2003 DRAFTING REQUEST

Senate Amendment (SA-SB44)

Received: 06/04/2003					Received By: jkuesel			
Wanted	l: Soon				Identical to LRB:			
For: Legislative Fiscal Bureau 6-9918 This file may be shown to any legislator: NO					By/Representing: Bauer			
					Drafter: jkuesel			
May Contact:					Addl. Drafters: pkahler			
Subject: Employ Pub - collective bargain Employ Pub - employee benefits					Extra Copies:	RAC - 1		
Submit	via email: YES	3						
Reques	ter's email:							
Carbon	copy (CC:) to:							
Pre To	pic:		N			•		
LFB:	Bauer -							
Topic:				·				
Conver	sion of local go	vernment empl	oyee group h	ealth insuran	ace providers			
Instruc	etions:							
Per mot	ion # 709, # 3.							
 Draftin	g History:							
Vers.	<u>Drafted</u>	Reviewed	Typed	Proofed	<u>Submitted</u>	<u>Jacketed</u>	Required	
/?	jkuesel 06/05/2003	csicilia 06/05/2003						
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FE Sent For:

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Employ Pub - collective bargain Employ Pub - employee benefits

Extra Copies:

RAC-1

Submit via email: YES

Requester's email:

Carbon copy (CC:) to:

Pre Topic:

LFB:.....Bauer -

Topic:

Conversion of local government employee group health insurance providers

Instructions:

Per motion # 709, # 3.

Drafting History:

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- 2. Revenue Limits and General School Aids. Adopt the Governor's recommendation to eliminate the requirement that the state fund two-thirds of partial school revenues. Adopt the Governor's recommendation to provide \$40,000,000 SEG in 2003-04 and \$60,000,000 SEG in 2004-05 for general school aids, as sunset June 30, 2005, in previous action by the Committee. Provide an additional \$55,200,000 GPR in 2003-04 and \$79,600,000 GPR in 2004-05 for general school aids. Reduce the revenue limit per pupil adjustment to \$120 in 2003-04 and \$100 in 2004-05 and thereafter, from the current law estimates of \$236 in 2003-04 and \$241 in 2004-05. Modify the Governor's recommendation to increase the low revenue ceiling to \$7,400 in 2003-04 and \$7,800 in 2004-05, to require a two-thirds vote of the school board to use this additional revenue limit authority.
- 3. Public Employer Group Health Insurance Plan. Allow counties, municipalities, school districts, and technical college districts to unilaterally convert current group health insurance coverage provided to their nonprotective employees to: (a) the public employer group health insurance plan offered by the Department of Employee Trust Funds under s. 40.51(7) of the statutes; or (b) a health care coverage plan, including a self-insured plan, that is substantially similar to the plan offered under s. 40.51(7). Direct the Wisconsin Employment Relations Commission to use criteria in rules promulgated by the Commissioner of Insurance to determine if health care coverage plans are similar. Specify that any decision by the employer to make this conversion would be a prohibited subject of bargaining, first effective for contracts entered into extended, modified, or renewed, whichever comes first, on the effective date of the bill.
- 4. <u>Limit on GPR State Operations Appropriations.</u> Provide that for fiscal years 2003-04, 2004-05, and 2005-06, the total amount of GPR appropriations for state operations in each of those fiscal years, excluding amounts provided for GPR debt service payments, plus the amounts set aside in each of those fiscal years for GPR compensation reserves, may not exceed the total of the level of GPR funding for state operations, excluding amounts for GPR debt service payments, provided in the final appropriation schedule for fiscal year 2002-03, plus GPR compensation reserves for that fiscal year.
- Reestimates Due to Levy Limits. Make the following modifications to earlier reestimates approved by the Committee to reflect lower property taxes under the proposed levy limits: (a) reestimate the cost of the property tax/rent credit at \$363,800,000 in 2003-04 and \$373,200,000 in 2004-05, which would decrease estimated credits and, therefore, increase estimated individual income tax revenues by \$6,200,000 in 2003-04 and \$11,908,000 in 2004-05; (b) reestimate the cost of the homestead tax credit at \$100,700,000 GPR in 2003-04 and \$97,500,000 GPR in 2004-05, which would decrease estimated credits by \$2,000,000 GPR in 2003-04 and \$3,600,000 GPR in 2004-05; and (c) reestimate the cost of the farmland preservation credit at \$13,200,000 GPR in 2003-04 and \$13,600,000 GPR in 2004-05, which would decrease estimated credits by \$900,000 GPR in 2003-04 and \$1,300,000 GPR in 2004-05. Reestimate the sum sufficient appropriation for making state aid payments to local governments to compensate for tax base lost due to the property tax exemptions for computers, software, and related equipment and for fax machines, except those that are also copiers, and cash registers at \$69,500,000 GPR in 2003-04 and \$67,700,000 GPR, which would decrease estimated aid payments by \$2,480,000 GPR in 2003-04 and \$1,085,000 GPR in 2004-05 (this represents the net effect of estimated increases of \$920,000

