

1 **SECTION 934d.** 36.25 (38) (a) of the statutes is amended to read:

2 36.25 (38) (a) In this subsection, “educational technology” has the meaning
3 given in s. ~~44.70~~ 16.99 (3).

4 **SECTION 935.** 36.25 (38) (b) 6. of the statutes is amended to read:

5 36.25 (38) (b) 6. To pay the department of ~~electronic~~ government
6 administration for telecommunications services provided under s. ~~22.05~~ 16.972 (1).

7 **SECTION 936.** 36.27 (1) (am) 2. of the statutes is amended to read:

8 36.27 (1) (am) 2. The approved recommendations of the ~~secretary of~~
9 employment relations director of the office of state human resources management
10 for compensation and fringe benefits for classified staff, for unclassified employees
11 specified in s. 230.12 (1) (a) 1. b., and for unclassified employees specified in s. 230.12
12 (3) (e). If these recommendations have not been approved by the joint committee on
13 employment relations by the time the board sets academic fees, the board may raise
14 academic fees for resident undergraduate students by an amount sufficient to fund
15 the recommendations of the ~~secretary of employment relations~~ director of the office
16 of state human resources management for compensation and fringe benefits for
17 classified staff and for unclassified employees specified in s. 230.12 (1) (a) 1. b. and
18 the board’s recommendations for unclassified employees specified in s. 230.12 (3) (e).
19 If the ~~secretary of employment relations~~ director of the office of state human
20 resources management has not made recommendations by the time the board sets
21 academic fees, the board may raise academic fees for resident undergraduate
22 students by an amount sufficient to fund the board’s estimate of compensation and
23 fringe benefits for classified staff and for unclassified employees specified in s. 230.12
24 (1) (a) 1. b. and the board’s recommendations for unclassified employees specified in
25 s. 230.12 (3) (e). If the board sets academic fees based upon the board’s estimate and

1 the board's unapproved recommendations, and the recommendations of the board
2 and the ~~secretary of employment relations~~ director of the office of state human
3 resources management as finally approved by the joint committee on employment
4 relations call for a lower rate of compensation and fringe benefits than the board's
5 estimate and unapproved recommendations, the board shall lower academic student
6 fees for resident undergraduate students for the next academic year by an amount
7 equal to the difference between the academic fees charged and an amount sufficient
8 to fund the approved recommendations. If the board sets academic fees based upon
9 the board's estimate and unapproved recommendations, and the recommendations
10 of the board and the ~~secretary of employment relations~~ director of the office of state
11 human resources management as finally approved by the joint committee on
12 employment relations call for a higher rate of compensation and fringe benefits than
13 the board's estimate and unapproved recommendations, the board may raise
14 academic student fees for resident undergraduate students for the next academic
15 year by an amount equal to the difference between the academic fees charged and
16 an amount sufficient to fund the approved recommendations.

17 **SECTION 939.** 36.34 (1) (b) of the statutes is amended to read:

18 36.34 (1) (b) The board shall establish a grant program for minority
19 undergraduates enrolled in the system. The board shall designate all grants under
20 this subsection as Lawton grants. Grants shall be awarded from the ~~appropriation~~
21 appropriations under s. 20.285 (4) (dd) and (g). The board may not make a grant
22 under this subsection to a person whose name appears on the statewide support lien
23 docket under s. 49.854 (2) (b), unless the person provides to the board a payment
24 agreement that has been approved by the county child support agency under s. 59.53
25 (5) and that is consistent with rules promulgated under s. 49.858 (2) (a).

1 **SECTION 939g.** 36.34 (1) (b) of the statutes, as affected by 2003 Wisconsin Act
2 (this act), is amended to read:

3 **36.34 (1) (b)** The board shall establish a grant program for minority
4 undergraduates enrolled in the system. The board shall designate all grants under
5 this subsection as Lawton grants. Grants shall be awarded from the appropriations
6 appropriation under s. 20.285 (4) (dd) ~~and (g)~~. The board may not make a grant under
7 this subsection to a person whose name appears on the statewide support lien docket
8 under s. 49.854 (2) (b), unless the person provides to the board a payment agreement
9 that has been approved by the county child support agency under s. 59.53 (5) and that
10 is consistent with rules promulgated under s. 49.858 (2) (a).

11 **SECTION 939m.** 36.34 (1) (c) 1. a. and b. and 2. (intro.) of the statutes are
12 amended to read:

13 **36.34 (1) (c) 1. a.** For purposes of determining the appropriation under s. 20.285
14 (4) (dd) for fiscal year ~~2003–04~~ 2005–06, “base amount” means the amount shown in
15 the schedule under s. 20.005 for that appropriation for fiscal year ~~2002–03~~ 2004–05.

16 b. For purposes of determining the appropriation under s. 20.285 (4) (dd) for
17 each fiscal year after fiscal year ~~2003–04~~ 2005–06, “base amount” means the
18 appropriation determined under subd. 2. for the previous fiscal year.

19 2. (intro.) ~~Annually~~ Beginning in 2005, annually, by February 1, the board shall
20 determine the appropriation under s. 20.285 (4) (dd) for the next fiscal year as
21 follows:

22 **SECTION 940.** 36.51 (6) of the statutes is amended to read:

23 **36.51 (6)** The college campus or institution may file a claim with the
24 department of public instruction for reimbursement for reasonable expenses
25 incurred, excluding capital equipment costs, but not to exceed 15% of the cost of the

1 meal or 50 cents per meal, whichever is less. Any cost in excess of the lesser amount
2 may be charged to participants. If the department of public instruction approves the
3 claim, it shall certify that payment is due and the ~~state treasurer~~ secretary of
4 administration shall pay the claim from the appropriation under s. 20.255 (2) (cn).

5 **SECTION 942.** 38.04 (19) of the statutes is repealed.

6 **SECTION 943.** 38.04 (28) of the statutes is created to read:

7 38.04 (28) HEALTH CARE EDUCATION PROGRAMS. From the appropriation under
8 s. 20.292 (1) (ch), the board shall award grants to district boards to expand health
9 care education programs.

10 **SECTION 943m.** 38.17 of the statutes is created to read:

11 **38.17 Levy limit. (1) DEFINITION.** In this section, “debt service” includes debt
12 service on debt issued or reissued to fund or refund outstanding municipal
13 obligations, interest on outstanding municipal obligations, and related issuance
14 costs and redemption premiums.

15 **(2) LIMIT.** Except as provided in subs. (3) and (4), no district board may increase
16 its levy for any fiscal year to an amount that exceeds its levy for the previous fiscal
17 year multiplied by 1.026.

18 **(3) ADJUSTMENTS. (a) 1.** If a district board transfers to another governmental
19 unit responsibility for providing any service that it provided in the preceding fiscal
20 year, the limit otherwise applicable under sub. (2) in the current fiscal year is
21 decreased by the cost that it would have incurred to provide that service, as
22 determined by the department of revenue.

23 2. If a district board increases the services that it provides by adding
24 responsibility for providing a service transferred to it from another governmental
25 unit that provided the service in the previous fiscal year, the limit otherwise

1 applicable under sub. (2) in the current fiscal year is increased by the cost of that
2 service, as determined by the department of revenue.

