Secretary indicated that, while costs of development of the system had been borne by the Departments of Administration and Employment Relations, commencing with the 2000-01 fiscal year, costs to operate SHRS would be allocated to all state agencies based on their number of budgeted classified FTE positions. A plan for allocating, by agency, the costs of \$724,800 was attached to the memorandum.
2. On June 21, 2000, the Secretary of the Department of Corrections submitted a request for supplemental funding of \$150,000 GPR to the Co-chairs of the Joint Committee on Finance to cover its requested 2000-01 allocated funding under the DER cost allocation letter.
3. Agencies were not previously made aware of the need to secure funding for this new cost; no legislative budget approval was ever sought or provided for development of this new IT application for DER; and DER never sought nor received any specific statutory authority to assess

state agencies for the cost of operation of this system.

4. The SHRS was developed by Bureau of Statewide Systems Development in DOA's Division of Information Technology Services using funds from the Division's CPU (central processing unit) cost pool. Two review audits by the Legislative Audit Bureau have included discussion of aspects of the development of this system. In particular, a review of the Division of Information Technology Services issued in June of 2000 indicated that users of DOA's mainframe computer services had subsidized more than seven million dollars in costs related to the development of SHRS during the fiscal period of 1996-97 through 1999-00 by having these costs included in the overall mainframe computer charges. Neither DOA nor DER ever submitted any specific budget request for funding authorization to develop this new system.

5. In the 1999-01 budget, the Governor recommended and the Legislature approved the creation of a new PR continuing appropriation to allow DER to handle miscellaneous revenues received from other agencies. In its request for the creation of this new appropriation, DER indicated that this appropriation was needed to enable the Department to handle certain specific types of expenditures for which it ultimately receives revenues from other agencies to pay for these cost but which under state accounting rules may not be handled as a "refund of expenditures." These were indicated as: (a) shared obligations such as career fairs or conferences where DER and other agencies agree to split the costs of the event; (b) special projects where one or more other agencies agree to provide funding for the project; and (c) situations where an agency reimburses DER for certain expenses incurred by DER on the agency's behalf. In particular, it was noted that another state agency with a larger resource base may offer to pay the costs of a certain personnel activity if DER will coordinate the activity and procure or provide the service. In this case, DER would be responsible for purchasing or providing the services, but the other state agency would then be billed for the expenses incurred by DER. When agencies would then provide these reimbursements to DER, the revenues would be deposited into this new appropriation. It was further indicated by DER that a continuing, rather than a sum certain, appropriation was needed because it could not predict when such services or arrangements would occur. Estimated expenditure authority of \$16,000 annually was included in the new appropriation.

6. Under a continuing PR appropriation, the expectation is that the agency will present in its budget request a reliable estimate of the amount it expects to expend in the forthcoming biennium. However, the amounts in the schedule are not controlling and the agency can expend any amount it has sufficient revenues to support.

7. Following the receipt of the supplemental funding request from the Department of Corrections for monies to pay its allocated cost request from DER for the SHRS, the Committee Co-chairs sent a letter to the Secretaries of DOA and DER indicating their understanding that this system was developed using existing budget funds (no legislative budget approval was ever sought) but that other agencies were now being billed for costs that were not identified or addressed as a part of the 1999-01 budget process. Further, the Co-chairs indicated that if further development and implementation of the system remained a high priority item for the two agencies, such costs should be funded from within existing resources of those agencies.

8. The Department expended \$208,553 PR in 1999-00 from the new appropriation created under Act 9 for SHRS for this unbudgeted activity and expects to expend \$712,800 PR in 2000-01. Expenditures in 1999-00 were covered by the transfer of base GPR monies into the PR account. Expenditures in 2000-01 are expected to be covered by contributions agreements (memorandums of understanding) from state agencies that DER has proceeded to obtain notwithstanding the letter from the Co-chairs. No funding authorization was ever provided by the Legislature for this major on-going activity. Further, it could certainly be argued that the use of this appropriation for such an on-going purpose is inconsistent with the stated purposes for which the appropriation was originally established.

9. The DER ignored the Co-chairs directive to not assess agencies in fiscal year 2000-01 for these costs. Moreover, even though legislative concern over the funding of this project through this approach was expressed in June of last year, the Department, in its budget submittal, did not believe it necessary to submit an expenditure request for this appropriation so as to inform the Legislature as to its budget intentions for the forthcoming budget biennium. It merely carried forward the \$16,000 originally budgeted, even though that did not represent even current spending levels. The Department currently projects spending from this continuing appropriation for operation of system, including enhancements, to total \$787,800 PR in 2001-02 and in 2002-03.

10. No guidance to state agencies was provided in the 2001-03 budget instructions regarding providing funding in agency budgets for these assessments for the operation of SHRS. However, five state agencies did request funding in their budget submittals for their expected assessment costs in 2001-03. The requested funding and the Governor's recommendations are shown in the table below.

Agency Requests for Funding for SHRS Assessments

<u>Agency</u>	<u>Agency Request</u>		<u>Gov. Recom.</u>		<u>Fund Source</u>
	<u>2001-02</u>	<u>2002-03</u>	<u>2001-02</u>	<u>2002-03</u>	
Corrections	\$158,000	\$165,300	\$0	\$0	GPR
Insurance	3,000	3,000	0	0	PR
Personnel Commission	100	100	100	100	GPR
Revenue	22,500	22,500	0	0	GPR
UW System	<u>183,700</u>	<u>183,700</u>	<u>0</u>	<u>0</u>	GPR
TOTALS	\$367,300	\$374,600	\$100	\$100	

As can be seen from the table, all of the funding that was requested by agencies for this purpose was denied by the Governor except for the \$100 GPR annually for the Personnel Commission.