2003

Date (time)

LRB b 0375, 1

JR + BK: 435

LFB BUDGET AMENDMENT [ONLY FOR LFB]

See form AMENDMENTS — COMPONENTS & ITEMS.

LFB AMENDMENT TO 2003 SENATE BILL 44

>>FOR JT. FIN. SUB. — NOT FOR INTRODUCTION<<

At the locations indicated, amend the bill as follows:

- **#.** Page . . . , line . . . :
- **#.** Page , line . . . :
- **#.** Page . . . , line . . . :
- **#.** Page . . . , line . . . :

1	employment in the same community and in comparable communities. In making	
2	this comparison, the arbitrator or arbitration panel shall consider wages, hours, and	\
3	conditions of employment as a whole, rather than as individual elements.	
4	SECTION 15. 111.70 (4) (cm) 7r. g. of the statutes is amended to read:	
5	111.70 (4) (cm) 7r. g. The average consumer prices for goods and services,	
6	commonly known as the cost of living, including specifically average housing costs	
X	and other costs significantly affecting the quality of life.	
8	SECTION 16. 111.70 (4) (cm) 7r. h. of the statutes is amended to read:	
9 \	111.70 (4) (cm) 7r. h. The overall compensation presently received by the	
10	municipal employees, including direct wage compensation, vacation, holidays and	
11/	excused time, insurance and pensions, medical and hospitalization benefits, the	
12	continuity and stability of employment, and all other benefits received. <u>In making</u>	
13	this comparison, the arbitrator or arbitration panel shall consider wages, hours, and	
14	conditions of employment as a whole, rather than as individual elements.	
15	SECTION 17. 111.70 (4) (jm) 4m. of the statutes is created to read:	
16	111.70 (4) (jm) 4m. For the purpose of setting wages and determining hours and	N.F.
17	conditions of employment under subd. 4., if the arbitrator compares the wages,	,
18	hours, and conditions of employment with the wages, hours, and conditions of	
19	employment of other employees performing similar services or in the same	
20 /	community or comparable communities, the arbitrator shall consider wages, hours,	
21/	and conditions of employment as a whole, rather than as individual elements.	
22	SECTION 180 111.70 (4) (n) of the statutes is created to read:	
23	111.70 (4) (n) Municipal employer-initiated change in health care coverage	
24 25	plan provider. Notwithstanding the terms of a collective bargaining agreement, In any collective bargaining unit other than a unit consisting of law a municipal employer may unilaterally change its employees' health care coverage	uK.
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1	2. This paragraph does not apply to a municipal employer with respect to its
2	school district professional employees.
3	Section 20. 111.77 (6) (dm) of the statutes is created to read:
4	111.77 (6) (dm) In making the comparison of wages, hours, and conditions of
5	employment under par (d), the arbitrator shall consider wages, hours, and conditions
6	of employment as a whole, rather than as individual elements.
7	SECTION 21. 601.41 (10) of the statutes is created to read:
8	601.41 (10) Local government health care coverage request-for-proposals
9	FORM. The commissioner shall by rule develop a uniform local government health
10	care coverage request-for-proposals form that a local governmental unit must use
11	under s. 66.0137 (5) (b) if the local governmental unit solicits bids for health care
12	coverage. The commissioner shall publish a natice in the Wisconsin Administrative
13	Register that states the effective date of the rule required under this subsection.
14 .	SECTION 22. 601.41 (11) of the statutes is created to read:
15	601.41 (11) LOCAL GOVERNMENT HEALTH CARE CLAMS EXPERIENCE FORM. The
16	commissioner shall by rule develop a uniform local government health claims
17	experience form that an insurer must use under s. 632.797 (1) (d). The form may not
18	require the disclosure of information that identifies an individual or that is
19	confidential under s. 51.30, 146.82, or 252.15 or any applicable federal law. The
20	commissioner shall publish a notice in the Wisconsin Administrative Register that
21	states the effective date of the rule required under this subsection.
22	At Lage 1002, line 17: after that line lasert. SECTION (28. 601.41 (12) of the statutes is created to read:
23	601.41 (12) SUBSTANTIALLY SIMILAR HEALTH CARE COVERAGE PLAN. The
24	commissioner shall promulgate rules that set out a standardized summary of
25	benefits provided under health care coverage plans, including plans offered under