3 (b) If the amount of debt service for a district board in the preceding fiscal year
4 is less than the amount of debt service needed in the current fiscal year, as a result
5 of the district board adopting a resolution before the effective date of this paragraph
6 [revisor inserts date], authorizing the issuance of debt, the limit otherwise
7 applicable under sub. (2) for the current fiscal year is increased by the difference
8 between the 2 amounts, as determined by the department of revenue.

9 (4) REFERENDUM. (a) 1. A district board may exceed the levy limit under sub.
10 (2) if it adopts a resolution to that effect and the resolution is approved in a
11 referendum. The resolution shall specify the proposed amount of increase in the levy
12 beyond the amount that is allowed under sub. (2).

13 2. Except as provided in subd. 3., the district board may call a special
14 referendum for the purpose of submitting the resolution to the electors of the district
15 for approval or rejection.

16 3. A referendum to exceed the limit under sub. (2) for the levy for the 2004–05
17 fiscal year shall be held at the spring primary or election or September primary or
18 general election in 2004.

19 (b) The district board shall publish type A, B, C, D, and E notices of the
20 referendum under s. 10.01 (2). Section 5.01 (1) applies in the event of failure to
21 comply with the notice requirements of this paragraph.

22 (c) The referendum shall be held in accordance with chs. 5 to 12. The district
23 board shall provide the election officials with all necessary election supplies. The
24 form of the ballot shall correspond substantially with the standard form for
25 referendum ballots prescribed by the elections board under ss. 5.64 (2) and 7.08 (1)

1 (a). The question shall be submitted as follows: “Under state law, the percentage
2 increase in the levy of the (name of district) for the next fiscal year, (year), is
3 limited to%, resulting in a levy of \$..... Shall the (name of district) be allowed
4 to exceed this limit such that the percentage increase for the next fiscal year,
5 (year), will be%, resulting in a levy of \$....?”.

6 (d) Within 14 days after the referendum, the district board shall certify the
7 results of the referendum to the department of revenue. The limit otherwise
8 applicable to the district under sub. (2) is increased for the next fiscal year by the
9 amount approved by a majority of those voting on the question.

10 (5) SUNSET. This section does not apply after June 30, 2006.

11 **SECTION 944.** 38.28 (1m) (a) 1. of the statutes is amended to read:

12 38.28 (1m) (a) 1. “District aidable cost” means the annual cost of operating a
13 technical college district, including debt service charges for district bonds and
14 promissory notes for building programs or capital equipment, but excluding all
15 expenditures relating to auxiliary enterprises and community service programs, all
16 expenditures funded by or reimbursed with federal revenues, all receipts under sub.
17 (6) and ss. 38.12 (9), 38.14 (3) and (9), 118.15 (2) (a), 118.55 (7r), and 146.55 (5), all
18 receipts from grants awarded under ss. 38.04 (8), ~~(19)~~, (20), ~~(28)~~, and (31), 38.14 (11),
19 38.26, 38.27, ~~38.31~~, 38.33, and 38.38, all fees collected under s. 38.24, and driver
20 education and chauffeur training aids.

21 **SECTION 945.** 38.31 of the statutes is repealed.

22 **SECTION 946.** 38.36 (6) of the statutes is amended to read:

23 38.36 (6) The district board may file a claim with the department of public
24 instruction for reimbursement for reasonable expenses incurred, excluding capital
25 equipment costs, but not to exceed 15% of the cost of the meal or 50 cents per meal,

1 whichever is less. Any cost in excess of the lesser amount may be charged to
2 participants. If the department of public instruction approves the claim, it shall
3 certify that payment is due and the ~~state treasurer~~ secretary of administration shall
4 pay the claim from the appropriation under s. 20.255 (2) (cn).

5 **SECTION 946d.** 38.40 (title) of the statutes is created to read:

6 **38.40 (title) Technical preparation, school-to-work, and work-based**
7 **learning programs.**

8 **SECTION 946e.** 38.40 (1) of the statutes is created to read:

9 **38.40 (1) EMPLOYMENT AND EDUCATION PROGRAM ADMINISTRATION.** The board shall
10 plan, coordinate, administer, and implement the technical preparation,
11 school-to-work, and work-based learning programs under sub. (1m) and such other
12 employment and education programs as the governor may by executive order assign
13 to the board. Notwithstanding any limitations placed on the use of state employment
14 and education funds under this section or under an executive order assigning an
15 employment and education program to the board, the board may issue a general or
16 special order waiving any of those limitations on finding that the waiver will promote
17 the coordination of employment and education services.

18 **SECTION 946f.** 38.40 (1m) (intro.) of the statutes is created to read:

19 **38.40 (1m) (intro.) TECHNICAL PREPARATION, SCHOOL-TO-WORK, AND WORK-BASED**
20 **LEARNING PROGRAMS.** The board shall provide all of the following programs:

21 **SECTION 946g.** 38.40 (1m) (a) of the statutes is created to read:

22 **38.40 (1m) (a)** A technical preparation program that includes the technical
23 preparation program under s. 118.34.

24 **SECTION 946j.** 38.40 (2) of the statutes is created to read:

1 38.40 (2) INTERAGENCY ASSISTANCE. The council on workforce investment
2 established under 29 USC 2821 and the department of public instruction shall assist
3 the board in providing the technical preparation, school-to-work, and work-based
4 learning programs under sub. (1m).

5 **SECTION 946k.** 38.40 (2m) of the statutes is created to read:

6 38.40 (2m) SKILL STANDARDS. The board shall approve statewide skill standards
7 for the school-to-work program under sub. (1m) (b).

8 **SECTION 946m.** 38.40 (5) of the statutes is created to read:

9 38.40 (5) RULES. The board shall promulgate rules to implement this section.

10 **SECTION 947.** 39.11 (16g) of the statutes is amended to read:

11 39.11 (16g) Expend at least \$140,200 in each fiscal year ~~1994–95 and every~~
12 ~~fiscal year thereafter~~ for the development and periodic update of instructional
13 television programs that are specific to this state for use in schools. Funds may be
14 expended for the programs from the appropriation under s. 20.225 (1) (f), (g), ~~(h)~~ or
15 (m).

16 **SECTION 948.** 39.155 (1) of the statutes is amended to read:

17 39.155 (1) ~~Subject to sub. (3), all~~ All funds appropriated to the Medical College
18 of Wisconsin, Inc., under s. 20.250 (1) (a) shall be based on a per capita formula for
19 an amount for each Wisconsin resident enrolled at the college who is paying full
20 tuition. A student's qualification as a resident of this state shall be determined by
21 the higher educational aids board in accordance with s. 36.27, so far as applicable.

22 **SECTION 950.** 39.155 (2) of the statutes is amended to read:

23 39.155 (2) On or before January 15 and September 15 of each year, the Medical
24 College of Wisconsin, Inc., shall submit to the higher educational aids board for its
25 approval a list of the Wisconsin residents enrolled at the college who are paying full

1 tuition. The state shall make semiannual payments to the Medical College of
2 Wisconsin, Inc., from the appropriation under s. 20.250 (1) (a), upon approval of the
3 list. ~~If the appropriation under s. 20.250 (1) (a) is insufficient to pay the amount~~
4 ~~specified to be disbursed under s. 20.250 (1) (a), the payments shall be disbursed on~~
5 ~~a prorated basis for each student entitled to such aid.~~ No more than 8 such payments
6 may be made to the Medical College of Wisconsin, Inc., from the appropriation under
7 s. 20.250 (1) (a), for any individual student.