11. The Committee could budget the additional funds of \$787,800 PR annually in the continuing appropriation to reflect the Department's actual spending plans for this appropriation.

12. Alternatively, the Committee could consider the following course of action in regard to this issue: (a) change the current continuing appropriation to a sum certain appropriation; (b)

EMPLOYMENT RELATIONS

LFB Summary Items for Which No Issue Paper Has Been Prepared

Item #	Title
1	Standard Budget Adjustments
3 (part a)	Expanded Employee Development and Training Courses
9	Leaves of Absence for Adjutant Generals

Base agency -
requires vote to
approve these
items.

LFB Summary Item to be Addressed in a Subsequent Paper

Item #	Title
2	Base Budget Reductions

LFB Summary Items for Introduction as Separate Legislation

Item #	Title
4	Merit Recruitment and Selection Pilot Programs
5	Repeal Residency Requirement for LTE and Project Appoin
6	Delegation of Authority to State Agencies
7	Implementation of Affirmative Action Plans
8	Modify Various Reporting Requirements

MO# include items

BURKE	Y	N	A
DECKER	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
WELCH	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
COGGS	Y	N	A
HUBER	Y	N	A

AYE 14 NO 0 ABS 2



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

May 2, 2001

Joint Committee on Finance

Paper #540

Standard Budget Adjustments (Insurance)

[LFB 2001-03 Budget Summary: Page 424, #1 (part)]

CURRENT LAW

On June 8, 2000, the Joint Committee on Finance approved a request from the Office of the Commissioner of Insurance (OCI) for the release of funds from unallotted reserve for costs associated with two imaging projects. The funds were placed in unallotted reserve under 1999 Wisconsin Act 9 (the biennial budget act), subject to results of feasibility studies for the projects.

GOVERNOR

Transfer \$50,900 annually (\$16,800 PR and \$34,100 SEG) from unallotted reserve to supplies and services.

MODIFICATION

Reduce funding by \$11,800 SEG annually to reflect the amount of ongoing segregated funds needed to support the imaging of state life insurance fund files.

Explanation: This modification would eliminate one-time funding and adjust funding levels to reflect the actual amount needed to support ongoing maintenance and equipment replacement (\$22,300 annually).

<u>Modification</u>	<u>SEG</u>
2001-03 FUNDING (Change to Bill)	- \$23,600

Prepared by: Carri Jakel

MO# modification

BURKE	Y	N	A
DECKER	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
WELCH	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
COGGS	Y	N	A
HUBER	Y	N	A

AYE 14 NO 0 ABS 2

No analysis prepared.
Just a modification.



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

May 2, 2001

Joint Committee on Finance

Paper #541

Information Technology -- Programming Services (Insurance)

[LFB 2001-03 Budget Summary: Page 425, #4]

CURRENT LAW

1999 Wisconsin Act 9 (the 1999-01 biennial budget act) provided the Office of the Commissioner of Insurance (OCI) \$740,400 PR in both 1999-00 and 2000-01 in one-time funds to contract for programming services to improve information systems used by OCI's regulatory and administrative staff. This funding actually represents \$370,200 in annual funding available for contracted programming services because of the manner in which OCI charges administrative and support services costs to its general program operations budget, resulting in these costs being "double-counted" in the agency's budget. This one-time funding is removed in the Governor's 2001-03 budget bill as a standard budget adjustment. Consequently, OCI has no ongoing base funding for contracted programming services.

GOVERNOR

Provide \$354,200 in 2001-02 and \$413,000 in 2002-03 to fund applications development services. The funding budgeted in the agency's general program operations budget to support these costs (\$177,100 in 2001-02 and \$206,500 in 2002-03) is equal to the costs of supporting 3.0 state positions (2.0 information systems programmer analyst positions and 1.0 information systems (IS) specialist position), beginning in 2001-02, to provide these services. The administration indicates that OCI would purchase these programming services from the Department of Electronic Government, which would be created under the bill. Funding would be budgeted in both the agency's general program operations appropriation and the Division of Administrative Services program revenue-service appropriation to reflect the transfer of these funds under OCI's administrative charge-back system.

DISCUSSION POINTS

1. OCI currently has 10.5 information services staff positions, including 2.0 positions

for technical support (1.0 IS specialist/network administrator and 1.0 IS Senior/LAN administrator), 1.0 IS entry Webmaster/forms manager, 4.5 applications development positions (1.0 IS application manager, 0.5 IS project manager, 2.0 programmer analysts and 1.0 programmer/analyst for PCF), 1.0 telecommunications worker, 1.0 data base manager and 1.0 information technology (IT) manager.

2. In each of the last three biennial budget acts, OCI has received one-time funding to contract for programming services to supplement the work its permanent staff perform to improve OCI information systems.

3. Funding provided in the 1999-01 budget act was assumed to provide 5,289 hours of programming annually. In addition, OCI was directed to reallocate 1.0 FTE position if the agency wished to complete all of the IT projects recommended by the Governor. OCI staff indicate that other information systems workload demands did not allow the agency to reallocate the position. OCI is currently contracting with 3.0 programmers with the funding provided in Act 9.

4. The projects that were funded in the last biennium were based on OCI's annual information technology strategic plan. The plan is dynamic, and changes based on emerging technologies, costs-benefit analysis of projects, on-going implementation and workload considerations, regulatory requirements and funding. An OCI team meets monthly to monitor progress and direct information technology work efforts.