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s. 40.51 (7), for use in determining whether a health care coverage plan is substantially similar to a plan offered under s. 40.51 (7).

Section 24. 610.66 of the statutes is created to read:

form. Every insurer shall use the uniform local government health care coverage request for–proposals form developed by the commissioner under s. 601.41 (10) when submitting a bid to a local governmental unit under s. 66.0137 (5) (b).

SECTION 25. 632.797 (1) (d) of the statutes is created to read:

632.797 (1) (d) 1. "Local governmental unit" has the meaning given in s. 66.0137 (1).

- 2. A policyholder or employer that is a local governmental unit and that requests information under par. (a) that an insurer is required to provide under this section shall notify the department of electronic government when it makes the request for the information.
- 3. An insurer that is required to provide the information under par. (a) to a local governmental unit shall also provide the information to the department of electronic government at the same time as the insurer provides the information to the local governmental unit.
- 4. The insurer shall use the uniform local government health claims experience form developed by the commissioner under s. 601.41 (11) to submit the claims experience information to the local governmental unit and to the department of electronic government.
- 5. If the insurer fails to provide the information to the department of electronic government by the deadline specified in par. (b), the department of electronic government may report the failure to the commissioner.

2003 2004 Legislature 3 - 17 -# #. Page 1118, live 6: after that live, in Section 27 1 statutes no later than the first day of the 4th month beginning after the effective-date 2 of this subsection. 3 SECTION 28. Initial applicability. (1) The treatment of sections 62.61 (2) and (3), 66.0137 (5) (b), (c), and (d), 4 610.66 of the statutes first applies to bids solicited by a local governmental unit on 5 6 the first day of the 3rd month beginning after the date stated in the notice published by the commissioner of insurance in the Wisconsin Administrative Register under , with respect section 601.41 (10) of the statutes The treatment of section 111.70 (1) (a) and (4) (n) and (0) of the statutes first 9 (4)(n) 10 applies to collective bargaining agreements entered into, extended, modified, or 11 renewed, whichever occurs first, on the effective date of this subsection. (3) The treatment of sections 111.70 (4) (c) 2m., (cm) 7r. d., 7r. e., 7r. f., 7r. g., 12 talites) 13 and 7r. h., and (jm) and 111.77 (6) (dm) of the statutes first applies to an arbitration decision that results from a petition for arbitration submitted on the effective date 14 15 of this subsection. The treatment of section 632.797 (1) (d) of the statutes first applies to 16 requests for health claims experience information made by a local governmental unit 17 on the first day of the 3rd month beginning after the date stated in the notice 18 published by the commissioner of insurance in the Wisconsin Administrative 19 Register under section 601.41 (11) of the statutes. 20 21 (END) 4)#. Page 1118, line 4: after "(1)(a)" insert

("(with respect) to the reference to section 111.70(4)(p) of the statutes)"

LRBb0375/1dn JTK

Jere Bauer:

Because under s. 111.70 (4) (cn), stats, the term of every collective bargaining agreement in collective bargaining units consisting of school district professional employees must run from July 1 (n) the odd-numbered year to June 30 of the succeeding odd-numbered year, this proposal would first apply to most school district professional employees on July 1, 2005. Most of the units that do not have collective bargaining agreements for the 2003–05 fiscal biennium on the effective date of this proposal would be in arbitration at that time.