8 **SECTION 952.** 39.155 (3) of the statutes is repealed.

9 **SECTION 984d.** 39.435 (3) of the statutes is amended to read:

10 39.435 (3) Grants under sub. (1) shall not be less than \$250 during any one
11 academic year, unless the joint committee on finance approves an adjustment in the
12 amount of the minimum grant. Grants under sub. (1) shall not exceed ~~\$1,800~~ \$2,500
13 during any one academic year. The board shall, by rule, establish a reporting system
14 to periodically provide student economic data and shall promulgate other rules the
15 board deems necessary to assure uniform administration of the program.

16 **SECTION 986b.** 39.435 (7) (a) 1. of the statutes is amended to read:

17 39.435 (7) (a) 1. For purposes of determining the appropriation under s. 20.235
18 (1) (fe) for fiscal year ~~2003–04~~ 2005–06, “base amount” means the amount shown in
19 the schedule under s. 20.005 for that appropriation for fiscal year ~~2002–03~~ 2004–05.

20 **SECTION 987b.** 39.435 (7) (a) 2. of the statutes is amended to read:

21 39.435 (7) (a) 2. For purposes of determining the appropriation under s. 20.235
22 (1) (fe) for each fiscal year after fiscal year ~~2003–04~~ 2005–06, “base amount” means
23 the maximum appropriation amount determined under par. (b) for the previous fiscal
24 year.

25 **SECTION 988b.** 39.435 (7) (b) (intro.) of the statutes is amended to read:

1 39.435 (7) (b) (intro.) Annually, by beginning on February 1, 2005, the board
2 shall determine the appropriation under s. 20.235 (1) (fe) for the next fiscal year as
3 follows:

4 **SECTION 989.** 39.435 (8) of the statutes is created to read:

5 39.435 (8) The board shall award grants under this section to University of
6 Wisconsin System students from the appropriations under s. 20.235 (1) (fe) and (ke).

7 **SECTION 995.** 40.02 (17) (intro.) of the statutes is amended to read:

8 40.02 (17) (intro.) “Creditable service” means the creditable current and prior
9 service, expressed in years and fractions of a year to the nearest one–hundredth, for
10 which a participating employee receives or is considered to receive earnings under
11 sub. (22) (e) or (em) and for which contributions have been made as required by s.
12 40.05 (1) and (2) and creditable military service, service credited under s. ~~40.25 (7)~~
13 40.285 (2) (b) and service credited under s. 40.29, expressed in years and fractions
14 of years to the nearest one–hundredth. How much service in any annual earnings
15 period is the full–time equivalent of one year of creditable service shall be
16 determined by rule by the department and the rules may provide for differing
17 equivalents for different types of employment. Except as provided under ~~pars. (i) and~~
18 ~~(k)~~ s. 40.285 (2) (e) and (f), the amount of creditable service for periods prior to
19 January 1, 1982, shall be the amount for which the participant was eligible under
20 the applicable laws and rules in effect prior to January 1, 1982. No more than one
21 year of creditable service shall be granted for any annual earnings period. Creditable
22 service is determined in the following manner for the following persons:

23 **SECTION 996.** 40.02 (17) (b) of the statutes is renumbered 40.285 (2) (d) and
24 amended to read:

1 40.285 (2) (d) Qualifying service. Each participating employee in the Wisconsin
2 retirement system whose creditable service terminates on or after January 1, 1982,
3 who was previously a participant in the Wisconsin retirement fund and who has not
4 received a separation benefit may receive creditable service equal to the period of
5 service during any qualifying period under s. 41.02 (6) (c), 1969 stats., s. 66.901 (4)
6 (d), 1967 stats., or under any predecessor statute, but not to exceed 6 months. The
7 additional creditable service shall be granted upon application by the employee if the
8 applicant pays to the department a lump sum payment equal to 5% of one-twelfth
9 of the employee's highest earnings in a single annual earnings period multiplied by
10 the number of months of creditable service granted under this paragraph. That
11 amount shall be credited and treated as an employee required contribution for all
12 purposes of the Wisconsin retirement system.

13 **SECTION 997.** 40.02 (17) (e) of the statutes is renumbered 40.285 (2) (c) and
14 amended to read:

15 40.285 (2) (c) Uncredited elected official and executive participating employee
16 service. Each executive participating employee whose creditable service terminates
17 on or after May 3, 1988, and each participating employee who is a present or former
18 elected official or an appointee of a present or former elected official and who did not
19 receive creditable service under s. 40.02 (17) (e), 1987 stats., or s. 40.02 (17) (e), 1989
20 stats., and whose creditable service terminates on or after August 15, 1991, who was
21 previously in the position of the president of the University of Wisconsin System or
22 in a position designated under s. 20.923 (4), (8), or (9), but did not receive creditable
23 service because of age restrictions, may receive creditable service equal to the period
24 of executive service not credited if the participant pays to the department a lump sum
25 payment equal to 5.5% of one-twelfth of the employee's highest earnings in a single

1 annual earnings period multiplied by the number of months of creditable service
2 granted under this paragraph. ~~That amount shall be credited and treated as an~~
3 ~~employee required contribution for all purposes of the Wisconsin retirement system.~~

4 **SECTION 998.** 40.02 (17) (i) of the statutes is renumbered 40.285 (2) (e), and
5 40.285 (2) (e) (intro.) and 3., as renumbered, are amended to read:

6 40.285 (2) (e) Teacher improvement leave. (intro.) Each participating employee
7 in the Wisconsin retirement system whose creditable service terminates on or after
8 April 25, 1990, and whose earnings include compensation for teacher improvement
9 leave granted by the board of regents of ~~the Wisconsin state colleges~~ State Colleges
10 during the period beginning on January 1, 1964, and ending on August 31, 1967, in
11 a written and satisfied contract, may receive creditable service for the period for
12 which those earnings were received in an amount not to exceed one year if all of the
13 following apply:

14 3. The participant pays to the department a lump sum equal to 5% of
15 one-twelfth of the employee's highest earnings in a single annual earnings period
16 multiplied by the number of months of creditable service that is granted under this
17 paragraph. ~~That amount shall be credited and treated as employee required~~
18 ~~contributions for all purposes of the Wisconsin retirement system. No~~

19 4. ~~The employer may~~ does not pay any amount payable under this subdivision
20 paragraph on behalf of any participating employee.

21 **SECTION 999.** 40.02 (17) (k) of the statutes is renumbered 40.285 (2) (f) and
22 amended to read:

23 40.285 (2) (f) Uncredited junior teaching service. Each participating employee
24 whose creditable service terminates on or after May 11, 1990, and who submits to the
25 department proof that the participant performed service in this state as a junior

1 teacher, as defined in s. 42.20 (6), 1955 stats., that was not credited under s. 42.40,
2 1955 stats., shall receive creditable service for the period for which that service was
3 performed, even if the participant did not become a member of the state teachers
4 retirement system after performing that service, if all of the following occur:

5 1. The participant pays to the department a lump sum equal to 5% of
6 one-twelfth of the employee's highest earnings in a single annual earnings period
7 multiplied by the number of months of creditable service that is granted under this
8 paragraph. That amount shall be credited and treated as employee required
9 contributions for all purposes of the Wisconsin retirement system. No

10 2. The employer may does not pay any amount payable under this paragraph
11 on behalf of any participating employee.