5. Part of the funding provided in the last biennium was to convert OCI's current information technology from a Wang minicomputer to a client/server technology. OCI had hoped that much of the conversion would be completed by January 1, 2000, so that the agency would not have to make the Wang system Year 2000 compliant. However, this was not possible, and much of the first six months of the first year of the biennium was spent making the Wang system Year 2000 compliant.

6. Because of the delay due to year 2000 compliance and the fluctuating nature of technology planning, a number of projects that were anticipated to be funded in 1999-01 will not be completed in this biennium. Upon further analysis, OCI determined that some of the projects were not necessary. Because of reassessments of OCI needs, funding constraints and changing priorities, OCI delayed other projects. Some of these projects continue to be a high priority for OCI, and therefore continue to be included in OCI's information technology strategic plan.

7. The attachment lists the projects included in the IT plan for the 2001-03 biennium. Many of the projects relate to completing the conversion to the client/server system. These projects need to be completed by January, 2002, because DOA indicates that OCI will move to GEF 3 at that time. According to OCI, the current system is not stable enough to move, therefore, all systems must be converted before OCI relocates to GEF 3. Other projects in the plan focus on continuing efforts to enhance the administration of the agency and regulation of the insurance industry, such as creating an improved producer licensing and tracking system, improving company licensing and tracking, automating the taxes, dues and fees system and allowing OCI to match information

electronically with the Departments of Workforce Development and Revenue. OCI's plan also includes projects that it will complete after the 2001-03 biennium. A number of these projects would allow OCI to conduct more business over the Web, including filing complaints, ordering brochures, downloading company financial data, displaying company and legal information for the public and keeping online budget information.

8. While the current plan sets priorities for OCI, it does not represent what the agency intends to complete over the next two years. OCI staff estimate that an additional 74,600 hours of programming time would be required to complete all of the projects on the current list. Based on this estimate, it would require the equivalent of 25 programmers in 2001-02 and 14 programmers in 2002-03 to complete the entire list of projects.

9. The Governor did not recommend that specific projects be completed in the 2001-03 biennium. Instead, the bill includes funding that reflects the estimated costs of supporting 3.0 state information technology positions to conduct these programming services under contract. OCI staff indicate that current staff cannot oversee more than 3.0 contracted positions. Based on estimates of time required to complete the projects identified in the strategic plan, many of these projects will not be completed in the 2001-03 biennium and would, instead, be completed in future biennia if the agency is authorized funding for this purpose.

10. Given that the level of funding is not based on projects to be funded, the Committee could provide a lesser amount of funding and continue to support the level of programming that was approved in the 1999-01 biennium, or 5,289 hours of programming annually. To maintain this level, assuming that OCI would contract with state employees, as provided under the bill, would require \$306,800 in 2001-02 and \$350,000 in 2002-03, a reduction to the bill of \$47,400 in 2001-02 and \$63,000 in 2002-03. Because of the manner in which OCI accounts for administrative costs, the actual cost of these services would be \$153,400 in 2001-02 and \$175,000 in 2002-03. However, the level of programming provided in 1999-01 assumed that OCI could reallocate an existing position to provide additional programming services that OCI was not able to do. Therefore, the Committee may not want to reduce the number of contract hours provided under the bill.

11. The Committee could deny the additional funds for programming. However, OCI indicates that the funding would allow the agency to continue to enhance staff efficiencies. An August, 2000, Consumer Federation of America report gave Wisconsin a ranking of "C" in terms of resources as a percentage of revenues collected. At the same time, the organization consistently ranks OCI among the best insurance regulators in the nation in providing consumer insurance information. OCI attributes their capabilities, in part, to their information systems, without which agency officials indicate OCI would need significantly more staff.

12. The Committee could also consider modifying the Governor's recommendation to authorize OCI 3.0 permanent programming positions instead of requiring OCI to contract with DOA. Under the bill, in future years, OCI's purchasing power for contract services would erode as increases in state salaries and fringe benefits cause the costs of contracts to increase. If OCI were authorized positions, these costs would be funded as standard budget adjustments. In addition,

contractors may require more supervision and training than contracted staff because of the temporary nature of their work. For these reasons, and in light of the significant amount of programming work that OCI has currently identified, the Committee may wish to consider providing additional staff to OCI to conduct these programming activities, rather than to provide funding for contracted programming services.

13. Alternatively, if the Committee supports the Governor's proposal to create a Department of Electronic Government, or comparable proposal to provide centralized information technology services to state agencies, it may be more appropriate for OCI to contract with the proposed organization for the provision of these types of services, as recommended by the Governor.

14. The amount of funding provided in the bill for 2001-02 includes one-time funds for a workstation, desktop computer, software and equipment replacement. OCI currently has 3.0 contractors for which this equipment is already available. Therefore, any new or contracted programmers for 2001-03 would not need additional equipment, and the funding could be reduced by \$42,600 in 2001-02 (the actual funding available for one-time expenses is \$21,300). However, because of the uncertainty as to how a Department of Electronic Government would function, how contracts would be administered or where the staff would be located, it may be more prudent to provide the funding, and if it is not needed, OCI could contract for some additional services in 2001-02.

15. If the proposal to create a Department of Electronic Government, or a comparable proposal to provide central information technology services to state agencies is not approved, OCI would have to contract with private vendors for these services. Funding under the bill would support an estimated 2,214 programming hours in 2001-02 and 2,591 programming hours in 2002-03, assuming an average hourly contract cost of \$80/hour for programmers. This would provide less than half the number of programming hours intended under the bill. Therefore, if the Committee approves the Governor's recommendation, the Committee may want to consider approving an alternative to provide that if the new Department of Electronic Government, or a comparable proposal is not approved under the bill, OCI would be provided 3.0 programming positions.