If a collective bargaining unit (whether consisting of school district professional employees or other honprotective local government employees) has begun the arbitration process and has passed the point where it is possible to revise a final offer, a unilateral changes in health care plans and bargainability of health care plans during the process is awkward. One of the differences between the final offers presented to the arbitrator might involve health care plans. The draft does not specify whether the arbitrator would take any change into account in making a decision. The arbitration process could result in a requirement to enter into a collective bargaining agreement which reflects a health care plan that is no longer applicable to covered employees at the time the agreement is signed.

LRBb0375/1dn JTK:cjs:cph

June 5, 2003

Jere Bauer:

Because under s. 111.70 (4) (cn), stats., the term of every collective bargaining agreement in collective bargaining units consisting of school district professional employees must run from July 1 of the odd—numbered year to June 30 of the succeeding odd—numbered year, this proposal would first apply to most school district professional employees on July 1, 2005. Most of the units that do not have collective bargaining agreements for the 2003–05 fiscal biennium on the effective date of this proposal would be in arbitration at that time.

If a collective bargaining unit (whether consisting of school district professional employees or other nonprotective local government employees) has begun the arbitration process and has passed the point where it is possible to revise a final offer, a unilateral change in health care plans and bargainability of health care plans during the process is awkward. One of the differences between the final offers presented to the arbitrator might involve health care plans. The draft does not specify whether the arbitrator would take any change into account in making a decision. The arbitration process could result in a requirement to enter into a collective bargaining agreement which reflects a health care plan that is no longer applicable to covered employees at the time the agreement is signed.



State of Misconsin 2003 - 2004 LEGISLATURE

LRBb0375/1/2

JTK&PJK:cjs:060

Stays

LFB:.....Bauer - Conversion of local government employee group health insurance providers

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION
SENATE AMENDMENT,
TO 2003 SENATE BILL 44

1	At the locations indicated, amend the bill as follows:
2	1. Page 809, line 2: after "(m)" insert ", (n), and (o)".
3	2. Page 815, line 16: after that line insert:
4	"Section 1985m. 111.70 (4) (n) of the statutes is created to read:
5	111.70 (4) (n) Municipal employer-initiated change in health care coverage
6	plan provider. Notwithstanding the terms of a collective bargaining agreement, in
7	any collective bargaining unit other than a unit consisting of law enforcement or fire
8	fighting personnel a municipal employer may unilaterally change its employees'
9	health care coverage plan to a health care coverage plan under s. 40.51 (7) or a health
10	care coverage plan that is substantially similar to a plan offered under s. 40.51 (7)
11	without the consent of any affected employee in the collective bargaining unit. The

commission shall use the criteria in rules promulgated by the commissioner of insurance under s. 601.41 (12) to determine if health care coverage plans are substantially similar. Any such unilateral change in health care coverage plan provider is not a violation of a collective bargaining agreement or a prohibited practice under sub. (3) (a) and, for purposes of a qualified economic offer, satisfies the requirement to maintain fringe benefits under sub. (1) (nc).

SECTION 1985n. 111.70 (4) (o) of the statutes is created to read:

111.70 (4) (o) Prohibited subject of collective bargaining. In collective bargaining units other than units consisting of law enforcement or fire fighting personnel, a municipal employer is prohibited from bargaining collectively with respect to the employer's selection of a health care coverage plan if the municipal employer offers to enroll the employees in a health care coverage plan under s. 40.51 (7) or in a health care coverage plan that is substantially similar to a plan offered under s. 40.51 (7). The commission shall use the criteria in rules promulgated by the commissioner of insurance under s. 601.41 (12) to determine if health care coverage plans are substantially similar."