12 **SECTION 1000.** 40.02 (25) (b) 2m. of the statutes is repealed.

13 **SECTION 1001.** 40.02 (25) (b) 6e. of the statutes is created to read:

14 40.02 (25) (b) 6e. A state employee who terminates creditable service after
15 attaining 20 years of creditable service, remains a participant, and is not eligible for
16 an immediate annuity.

17 **SECTION 1001m.** 40.02 (49) of the statutes is amended to read:

18 40.02 (49) "Retired employee" means a former insured employee who is not a
19 participating employee and who is retired on an immediate or disability annuity or
20 who receives a lump sum payment under s. 40.25 (1) which would have been an
21 immediate annuity if paid as an annuity or who is an eligible employee under sub.
22 (25) (b) 6., 6e., or 6g.

23 **SECTION 1002.** 40.03 (6) (c) of the statutes is amended to read:

24 40.03 (6) (c) Shall not enter into any agreements to modify or expand group
25 insurance coverage in a manner which conflicts with this chapter or rules of the

1 department or materially affects the level of premiums required to be paid by the
2 state or its employees, or the level of benefits to be provided, under any group
3 insurance coverage. This restriction shall not be construed to prevent modifications
4 required by law, prohibit the group insurance board from modifying the standard
5 plan to establish a more cost effective benefit plan design or providing optional
6 insurance coverages as alternatives to the standard insurance coverage when any
7 excess of required premium over the premium for the standard coverage is paid by
8 the employee or prohibit the group insurance board from providing other plans as
9 authorized under par. (b).

10 **SECTION 1003.** 40.04 (3) (c) of the statutes is amended to read:

11 40.04 (3) (c) The department shall advise the investment board and the state
12 ~~treasurer~~ secretary of administration as to the limitations on the amounts of cash to
13 be invested from investment trusts under this subsection in order to maintain the
14 cash balances deemed advisable to meet current annuity, benefit and expense
15 requirements.

16 **SECTION 1004.** 40.05 (1) (a) 7. of the statutes is repealed.

17 **SECTION 1005.** 40.05 (1) (b) of the statutes is amended to read:

18 40.05 (1) (b) In lieu of employee payment, the employer may pay all or part of
19 the contributions required by par. (a), but all the payments shall be available for
20 benefit purposes to the same extent as required contributions deducted from
21 earnings of the participating employees. Action to assume employee contributions
22 as provided under this paragraph shall be taken at the time and in the form
23 determined by the governing body of the participating employer. The state shall pay
24 under this paragraph for employees who are covered by a collective bargaining
25 agreement under subch. V of ch. 111 and for employees whose fringe benefits are

1 determined under s. 230.12 an amount equal to 4% of the earnings paid by the state
2 unless otherwise provided in a collective bargaining agreement under subch. V of ch.
3 111 or unless otherwise determined under s. 230.12. The University of Wisconsin
4 Hospitals and Clinics Authority shall pay under this paragraph for employees who
5 are covered by a collective bargaining agreement under subch. I of ch. 111 and for
6 employees whose fringe benefits are determined under s. 233.10 an amount equal to
7 4% of the earnings paid by the authority unless otherwise provided in a collective
8 bargaining agreement under subch. I of ch. 111 or unless otherwise determined
9 under s. 233.10. The state shall pay under this paragraph for employees who are not
10 covered by a collective bargaining agreement under subch. V of ch. 111 and for
11 employees whose fringe benefits are not determined under s. 230.12 an amount equal
12 to 4% of the earnings paid by the state unless a different amount is recommended by
13 the secretary of employment relations director of the office of state human resources
14 management and approved by the joint committee on employment relations in the
15 manner provided for approval of changes in the compensation plan under s. 230.12
16 (3). The University of Wisconsin Hospitals and Clinics Authority shall pay under
17 this paragraph for its employees who are not covered by a collective bargaining
18 agreement under subch. I of ch. 111 an amount equal to 4% of the earnings paid by
19 the authority unless a different amount is established by the board of directors of the
20 authority under s. 233.10.

21 **SECTION 1006.** 40.05 (2) (bw) of the statutes is amended to read:

22 40.05 (2) (bw) The employer contribution rate determined under par. (b) for the
23 University of Wisconsin System shall be adjusted to reflect the cost of granting
24 creditable service under s. 40.02 (17) (i) 40.285 (2) (e) and that rate shall be sufficient

1 to amortize the unfunded prior service liability of the employers over the remainder
2 of the 40-year amortization period under par. (b).

3 **SECTION 1007.** 40.05 (2) (g) 1. of the statutes is amended to read:

4 40.05 (2) (g) 1. A participating employer may make contributions as provided
5 in its compensation agreements for any participating employee in addition to the
6 employer contributions required by this subsection. The additional employer
7 contributions made under this paragraph shall be available for all benefit purposes
8 and shall be administered and invested on the same basis as employee additional
9 contributions made under sub. (1) (a) 5., except that ss. 40.24 (1) (f) and, 40.25 (4),
10 and ~~(6) (a) 3.~~ 40.285 (2) (a) 1. c. do not apply to additional employer contributions
11 made under this paragraph.

12 **SECTION 1008.** 40.05 (4) (a) 2. of the statutes is amended to read:

13 40.05 (4) (a) 2. For an insured employee who is an eligible employee under s.
14 40.02 (25) (a) 2. or (b) 1m. ~~or 2m.~~, the employer shall pay required employer
15 contributions toward the health insurance premium of the insured employee
16 beginning on the date on which the employee becomes insured. For an insured
17 employee who is currently employed but who is not an eligible employee under s.
18 40.02 (25) (a) 2. or (b) 1m. ~~or 2m.~~, the employer shall pay required employer
19 contributions toward the health insurance premium of the insured employee
20 beginning on the first day of the 7th month beginning after the date on which the
21 employee begins employment with the state, not including any leave of absence.

22 **SECTION 1009.** 40.05 (4) (ag) of the statutes is repealed and recreated to read:

23 40.05 (4) (ag) Beginning on January 1, 2004, except as otherwise provided in
24 accordance with a collective bargaining agreement under subch. I or V of ch. 111 or

1 s. 230.12 or 233.10 with respect to eligible employees specified in subd. 2., the
2 employer shall pay for its currently employed insured employees:

3 1. For insured part-time employees other than employees specified in s. 40.02
4 (25) (b) 2., including those in project positions as defined in s. 230.27 (1), who are
5 appointed to work less than 1,566 hours per year, an amount equal to 50% of the
6 employer contribution under subd. 2.

7 2. For eligible employees not specified in subd. 1., regardless of the plan
8 selected by the employee, not less than 80% of the average premium cost of plans
9 offered in the tier with the lowest employee premium cost under s. 40.51 (6).

10 **SECTION 1010.** 40.05 (4) (ar) of the statutes is amended to read:

11 40.05 (4) (ar) The employer shall pay under par. (a) for employees who are not
12 covered by a collective bargaining agreement under subch. I or V of ch. 111 and for
13 employees whose health insurance premium contribution rates are not determined
14 under s. 230.12 or 233.10 an amount equal to the amount specified in par. (ag) unless
15 a different amount is recommended by the ~~secretary of employment relations~~
16 director of the office of state human resources management and approved by the joint
17 committee on employment relations in the manner provided for approval of changes
18 in the compensation plan under s. 230.12 (3).