16. The Committee could also modify the bill to continue to approve one-time funding for programming projects and reassess application development needs in the next biennium, as has been done in past biennia. Alternatively, if the Committee recommends providing state positions to support this function, it could authorize two-year project positions, rather than permanent positions. However, given that OCI has planned projects that extend well beyond the 2001-03 biennium, and the nature of the evolution of technology, providing the funds as permanent, as recommended by the Governor, would enable OCI to complete current projects and respond to the continuing need to make programming changes as necessary to the agency's information systems.

ALTERNATIVES

1. Approve the Governor's recommendation to provide \$354,200 in 2001-02 and \$413,000 in 2002-03 to fund applications development contracts.

2. Approve the Governor's recommendation, but provide that if the Governor's recommendation to create a new Department of Electronic Government, or a comparable proposal for the provision of centralized information technology services to state agencies is not approved, OCI would be authorized 3.0 additional programmer positions, beginning in 2001-02. Funding would be transferred from supplies and services to salaries and fringe benefits to support these positions, but total funding would not change.

Alternative 2	PR
2001-03 FUNDING (Change to Bill)	\$0
2002-03 POSITIONS (Change to Bill)	See Text

3. Modify the Governor's recommendations by reducing funding by \$47,400 in 2001-02 and \$63,000 in 2002-03 to reduce the number of contracted programming hours funded to 5,289 to reflect the number of contracted hours that were funded in the 1999-01 biennium.

Alternative 3	PR
2001-03 FUNDING (Change to Bill)	-\$110,400

4. Modify the Governor's recommendation by authorizing 3.0 programming positions for OCI, instead of requiring OCI to contract for these services. Transfer funding provided in the bill from the agency's supplies and services budget to its salaries and fringe benefits budget to reflect this change.

Alternative 4	PR
2001-03 FUNDING (Change to Bill)	\$0
2002-03 POSITIONS (Change to Bill)	3.00

5. In addition to adopting Alternatives (1), (2), (3) or (4), provide the funding for programming services on a one-time basis. If the Committee approves state positions to perform this function under Alternatives (2) or (4), specify that these positions be two-year project positions.

6. In addition, to adopting Alternatives (1), (2), (3), (4) or (5), reduce funding by \$42,600 in 2001-02 to eliminate one-time funds included in the bill to support permanent

property to reflect that the current contracted programming staff currently have permanent property that could be used by new staff.

Alternative 6	PR
2001-03 FUNDING (Change to Bill)	- \$42,600

7. Maintain current law.

Alternative 7	PR
2001-03 FUNDING (Change to Bill)	- \$767,200

Prepared by: Carri Jakel
Attachment

MO# Alt 2,5,6

2	BURKE	<input checked="" type="radio"/>	N	A
	DECKER	<input checked="" type="radio"/>	N	A
	MOORE	<input checked="" type="radio"/>	N	A
	SHIBILSKI	<input checked="" type="radio"/>	N	A
	PLACHE	<input checked="" type="radio"/>	N	A
	WIRCH	<input checked="" type="radio"/>	<input checked="" type="radio"/> N	A
	DARLING	<input checked="" type="radio"/>	N	A
	WELCH	<input checked="" type="radio"/>	N	A
1	GARD	<input checked="" type="radio"/>	N	A
	KAUFERT	<input checked="" type="radio"/>	N	A
	ALBERS	<input checked="" type="radio"/>	N	A
	DUFF	<input checked="" type="radio"/>	N	A
	WARD	<input checked="" type="radio"/>	N	A
	HUEBSCH	<input checked="" type="radio"/>	N	A
	COGGS	<input checked="" type="radio"/>	N	A
	HUBER	<input checked="" type="radio"/>	N	A

AYE 13 NO 1 ABS 2

No analysis prepared.
 Alt 2, 5, 6
 2, 5, 6

ATTACHMENT

OCI Information Technology Project Summary 2001-03 Biennium

- Integrate and improve producer licensing and tracking system for agents
- Convert and enhance revenue collection system
- Automate assessment application
- Create interface for data entry of financial information for certain companies
- Automate annual report on new system
- Convert and enhance policy approval tracking system
- Convert and enhance rate filing system
- Continue upgrade of patient compensation fund system
- Implement state life insurance fund financial management system
- Combine registered agent information with service of process information
- Continue automation and integration of financial analysis applications
- Allow access and update of producer application information from other states
- Interface licensing information with information from the Departments of Revenue and Workforce Development
- Create legal access reports to report writer
- Improve company license and tracking system
- Automate financial exam scheduling and tracking
- Improve financial bureau reporting system
- Install annual statement software for the state life insurance fund
- Upgrade patient compensation fund provider system



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

May 2, 2001

Joint Committee on Finance

Paper #542

Medigap Helpline (Insurance)

[LFB 2001-03 Budget Summary: Page 426, #9]

CURRENT LAW

The Board on Aging and Long-Term Care operates a Medigap helpline, which is supported by insurance fee revenue transferred from the Office of the Commissioner of Insurance (OCI) to the Board. The Board's staff provide information and counseling on Medicare supplemental insurance, long-term care insurance and medical assistance to persons who call the toll-free helpline. The Board bills OCI monthly for costs associated with the Medigap helpline.

GOVERNOR

Provide \$31,600 in 2001-02 and \$38,000 in 2002-03 to fund increases in funding provided under the bill for the Board to operate the Medigap helpline.

MODIFICATION

Reduce OCI's funding for the Medigap helpline by \$4,400 PR annually to reflect the actual level of expenditures authorized under the bill for the Board to operate the Medigap helpline.