3. Page 1002, line 17: after that line insert:

"SECTION 2642m. 601.41 (12) of the statutes is created to read:

601.41 (12) SUBSTANTIALLY SIMILAR HEALTH CARE COVERAGE PLAN. The commissioner shall promulgate rules that set out a standardized summary of benefits provided under health care coverage plans, including plans offered under s. 40.51 (7), for use in determining whether a health care coverage plan is substantially similar to a plan offered under s. 40.51 (7)."

4. Page 1118, line 4: after "(1) (a)" insert "(with respect to the reference to section 111.70 (4) (p) of the statutes)".

5. Page 1118, line 6: after that line insert:

"(3q) The treatment of section 111.70 (1) (a) and (4) (n) and (o) of the statutes first applies to collective bargaining agreements entered into, extended, modified, or renewed, whichever occurs first, on the effective date of this subsection.".

LRBb0375/2dn JTK

Jere Bauer:

This redraft inserts a subsection title.

LRBb0375/2dn JTK:cjs:pg

June 9, 2003

Jere Bauer:

This redraft inserts a subsection title.



State of Misconsin 2003 - 2004 LEGISLATURE

LRBb0375/2 JTK&PJK:cjs:pg

LFB:.....Bauer - Conversion of local government employee group health insurance providers

FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION SENATE AMENDMENT,

TO 2003 SENATE BILL 44

At the locations indicated, amend the bill as follows:

- 1. Page 809, line 2: after "(m)" insert ", (n), and (o)".
- 2. Page 815, line 16: after that line insert:

"Section 1985m. 111.70 (4) (n) of the statutes is created to read:

111.70 (4) (n) Municipal employer-initiated change in health care coverage plan provider. Notwithstanding the terms of a collective bargaining agreement, in any collective bargaining unit other than a unit consisting of law enforcement or fire fighting personnel a municipal employer may unilaterally change its employees' health care coverage plan to a health care coverage plan under s. 40.51 (7) or a health care coverage plan that is substantially similar to a plan offered under s. 40.51 (7) without the consent of any affected employee in the collective bargaining unit. The

commission shall use the criteria in rules promulgated by the commissioner of insurance under s. 601.41 (12) to determine if health care coverage plans are substantially similar. Any such unilateral change in health care coverage plan provider is not a violation of a collective bargaining agreement or a prohibited practice under sub. (3) (a) and, for purposes of a qualified economic offer, satisfies the requirement to maintain fringe benefits under sub. (1) (nc).

SECTION 1985n. 111.70 (4) (o) of the statutes is created to read:

111.70 (4) (o) Prohibited subject of collective bargaining. In collective bargaining units other than units consisting of law enforcement or fire fighting personnel, a municipal employer is prohibited from bargaining collectively with respect to the employer's selection of a health care coverage plan if the municipal employer offers to enroll the employees in a health care coverage plan under s. 40.51 (7) or in a health care coverage plan that is substantially similar to a plan offered under s. 40.51 (7). The commission shall use the criteria in rules promulgated by the commissioner of insurance under s. 601.41 (12) to determine if health care coverage plans are substantially similar.".

3. Page 1002, line 17: after that line insert:

"Section 2642m. 601.41 (12) of the statutes is created to read:

601.41 (12) Substantially similar health care coverage plan. The commissioner shall promulgate rules that set out a standardized summary of benefits provided under health care coverage plans, including plans offered under s. 40.51 (7), for use in determining whether a health care coverage plan is substantially similar to a plan offered under s. 40.51 (7)."

- **4.** Page 1118, line 4: after "(1) (a)" insert "(with respect to the reference to section 111.70 (4) (p) of the statutes)".
 - 5. Page 1118, line 6: after that line insert:
- "(3q) Local Government employee health care plans. The treatment of section 111.70 (1) (a) and (4) (n) and (o) of the statutes first applies to collective bargaining agreements entered into, extended, modified, or renewed, whichever occurs first, on the effective date of this subsection."

(END)