19 **SECTION 1011.** 40.05 (4) (b) of the statutes is amended to read:

20 40.05 (4) (b) Except as provided under pars. (bc) and (bp), accumulated unused
21 sick leave under ss. 13.121 (4), 36.30, 230.35 (2), 233.10, and 757.02 (5) and subch.
22 I or V of ch. 111 of any eligible employee shall, at the time of death, upon qualifying
23 for an immediate annuity or for a lump sum payment under s. 40.25 (1) or upon
24 termination of creditable service and qualifying as an eligible employee under s.
25 40.02 (25) (b) 6. or 10., be converted, at the employee's ~~current~~ highest basic pay rate

1 he or she received while employed by the state, to credits for payment of health
2 insurance premiums on behalf of the employee or the employee's surviving insured
3 dependents. Any supplemental compensation that is paid to a state employee who
4 is classified under the state classified civil service as a teacher, teacher supervisor,
5 or education director for the employee's completion of educational courses that have
6 been approved by the employee's employer is considered as part of the employee's
7 basic pay for purposes of this paragraph. The full premium for any eligible employee
8 who is insured at the time of retirement, or for the surviving insured dependents of
9 an eligible employee who is deceased, shall be deducted from the credits until the
10 credits are exhausted and paid from the account under s. 40.04 (10), and then
11 deducted from annuity payments, if the annuity is sufficient. The department shall
12 provide for the direct payment of premiums by the insured to the insurer if the
13 premium to be withheld exceeds the annuity payment. Upon conversion of an
14 employee's unused sick leave to credits under this paragraph or par. (bf), the
15 employee or, if the employee is deceased, the employee's surviving insured
16 dependents may initiate deductions from those credits or may elect to delay
17 initiation of deductions from those credits, but only if the employee or surviving
18 insured dependents are covered by a comparable health insurance plan or policy
19 during the period beginning on the date of the conversion and ending on the date on
20 which the employee or surviving insured dependents later elect to initiate
21 deductions from those credits. If an employee or an employee's surviving insured
22 dependents elect to delay initiation of deductions from those credits, an employee or
23 the employee's surviving insured dependents may only later elect to initiate
24 deductions from those credits during the annual enrollment period under par. (be).
25 A health insurance plan or policy is considered comparable if it provides hospital and

1 medical benefits that are substantially equivalent to the standard health insurance
2 plan established under s. 40.52 (1).

3 **SECTION 1012.** 40.05 (4) (bc) of the statutes is amended to read:

4 40.05 (4) (bc) The accumulated unused sick leave of an eligible employee under
5 s. 40.02 (25) (b) 6e. or 6g. shall be converted to credits for the payment of health
6 insurance premiums on behalf of the employee on the date on which the department
7 receives the employee's application for a retirement annuity or for lump sum
8 payment under s. 40.25 (1). The employee's unused sick leave shall be converted at
9 the eligible employee's highest basic pay rate ~~immediately prior to termination of all~~
10 ~~creditable service~~ he or she received while employed by the state. The full premium
11 for the employee, or for the surviving insured dependents of the employee if the
12 employee later becomes deceased, shall be deducted from the credits until the credits
13 are exhausted and paid from the account under s. 40.04 (10), and then deducted from
14 annuity payments, if the annuity is sufficient. The department shall provide for the
15 direct payment of premiums by the insured to the insurer if the premium to be
16 withheld exceeds the annuity payment.

17 **SECTION 1013.** 40.05 (4) (bf) of the statutes is amended to read:

18 40.05 (4) (bf) Any eligible employee who was granted credit under s. 230.35 (1)
19 (gm) for service as a national guard technician, who, on December 31, 1965, had
20 accumulated unused sick leave that was based on service performed in this state as
21 a national guard technician before January 1, 1966, and who is a participating
22 employee or terminated all creditable service after June 30, 1972, or, if the eligible
23 employee is deceased, the surviving insured dependents of the eligible employee,
24 may have that accumulated unused sick leave converted to credits for the payment
25 of health insurance premiums on behalf of the eligible employee or the surviving

1 insured dependents if, not later than November 30, 1996, the eligible employee or the
2 surviving insured dependents submit to the department, on a form provided by the
3 department, an application for the conversion. The application shall include
4 evidence satisfactory to the department to establish the applicant's rights under this
5 paragraph and the amount of the accumulated unused sick leave that is eligible for
6 the conversion. The accumulated unused sick leave shall be converted under this
7 paragraph, at the eligible employee's highest basic pay rate ~~immediately prior to~~
8 ~~termination of all creditable service~~ he or she received while employed by the state,
9 on the date of conversion specified in par. (b) or on the last day of the 2nd month
10 beginning after the date on which the department receives the application under this
11 paragraph, whichever is later. Deductions from those credits, elections to delay
12 initiation of those deductions and premium payments shall be made as provided in
13 par. (b).

14 **SECTION 1014.** 40.05 (4) (bm) of the statutes is amended to read:

15 40.05 (4) (bm) Except as provided under par. (bp), accumulated unused sick
16 leave under ss. 36.30 and 230.35 (2) or 233.10 of any eligible employee shall, upon
17 request of the employee at the time the employee is subject to layoff under s. 40.02
18 (40), be converted at the employee's ~~current~~ highest basic pay rate he or she received
19 while employed by the state to credits for payment of health insurance premiums on
20 behalf of the employee. Any supplemental compensation that is paid to a state
21 employee who is classified under the state classified civil service as a teacher, teacher
22 supervisor or education director for the employee's completion of educational courses
23 that have been approved by the employee's employer is considered as part of the
24 employee's basic pay for purposes of this paragraph. The full amount of the required
25 employee contribution for any eligible employee who is insured at the time of the

1 layoff shall be deducted from the credits until the credits are exhausted, the
2 employee is reemployed, or 5 years have elapsed from the date of layoff, whichever
3 occurs first.

4 **SECTION 1015.** 40.05 (4g) (a) 4. of the statutes is amended to read:

5 40.05 (4g) (a) 4. Has received a military leave of absence under s. 230.32 (3) (a)
6 or 230.35 (3), under a collective bargaining agreement under subch. V of ch. 111 or
7 under rules promulgated by the ~~secretary of employment relations~~ director of the
8 office of state human resources management or is eligible for reemployment with the
9 state under s. 45.50 after completion of his or her service in the U.S. armed forces.

10 **SECTION 1016.** 40.06 (1) (dm) of the statutes is amended to read:

11 40.06 (1) (dm) Each determination by a department head regarding the
12 classification of a state employee as a protective occupation participant shall be
13 reviewed by the ~~department of employment relations~~ office of state human resources
14 management. A state employee's name may not be certified to the fund as a
15 protective occupation participant under par. (d) until the ~~department of employment~~
16 relations office of state human resources management approves the determination.

17 **SECTION 1019.** 40.23 (2m) (em) 1. a. of the statutes is amended to read:

18 40.23 (2m) (em) 1. a. Any creditable service forfeited by a participating
19 employee before January 1, 2000, and which is subsequently reestablished by the
20 participating employee under s. ~~40.25 (6)~~ 40.285 (2) (a), shall be considered to have
21 been performed before January 1, 2000.