Explanation: The modification is needed to reconcile the differences between the amounts authorized for the Medigap helpline under OCI's budget and the Board's budget.

<u>Modification</u>	<u>PR</u>
2001-03 FUNDING (Change to Bill)	- \$8,800

Prepared by: Carri Jakel

MO# modification

2 BURKE	Y	N	A
DECKER	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
WELCH	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
COGGS	Y	N	A
HUBER	Y	N	A

AYE 15 NO 0 ABS 1

No analysis prepared.
Just a modification.

Agency: Insurance

Paper #: 543

Issue: Treatment of Certain Revenues (Insurance)

Alternative: A3 and B1

Summary:

This has to do with how OCI handles companies like Blue Cross when they go from a not for profit service insurance company to a stock insurance company. Currently OCI takes 90% of what it charges in fees and puts it in it's own Agency Revenue and deposits the other 10% into the general fund.

Alternative A3 would change funding for OCI and create more GPR.

Alternative B1 would clarify and standardize how OCI handles conversions like Blue Cross and Blue Shield. They were the first to do this but there could be more of this in the future.

By: Raghu

-Gwen wants B2
Blue Cross merger

A2 + B2



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

May 2, 2001

Joint Committee on Finance

Paper #543

Treatment of Certain Revenues (Insurance)

[LFB 2001-03 Budget Summary: Page 427, #14]

CURRENT LAW

Ninety percent of revenues from license fees and other fees charged by the Office of the Commissioner of Insurance (OCI), fees paid by examinees to pay for the costs of OCI examination expenses and publication sales are credited to the agency's program revenue, general operations appropriation. The remaining 10% of these revenues are deposited to the general fund as GPR-earned revenues.

GOVERNOR

Specify that 90% of the revenues OCI collects to pay for: (a) expenses involved in the conversion of a domestic mutual to a stock corporation; and (b) reasonable costs incurred by OCI in employing experts to assist with industry examinations or reviews be deposited to the agency's program revenue, general operations appropriation. The remaining 10% of these revenues would be deposited to the general fund as GPR-earned revenues.

DISCUSSION POINTS

1. OCI is funded primarily from program revenue generated from license fees and other fees, fees paid by examinees to pay for the costs of OCI examination expenses and publications sales. In addition, OCI administers three insurance funds -- the patients compensation fund, the state life insurance fund and the local government property insurance fund -- that are supported by revenues contributed by participating individuals and local governments.

2. Requiring OCI to deposit 10% of the revenue the agency collects from specified revenues requires OCI to charge fees equal to approximately 111.1% of costs the agency would

otherwise charge to fully recoup the agency's costs. For example, for every \$100 in costs the agency incurs to provide a service, it must collect approximately \$111.10 in revenue that is subject to the 10% requirement, since OCI must deposit 10% of this revenue (approximately \$11.11) to the general fund and retains \$100.00 to support its costs of providing services.

3. In fiscal year 1999-2000, OCI deposited \$1,447,800 to the general fund as GPR-earned. These funds are intended to offset general state infrastructure costs, overhead and other services that support state employees and operations. This GPR revenue requirement recognizes that the agency receives indirect support from GPR-funded functions.

4. Current law does not specify how revenues that OCI receives to pay for their expenses involved in employing experts to assist with industry examinations and reviews, or in reviewing and approving certain conversions of insurance companies are to be treated.

5. Current law requires 10% of receipts that OCI receives from fees charged for examinations of insurance companies be deposited to the general fund. In practice, OCI has been including the costs of employing experts to assist with industry examinations in the agency's calculation of total costs charged to the insurance company that is subject to an examination, and depositing 10% of these total assessments to the general fund. Therefore, the proposed statutory change relating to the costs of employing experts would codify current practice, and no additional revenues would be deposited to the general fund if this provision were enacted.

6. The effect of the proposed statutory change relating to expenses involved in certain types of conversions of insurance companies is less clear. The statutory cite directly affected under the bill applies to conversions of domestic mutual companies to stock corporations. However, two other types of conversions - conversion of a nonprofit service insurance corporation to a stock insurance corporation and conversion of a for-profit insurance company to a stock insurance corporation - could be affected, through cross-references, depending on the interpretation of the language.

7. The proposed statutory change was based on a request submitted by OCI as part of its 2001-03 biennial budget to clarify the treatment of revenues received for reimbursement of OCI expenses related to the conversion of Blue Cross Blue Shield United of Wisconsin (BCBS), a conversion of a nonprofit service insurance company to a stock insurance corporation. OCI's request was the agency's response to an opinion of the State Controller as to how to treat the amounts OCI received as reimbursement for the costs it incurred in the conversion of BCBS. The State Controller consulted with the Department of Administration legal counsel and the State Budget Office and indicated, in a July 28, 1999, memorandum to OCI, that it was the State Controller's opinion that 100% of revenues from these types of conversions should be deposited to OCI's PR appropriation and none of these revenues should not be deposited to the general fund. The Controller also suggested that the language governing OCI's general program operations be modified to clarify that 100% of those revenues would be deposited to the PR appropriation.

8. Based on the Controller's opinion, OCI has retained 100% of the moneys it has

received from the BCBS conversion to cover the expenses OCI has incurred in its regulatory review of the conversion. In addition, OCI proposed a statutory change in its 2001-03 budget request to clarify that OCI would retain 100% of such revenues in the future. Instead of including the language requested by OCI in the bill, the Governor recommended that these types of revenues be treated in the same manner as other general operations revenues that OCI receives so that 10% would be deposited to the state's general fund. Based on the intent of the request, and the Governor's response incorporated in the budget bill, it would seem appropriate to modify the bill to clarify that the provision would apply to each of the different types of conversions that are cross-referenced to the reimbursement provision included under the bill to meet the Governor's intent.

9. OCI charged BCBS a total of \$784,400 in 1999-00, and \$214,800 through February, 2001. If the provision requiring OCI to deposit 10% of those revenues had been in effect in the 1999-01 biennium, OCI would have charged approximately \$87,200 in 1999-00 and \$23,900 in 2000-01 more than it charged BCBS and deposited those amounts to the general fund.

10. OCI indicates that some conversions, such as the conversion of a nonprofit insurance company to a stock insurance corporation, are very complex and require investment banker expertise to determine the value of the company and provide information related to stock transactions. Because of the complexity of these issues, the majority of costs involved in the Blue Cross and Blue Shield conversion were private consulting fees. Of the total costs of the conversion, consulting fees comprised \$590,400 (75% of the total conversion costs) in 1999-00 and \$206,500 (96% of the conversion costs) to date in 2000-01.

11. Because most of the expenses that OCI incurs in these types of conversions are private consulting fees that are passed through OCI to the converting company, it could be argued that adding an additional 11.1% on to the cost in order to deposit 10% of the revenue to the general fund is not warranted. On the other hand, the state does incur costs in the transaction. OCI administers the request for proposal process, hires the consultants, processes billings and monitors the transactions and expenses.

12. It is not possible to provide a reliable estimate of the amount of additional revenue that would be deposited to the general fund under the Governor's recommendation. The Governor's bill does not assume that additional revenue to the general fund will be available because of the proposed statutory change. The Insurance Commissioner gave final approval of the BCBS conversion on March 19, 2001, and the conversion took effect on March 23, 2001, when OCI issued the amended certificate of authority. OCI does not anticipate any further costs relating to the BCBS conversion in the 2001-03 biennium. Further, it is difficult to project future conversion proposals because a decision to convert is made at the discretion of the insurance company's board of directors. Typically, a company's management meets with OCI only shortly before filing for a conversion.

13. There are several other types of conversions for which the converting company is required to reimburse OCI for the agency's expenses. One could argue that treating the reimbursement expenses for different types of conversions differently would be arbitrary. For

example, 1997 legislation established a separate appropriation for restructuring expenses for mutual insurance companies that convert to mutual holding companies. To date, no revenues or expenditures have been credited or made from this appropriation. However, OCI is currently reviewing a conversion proposal submitted by the Employers Insurance of Wausau. OCI officials indicate that total expenses involved in the conversion will likely be less than \$50,000. None of this is, nor would it be under the bill, subject to the requirement that 90% of revenues be retained by OCI and 10% be deposited to the general fund.

14. Because, there is no policy rationale for making some types of conversions subject to the 90% provision, and some types of conversions not subject to the provision, the Committee could extend the provision to all types of conversions in which OCI receives reimbursement for its costs. Alternatively, the Committee could delete the Governor's recommended statutory change and instead clarify that revenues the agency receives relating to OCI's review of all conversions would be exempt from the 90% provision, as requested by OCI in its 2001-03 biennial budget submission.

15. In addition, while a separate continuing, program revenue appropriation was created for restructuring holding companies, other types of conversions are funded through OCI's annual general operations appropriation. For complicated conversions that involve a high level of OCI expenses, such as the BCBS conversion, the expenditure authority limit on the annual appropriation restricts OCI's ability to evaluate the proposed conversion until additional expenditure authority is approved under the s. 16.515 process.

16. State statutes require companies to gain approval from the Insurance Commissioner before restructuring. In order to effectively evaluate some of these types of conversions, OCI requires consultants to provide expertise in evaluating and advising the Commissioner as to how to proceed with the company's proposal to convert. Given that these requirements were created to protect the public, OCI officials indicate that they should be able to proceed without the delay and uncertainty of obtaining expenditure authority under s. 16.515. This appears to be the intent of the 1997 legislation, which established a separate, continuing appropriation for restructuring holding companies. This appropriation could be modified to apply to other types of conversions in which OCI receives reimbursement, if the Committee wanted to allow the Commissioner the same flexibility to provide services for other types of conversions.

17. On the other hand, except for the Blue Cross and Blue Shield conversion, OCI has been able to fund expenses related to conversions with funds budgeted in its PR general program operations appropriation. Therefore, it may not be necessary to modify the statutes to provide that all conversions be funded from a modified, continuing appropriation at this time.

ALTERNATIVES

A. Treatment of Agency Revenues

1. Approve the Governor's recommendation, as modified, to specify that 90% of the

revenues OCI collects to pay for: (a) expenses involved in the conversion of a domestic mutual to a stock corporation, a nonprofit service corporation to a stock insurance corporation and a for-profit service insurance corporation to a service corporation; and (b) reasonable costs incurred by OCI in employing experts to assist with industry examinations or reviews be deposited to the agency's program revenue general operations appropriation. The remaining 10% of these revenues would be deposited to the general fund.

2. Modify the Governor's recommendation to specify that 90% of the revenues OCI collects to pay for expenses involved in all types of conversions for which OCI receives reimbursement be credited to the agency's program revenue general operations appropriation.

3. Delete the Governor's proposed change in the allocation of revenues the agency receives to support the agency's costs of reviewing conversions. Instead, clarify current law to exempt revenues the agency receives to support the agency's costs of reviewing conversions from the 90% provision.

B. Use of Separate Appropriation for Conversions

1. Modify the appropriation for holding company restructuring expenses to apply to all types of conversions for which OCI receives reimbursement for their expenses.