22 **SECTION 1020.** 40.23 (2m) (em) 1. b. of the statutes is amended to read:

23 40.23 (2m) (em) 1. b. Any creditable service received under s. ~~40.25 (7)~~ 40.285
24 (2) (b), which is based on service performed before January 1, 2000, shall be
25 considered to have been performed before January 1, 2000.

1 **SECTION 1022.** 40.25 (3) of the statutes is amended to read:

2 40.25 (3) Upon administrative approval of payment of an amount under either
3 sub. (1) or (2), the participant's account shall be closed and there shall be no further
4 right, interest or claim on the part of the former participant to any benefit from the
5 Wisconsin retirement system except as provided by ~~subs.~~ sub. (5) and ~~(6)~~ s. 40.285
6 (2)(a). Any former participant who is subsequently employed by any participating
7 employer shall be treated as a new participating employee for all purposes of this
8 chapter. New accumulations of contributions and credits and the computation of any
9 future benefits shall bear no relationship to any accumulations and credits paid as
10 single sums under sub. (1) or (2).

11 **SECTION 1023.** 40.25 (6) of the statutes is repealed.

12 **SECTION 1024.** 40.25 (7) of the statutes is repealed.

13 **SECTION 1025.** 40.285 of the statutes is created to read:

14 **40.285 Purchase of creditable service. (1) GENERAL REQUIREMENTS. (a)**
15 *Deadline for purchase of creditable service.* An application to purchase creditable
16 service must be received by the department, on a form provided by the department,
17 from an applicant who is a participating employee on the day that the department
18 receives the application.

19 (b) *Calculation of creditable service.* Creditable service purchased under this
20 section shall be calculated in an amount equal to the year and fractions of a year to
21 the nearest one-hundredth of a year.

22 (c) *Use of creditable service.* Credit for service purchased under this section is
23 added to a participant's total creditable service, but may not be treated as service for
24 a particular annual earnings period and does not confer any other rights or benefits.

1 (d) *Applicability of Internal Revenue Code.* The crediting of service under this
2 section is subject to any applicable limit or requirement under the Internal Revenue
3 Code.

4 (2) CONDITIONS FOR THE PURCHASE OF DIFFERENT TYPES OF CREDITABLE SERVICE. (a)
5 *Forfeited service.* 1. A participating employee may purchase creditable service
6 forfeited in the manner specified in subd. 2., subject to all of the following:

7 a. The participating employee must have at least 3 continuous years of
8 creditable service at the time of application to purchase the creditable service.

9 b. The number of years that may be purchased may not be greater than the
10 accumulated current creditable service of the participating employee at the date of
11 application, excluding all creditable service purchased under this section or s. 40.02
12 (17) (b), 1981, 1983, 1985, 1987, 1989, 1991, 1993, 1995, 1997, 1999, and 2001 stats.,
13 s. 40.02 (17) (e), 1987, 1989, 1991, 1993, 1995, 1997, 1999, and 2001 stats., s. 40.02
14 (17) (i), 1989, 1991, 1993, 1995, 1997, 1999, and 2001 stats., s. 40.02 (17) (k), 1989,
15 1991, 1993, 1995, 1997, 1999, and 2001 stats., s. 40.25 (6), 1981, 1983, 1985, 1987,
16 1989, 1991, 1993, 1995, 1997, 1999, and 2001 stats., s. or 40.25 (7), 1991, 1993, 1995,
17 1997, 1999, and 2001 stats., less the number of years of creditable service previously
18 purchased under this paragraph or s. 40.25 (6), 1981, 1983, 1985, 1987, 1989, 1991,
19 1993, 1995, 1997, 1999, and 2001 stats.

20 c. The participating employee pays to the fund an amount equal to the
21 employee's statutory contribution on earnings under s. 40.05 (1) (a) for each year of
22 forfeited service to be purchased, based upon the participating employee's final
23 average earnings, determined as if the employee had retired on the first day of the
24 annual earnings period during which the department receives the application. The
25 amount payable shall be paid in a lump sum payment, except as provided in sub. (4)

1 (b), and no employer may pay any amount payable on behalf of a participating
2 employee.

3 d. Upon receipt by the fund of the total payment required under this
4 subdivision, the creditable service meeting the conditions and requirements of this
5 paragraph shall be credited to the account of the participating employee making the
6 payment.

7 2. Creditable service may be purchased under this paragraph if it was forfeited
8 as a result of any of the following:

9 a. Payment of an amount under s. 40.25 (2).

10 b. The receipt of a separation or withdrawal benefit under the applicable laws
11 and rules in effect prior to January 1, 1982.

12 c. Payment of an amount under s. 40.25 (2m), 1991, 1993, 1995, and 1997 stats.

13 3. Unless otherwise provided by the department by rule, a participating
14 employee may not purchase creditable service under this paragraph more than 2
15 times in any calendar year.

16 (b) *Other governmental service.* 1. Each participating employee whose
17 creditable service terminates on or after May 1, 1992, and who has performed
18 service, other than military service, as an employee of the federal government or a
19 state or local governmental entity in the United States, other than a participating
20 employer, that is located within or outside of this state, or each participating
21 employee whose creditable service terminates on or after May 4, 1994, and who has
22 performed service as an employee for an employer who was not at the time a
23 participating employer but who subsequently became a participating employer, may
24 receive creditable service for such service if all of the following occur:

1 a. The participant has at least 3 continuous years of creditable service at the
2 time of application.

3 b. The number of years of creditable service applied for under this paragraph
4 does not exceed the number of years of creditable service that the participant has at
5 the date of application, excluding all creditable service purchased under this section
6 or s. 40.02 (17) (b), 1981, 1983, 1985, 1987, 1989, 1991, 1993, 1995, 1997, 1999, and
7 2001 stats., s. 40.02 (17) (e), 1987, 1989, 1991, 1993, 1995, 1997, 1999, and 2001
8 stats., s. 40.02 (17) (i), 1989, 1991, 1993, 1995, 1997, 1999, and 2001 stats., s. 40.02
9 (17) (k), 1989, 1991, 1993, 1995, 1997, 1999, and 2001 stats., s. 40.25 (6), 1981, 1983,
10 1985, 1987, 1989, 1991, 1993, 1995, 1997, 1999, and 2001 stats., or s. 40.25 (7), 1991,
11 1993, 1995, 1997, 1999, and 2001 stats., less the number of years of creditable service
12 previously purchased under this paragraph or s. 40.25 (7), 1991, 1993, 1995, 1997,
13 1999, and 2001 stats.

14 c. At the time of application, the participant furnishes evidence of such service
15 that is acceptable to the department.

16 d. Except as provided in sub. (4) (b), at the time of application, the participant
17 pays to the department a lump sum equal to the present value of the creditable
18 service applied for under this paragraph, in accordance with rates actuarially
19 determined to be sufficient to fund the cost of the increased benefits that will result
20 from granting the creditable service under this paragraph. The department shall by
21 rule establish different rates for different categories of participants, based on factors
22 recommended by the actuary.

23 2. The creditable service granted under this paragraph shall be the same type
24 of creditable service as the type that is granted to participants who are not executive
25 participating employees, elected officials, or protective occupation participants.

1 3. A participating employee may apply to receive part or all of the creditable
2 service that he or she is eligible to receive under this paragraph.