2. Maintain current law.

MO# AZ + BZ

Prepared by: Carri Jakel

BURKE	<input checked="" type="radio"/>	N	A
DECKER	<input checked="" type="radio"/>	N	A
MOORE	<input checked="" type="radio"/>	N	A
SHIBILSKI	<input checked="" type="radio"/>	N	A
PLACHE	<input checked="" type="radio"/>	N	A
WIRCH	<input checked="" type="radio"/>	N	A
DARLING	<input checked="" type="radio"/>	N	A
WELCH	<input checked="" type="radio"/>	N	A
GARD	<input checked="" type="radio"/>	N	A
KAUFERT	<input checked="" type="radio"/>	N	A
ALBERS	<input checked="" type="radio"/>	N	A
DUFF	<input checked="" type="radio"/>	N	A
WARD	<input checked="" type="radio"/>	N	A
HUEBSCH	<input type="radio"/>	N	A
COGGS	<input checked="" type="radio"/>	N	A
HUBER	<input checked="" type="radio"/>	N	A

AYE 15 NO 0 ABS 1



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

May 2, 2001

Joint Committee on Finance

Paper #544

Authority to Set Fees by Rule (Insurance)

[LFB 2001-03 Budget Summary: Page 428, #15]

CURRENT LAW

The Office of the Commissioner of Insurance (OCI) collects fees for various services it provides to regulate the insurance industry. These fees, which are defined by statute, include licensing fees, filing fees, listing fees, certification fees, fees assessed for the preparation and furnishing of specified documents and fees assessed for certified copies of OCI documents. Many of the fee levels are specified by statute. Some of the fee levels are set by the Commissioner by rule, subject to statutory maximum levels. Other fee levels are determined by rule without statutory maximum levels. Revenues from insurance fees support OCI's general operations, except for costs relating to examinations of insurance companies and management of segregated funds. The Commissioner has the authority to increase any or all fees if OCI determines that the revenues collected from these fees are inadequate to support OCI's supervision of the insurance industry.

GOVERNOR

Authorize the Commissioner to establish, by rule, the amount of specified fees paid to OCI that are currently established by statute. Specify that a rule could provide for a maximum fee amount, and that the Commissioner could charge a lesser amount than the maximum fee amount specified in rule. Specify that the current statutory fees would apply unless the Commissioner specified, by rule, different fees. Eliminate statutory maximum amounts for certain fees that OCI may, under current law, establish by rule.

DISCUSSION POINTS

1. The attachment to this paper provides a list of OCI fees and the current level set by

statute. In 1999-00, OCI generated \$14,477,500 in revenues from fees. Ninety percent of the revenue generated from these fees is retained by OCI to support the agency's general operations. The remaining 10% is deposited to the general fund.

2. Under current law, the Commissioner has the authority to increase fees if the fees set by statute or rule generate inadequate revenues to support OCI's supervision of the insurance industry. The Commissioner also has the authority to levy a special assessment on all domestic insurers if revenue generated by the fees is inadequate to support OCI activities. However, OCI has not needed to use this authority to generate additional revenues in recent history.

3. In its 2001-03 budget request, OCI requested statutory language to allow insurance fees to be set by rule. OCI indicated that this change would provide the agency additional flexibility by permitting OCI to adjust fees more quickly downward or upward, depending on market conditions, than if OCI were required to seek statutory changes to these fees.

4. As noted above, the Commissioner has the authority under current law to set several fees by rule. For fees that have statutory maximum levels, most are currently set at rates below the statutory maximum. In addition, in May of 2000, the Commissioner promulgated a rule to reduce the listing fees for resident agents from the statutory maximum of \$8 to \$7, because revenues were sufficient to support OCI activities.

5. Under the bill, the statutory fees would continue to apply, unless the Commissioner specifies a different amount by rule. In addition, the Commissioner would continue to have the authority to increase fees if the fees set by statute or rule generate inadequate revenues to support OCI's supervision of the insurance industry. The Commissioner would also continue to have the authority to levy a special assessment on all domestic insurers if revenue generated by the fees is inadequate to support OCI operations.

6. OCI attorneys indicate that the average amount of time that the rule making process takes to implement fee change is one year. Therefore, if the provision is adopted, OCI would likely initiate the rule making process so that most fees would be governed by rule, instead of the statutes, within a year.

7. OCI staff indicate that the agency does not anticipate increasing any fees at this time. However, for rates that are connected to outside contracts and other costs that may rise in the near future, OCI would provide maximum fees by rule. This would allow OCI to be more responsive in setting fees, which are subject to fluctuations, without using the rulemaking process. The maximum levels set for fees may be higher than the current statutory level, but OCI does not anticipate increasing fees unless additional revenue would be needed to accommodate increased costs.

8. Given that OCI does not anticipate changing the level of fees charged under the provision, the Governor's recommendation is not expected to affect insurance fee levels or revenue in the 2001-03 biennium.

9. Under the bill, the Legislature would no longer be directly involved in setting the

levels of insurance fees by legislation, but instead would have review and oversight authority under the procedures established in Chapter 227. However, to the extent that the rules would provide for a maximum fee level, OCI would have the authority to modify a fee without review, as long as the new fee was established at a level below the maximum provided in the rule.

ALTERNATIVES

1. Approve all of the Governor's recommendations relating to the Commissioner's authority to establish insurance fees by rule.
2. Maintain current law.