3 4. A participant may not receive creditable service under this paragraph for
4 service that is used for the purpose of establishing entitlement to, or the amount of,
5 any other benefit to be paid by any federal, state, or local government entity, except
6 a disability or OASDHI benefit or a benefit paid for service in the national guard.

7 5. Unless otherwise provided by the department by rule, a participating
8 employee may not purchase creditable service under this paragraph more than 2
9 times in any calendar year.

10 **(3) APPLICATION PROCESS.** (a) *Provision of application forms and estimates.*
11 Upon request, the department shall provide a participating employee an application
12 form for the purchase of creditable service under sub. (2) and shall also provide to the
13 participating employee an estimate of the cost of purchasing the creditable service.

14 (b) *Certification of plan-to-plan transfers.* Upon request, the department shall
15 provide a participating employee a transfer certification form for payments made by
16 a plan-to-plan transfer under sub. (5) (b). If the participating employee intends to
17 make payments from more than one plan, the participating employee must submit
18 to the department a separate transfer certification form for each plan from which
19 moneys will be transferred.

20 **(4) PAYMENT.** (a) *Required with application.* Except as provided in par. (b), the
21 department may not accept an application for the purchase of creditable service
22 without payment in full of the department's estimated cost of creditable service
23 accompanying the application. A participating employee may also do any of the
24 following:

1 1. Use his or her accumulated after-tax additional contributions that are made
2 under s. 40.05 (1) (a) 5., including interest, to make payment.

3 2. Use his or her accumulated contributions, including interest, to a tax
4 sheltered annuity under section 403 (b) of the Internal Revenue Code, to make
5 payment, but only if the participating employee's plan under section 403 (b) of the
6 Internal Revenue Code authorizes the transfer.

7 (b) *Alternate payment options.* Notwithstanding par. (a), the department may
8 accept an application under this section without full payment if payment of at least
9 10% of the department's estimate of the cost of the creditable service is included with
10 the application, in the manner required under par. (a), and the remaining balance
11 is received by the department no later than 90 days after receipt of the application,
12 in the form of a plan-to-plan transfer under sub. (5) (b).

13 (c) *Final cost calculation for purchase of creditable service.* The department
14 may audit any transaction to purchase creditable service under this subsection and
15 make any necessary correction to the estimated cost of purchasing the creditable
16 service to reflect the amount due under sub. (2). Except as otherwise provided in sub.
17 (7), if the department determines that the final amount that is due is more than the
18 amount paid to the department, the department shall notify the participant of the
19 amount of the shortfall. If payment of the amount of the shortfall is not received by
20 the department within 30 calendar days after the date on which the department
21 sends notice to the participant, the department shall complete the creditable service
22 purchase transaction by prorating the amount of creditable service that is purchased
23 based on the payment amount actually received and shall notify the participant of
24 the amount and category of service that is credited. The department, by rule, shall

1 specify how a forfeited service purchase is prorated when the participant forfeited
2 service under more than one category of employment under s. 40.23 (2m) (e).

3 (d) *Treatment of amounts to purchase creditable service.* All amounts retained
4 by the department for the purchase of creditable service under sub. (2) shall be
5 credited and treated as employee required contributions for all purposes of the
6 Wisconsin retirement system, except that amounts received for the purchase of
7 creditable service under sub. (2) (b) may not be used for the purpose of making
8 calculations under s. 40.23 (3) or 40.73 (1) (am).

9 (5) TRANSFER OF FUNDS; PLAN-TO-PLAN TRANSFERS. (a) *Transfer from certain*
10 *benefit plans.* Subject to any applicable limitations under the Internal Revenue
11 Code, a participating employee may elect to use part or all of any of the following to
12 purchase creditable service under this section:

13 1. Accumulated after-tax additional contributions, including interest, made
14 under s. 40.05 (1) (a) 5.

15 2. Accumulated contributions treated by the department as contributions to a
16 tax sheltered annuity under section 403 (b) of the Internal Revenue Code, but only
17 if the employer sponsoring the annuity plan authorizes the transfer.

18 (b) *Other plan-to-plan transfers.* The department may also accept a plan to
19 plan transfer from any of the following:

20 1. Accumulated contributions under a state deferred compensation plan under
21 subch. VII.

22 2. The trustee of any plan qualified under sections 401 (a) or (k), 403 (b), or 457
23 of the Internal Revenue Code, but only if the purpose of the transfer is to purchase
24 creditable service under this section.

1 (c) *Payment shortfall.* Except as otherwise provided in sub. (7), if the
2 department determines that the amount paid to the department to purchase
3 creditable service under this subsection, together with the amount transferred
4 under a plan-to-plan transfer, is less than the amount that is required to purchase
5 the creditable service, the department shall notify the participant of the amount of
6 the shortfall. If payment of the amount of the shortfall is not received by the
7 department within 30 calendar days after the date on which the department sends
8 notice to the participant, the department shall complete the creditable service
9 purchase transaction by prorating the amount of creditable service that is purchased
10 based on the payment amount actually received and shall notify the participant of
11 the amount and category of service that is credited. The department, by rule, shall
12 specify how a forfeited service purchase is prorated when the participant forfeited
13 service under more than one category of employment under s. 40.23 (2m) (e).

14 (6) REFUNDS. Except as provided in sub. (7), if the department determines that
15 the amount paid to the department to purchase creditable service, including any
16 amount in a plan-to-plan transfer, is greater than the amount that is required to
17 purchase the creditable service, as determined by the department, the department
18 shall refund the difference. The department shall pay any refund to the participant,
19 up to the amount received from the participant. Any remaining amount shall be
20 returned to the applicable account in the trust fund for transfers under sub. (5) (a)
21 or to the trustee of a plan which was the source of a plan-to-plan transfer under sub.
22 (5) (b). When more than one plan-to-plan transfer occurs, the department may
23 determine which transfer is to be refunded, in whole or part. No funds transferred
24 to the department by a plan-to-plan transfer may be refunded to a participant.

1 **(7) LIMIT ON PAYMENT OF CORRECTIONS.** The department may not require a
2 participant to pay any shortfall under sub. (4) (c) or (5) (c) that is \$25 or less. The
3 department may not pay any refund under sub. (6) if the amount of the refund is \$25
4 or less.

5 **SECTION 1026.** 40.51 (6) of the statutes is amended to read:

6 **40.51 (6)** This state shall offer to all of its employees at least 2 insured or
7 uninsured health care coverage plans providing substantially equivalent hospital
8 and medical benefits, including a health maintenance organization or a preferred
9 provider plan, if those health care plans are determined by the group insurance
10 board to be available in the area of the place of employment and are approved by the
11 group insurance board. The group insurance board shall place each of the plans into
12 one of 3 tiers established in accordance with standards adopted by the group
13 insurance board. The tiers shall be separated according to the employee's share of
14 premium costs.

15 **SECTION 1026e.** 40.51 (10m) of the statutes is amended to read:

16 **40.51 (10m)** Any eligible employee, as defined in s. 40.02 (25) (b) 6e. and 6g.,
17 may become covered under any health care coverage plan offered under sub. (6),
18 without furnishing evidence of insurability, by submitting to the department, on a
19 form provided by the department and within 30 days after the date on which the
20 department receives the employee's application for a retirement annuity or for a
21 lump sum payment under s. 40.25 (1), an election to obtain the coverage, by obtaining
22 coverage subject to contractual waiting periods and by paying the cost of the required
23 premiums, as provided in s. 40.05 (4) (ad).