Prepared by: Carri Jakel
Attachment

MO# Alt 2

BURKE	<input checked="" type="radio"/>	N	A
DECKER	<input checked="" type="radio"/>	N	A
MOORE	<input checked="" type="radio"/>	N	A
SHIBILSKI	<input checked="" type="radio"/>	N	A
PLACHE	<input checked="" type="radio"/>	N	A
WIRCH	<input checked="" type="radio"/>	N	A
DARLING	<input checked="" type="radio"/>	N	A
WELCH	<input checked="" type="radio"/>	N	A
GARD	<input checked="" type="radio"/>	N	A
KAUFERT	<input checked="" type="radio"/>	N	A
ALBERS	<input checked="" type="radio"/>	N	A
DUFF	<input checked="" type="radio"/>	N	A
WARD	<input checked="" type="radio"/>	N	A
HUEBSCH	<input checked="" type="radio"/>	N	<input checked="" type="radio"/>
COGGS	<input checked="" type="radio"/>	N	A
HUBER	<input checked="" type="radio"/>	N	A

AYE 15 NO 0 ABS 1

No analysis prepared.

Alt 2

ATTACHMENT

Insurance Fees Under Chapter 601

Filing documents for examination preliminary to initial licensing or for any other initial filing of documents required by law as a prerequisite for operating or providing services:	
Domestic and nondomestic insurers	\$400
Rate service organizations	400
Motor clubs	400
Licensees under Chapter 615 (Insurance – Gift Annuities)	100
Providers of services under Chapter 647 (Continuing Care Contracts)	100
Issuing a permit or certificate of authority:	
Domestic and nondomestic insurers	400
Rate service organizations	400
Motor clubs	400
Licensees under Chapter 615 (Insurance – Gift Annuities)	100
Providers of services under Chapter 647 (Continuing Care Contracts)	100
Annually for continuation of a permit or certificate of authority:	
Domestic and nondomestic insurers	100
Rate service organizations	100
Motor clubs	100
Licensees under Chapter 615 (Insurance – Gift Annuities)	25
Providers of services under Chapter 647 (Continuing Care Contracts)	25
Filing articles of amendment; domestic companies	25
Filing a copy of amendments to the articles of a nondomestic insurer	25
Filing articles for merger	100
Filing a copy of articles of a merger of a nondomestic insurer, other than with a domestic corporation	25
Filing an application by a nondomestic insurer for amended certificate of authority to transact business in Wisconsin	25
Filing an application to reserve a corporate name	25
Filing a notice of transfer of a reserved corporate name	25

Filing an annual statement:	
Domestic and nondomestic insurers	100
Rate service organizations	100
Motor clubs	100
Licensees under Chapter 615 (Insurance – Gift Annuities)	25
Providers of services under Chapter 647 (Continuing Care Contracts)	25
Domestic mutual insurance holding companies	100
Issuing or enlarging scope of a license, amounts to be set by the	
Commissioner, by rule, but not to exceed:	
Corporation, limited liability company or partnership intermediary	maximum 100
Licensees authorized to place business under s. 618.41 (surplus lines)	maximum 100
Issuing a duplicate license	5
Certifying as and independent review organization under s. 632.835 (review of adverse and experimental treatment)	400
Biennially for recertification as an independent review organization under s. 632.835	100
Annually after the year in which the initial license was issued, for regulating resident intermediaries and nonresident intermediaries, amounts to be set by rule	by rule
Annually after the year in which the initial license was issued, for regulating a holder of a license to place business under s. 618.41 (surplus lines), to be set by rule, but not to exceed	maximum 100
Initial issuance of a license as a viatical settlement provider	750
Annual renewal of a license as a viatical settlement provider	250
Initial issuance of a license as a viatical settlement broker	750
Annual renewal of a license as a viatical settlement broker	250
Annually, listing, or renewing listings for insurance agents to be set by rule, but not to exceed:	
Resident agents	maximum 8
Non-resident agents	maximum 24

Examination of an applicant for a license as an insurance intermediary an amount set by rule	by rule
Substituted service of process on the Commissioner	10
Copy of a paper filed in the Commissioner's office	actual cost
Preparation and furnishing of lists of insurer or intermediaries	actual cost
Filing documents for examination preliminary to listing for surplus lines insurance	100
Preparation and furnishing agents letter of certification	10
Preparation and furnishing agents letter of clearance	10
Initial issuance and annual renewal of a license of an administrator under chapter 633 (Employee Benefit Plan Administrators and Principals)	100
Approval of an organization to offer prelicensing or continuing education courses or programs for intermediaries to be set by rule, not to exceed	maximum 500
Annual renewal of an organization to offer prelicensing or continuing education courses or programs to be set by rule, not to exceed	maximum 100
Approval of modifications to prelicensing or continuing education courses to be set by rule, not to exceed	maximum 25 per credit hour
Certifying an annual statement, examination report, certificate of authority or articles and bylaws, or any amendments thereof	10
Duplicate certificate of above requested at the same time	5

INSURANCE

LFB Summary Items for Which No Issue Paper Has Been Prepared

Item #	Title
1(part)	Standard Budget Adjustments
2	Information Technology -- Replace Hardware and Software
3	Rent and Moving Expenses
5	Financial Examinations -- CPA Assistance and Examiner Training
6	Semi-Automatic Pay Progressions
7	Administrative Services Charges
8	Insurance Examiner for Market Regulation
10	Consumer Education Materials
11	Postage
12	Local Government Property Insurance Fund
13	State Life Insurance Fund -- Financial Management System
17	Annual Report

LFB Summary Item for Introduction as Separate Legislation

Item #	Title
16	Management Contracts

MO#			
BURKE	Y	N	A
DECKER	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
WELCH	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
COGGS	Y	N	A
HUBER	Y	N	A

AYE ____ NO ____ ABS ____