24 **SECTION 1026r.** 40.53 of the statutes is created to read:

25 **40.53 Pharmacy benefits purchasing pool. (1)** In this section:

1 (a) “Brand name” has the meaning given in s. 450.12 (1) (a).

2 (b) “Eligible party” means an employer, other than the state, or a person doing
3 business or operating an organization in this state, including a self-employed
4 individual.

5 (c) “Generic name” has the meaning given in s. 450.12 (1) (b).

6 (d) “Prescription drug” has the meaning given in s. 450.01 (20).

7 (2) Beginning on January 1, 2005, the group insurance board shall develop a
8 purchasing pool for pharmacy benefits that uses a preferred list of covered
9 prescription drugs. The pool shall consist of the state and any eligible party that
10 satisfies the conditions established under sub. (3) for joining the pool. The group
11 insurance board shall seek to develop the preferred list of covered prescription drugs
12 under an evidence-based analysis that first identifies the relative effectiveness of
13 prescription drugs within therapeutic classes for particular diseases and conditions
14 and next identifies the least costly prescription drugs, including prescription drugs
15 with generic names that are alternatives to prescription drugs with brand names,
16 among those found to be equally effective.

17 (3) The group insurance board shall propose conditions that an eligible party
18 must satisfy to join the purchasing pool established under sub. (2) and shall submit
19 the proposed conditions to the joint committee on finance. If the cochairpersons of
20 the committee do not notify the group insurance board within 14 working days after
21 the date of the group insurance board’s submittal that the committee has scheduled
22 a meeting for the purpose of reviewing the proposed conditions, the conditions may
23 be implemented as proposed by the group insurance board. If, within 14 working
24 days after the date of the group insurance board’s submittal, the cochairpersons of
25 the committee notify the group insurance board that the committee has scheduled

1 a meeting for the purpose of reviewing the proposed conditions, the conditions may
2 be implemented only upon approval of the committee.

3 **SECTION 1026m.** 40.95 (1) (a) (intro.) of the statutes is amended to read:

4 40.95 (1) (a) (intro.) Subject to sub. (2), the department shall administer a
5 program that provides health insurance premium credits for the purchase of health
6 insurance for a retired employee, or the retired employee's surviving insured
7 dependents, and for an eligible employee under s. 40.02 (25) (b) 6e., or the eligible
8 employee's surviving insured dependents, for the benefit of an eligible employee
9 whose compensation includes such health insurance premium credits and who
10 satisfies at least one of the following:

11 **SECTION 1027.** 40.98 (2) (h) of the statutes is amended to read:

12 40.98 (2) (h) The department may seek funding from any person for the
13 payment of costs of designing, marketing, and contracting for or providing
14 administrative services under the health care coverage program ~~and for lapsing to~~
15 ~~the general fund any amount required under sub. (6m).~~ Any moneys received by the
16 department under this paragraph shall be credited to the appropriation account
17 under s. 20.515 (2) (g).

18 **SECTION 1028.** 40.98 (6m) of the statutes is repealed.

19 **SECTION 1030.** 43.24 (1) (c) of the statutes is amended to read:

20 43.24 (1) (c) Beginning in the fiscal year in which the total amount of state aid
21 appropriated for public library systems under s. 20.255 (3) (e) and (qm), as
22 determined by the department, equals at least 11.25% of the total operating
23 expenditures for public library services from local and county sources in the calendar
24 year ending in that fiscal year, the amount paid to each system shall be determined
25 by adding the result of each of the following calculations:

1 1. Multiply the system's percentage of the state's population by the product of
2 the amount appropriated under s. 20.255 (3) (e) and (qm) and 0.85.

3 2. Multiply the system's percentage of the state's geographical area by the
4 product of the amount appropriated under s. 20.255 (3) (e) and (qm) and 0.075.

5 3. Divide the sum of the payments to the municipalities and counties in the
6 system under subch. I of ch. 79 for the current fiscal year, as reflected in the
7 statement of estimated payments under s. 79.015, by the total of all payments under
8 subch. I of ch. 79 for the current fiscal year, as reflected in the statement of estimated
9 payments under s. 79.015, and multiply the result by the product of the amount
10 appropriated under s. 20.255 (3) (e) and (qm) and 0.075.

11 **SECTION 1031.** 43.24 (3) of the statutes is amended to read:

12 43.24 (3) Annually, the division shall review the reports and proposed service
13 plans submitted by the public library systems under s. 43.17 (5) for conformity with
14 this chapter and such rules and standards as are applicable. Upon approval, the
15 division shall certify to the department of administration an estimated amount to
16 which each system is entitled under this section. Annually on or before December
17 1 of the year immediately preceding the year for which aids are to be paid, the
18 department of administration shall pay each system 75% of the certified estimated
19 amount from the ~~appropriation~~ appropriations under s. 20.255 (3) (e) and (qm). The
20 division shall, on or before the following April 30, certify to the department of
21 administration the actual amount to which the system is entitled under this section.
22 On or before July 1, the department of administration shall pay each system the
23 difference between the amount paid on December 1 of the prior year and the certified
24 actual amount of aid to which the system is entitled from the ~~appropriation~~
25 appropriations under s. 20.255 (3) (e) and (qm). The division may reduce state aid

1 payments when any system or any participant thereof fails to meet the requirements
2 of sub. (2). Beginning September 1, 1991, the division may reduce state aid payments
3 to any system if the system or any participant in the system fails to meet the
4 requirements of s. 43.15 (4).

5 **SECTION 1032.** 43.24 (3m) of the statutes is amended to read:

6 43.24 (3m) If the ~~appropriation~~ appropriations under s. 20.255 (3) (e) and (qm)
7 in any one year is are insufficient to pay the full amount under sub. (1), state aid
8 payments shall be prorated among the library systems entitled to such aid.

9 **SECTION 1033.** 43.70 (3) of the statutes is amended to read:

10 43.70 (3) Immediately upon making such apportionment, the state
11 superintendent shall certify to the department of administration the estimated
12 amount that each school district is entitled to receive under this section and shall
13 notify each school district administrator of the estimated amount so certified for his
14 or her school district. The department of administration shall ~~issue its warrants~~
15 ~~upon which the state treasurer shall distribute each school district's aid entitlement~~
16 in one payment on or before May 1. The amount paid to each school district shall be
17 based upon the amount in the appropriation account under s. 20.255 (2) (s) on April
18 15. All moneys distributed under this section shall be expended for the purchase of
19 instructional materials from the state historical society for use in teaching Wisconsin
20 history and for the purchase of library books and other instructional materials for
21 school libraries, but not for public library facilities operated by school districts under
22 s. 43.52, in accordance with rules promulgated by the state superintendent.
23 Appropriate records of such purchases shall be kept and necessary reports thereon
24 shall be made to the state superintendent.

25 **SECTION 1034.** Chapter 44 (title) of the statutes is amended to read:

CHAPTER 44**HISTORICAL SOCIETIES, AND ARTS****BOARD AND TECHNOLOGY FOR****~~EDUCATIONAL ACHIEVEMENT IN~~****~~WISCONSIN BOARD~~**

SECTION 1034s. 44.53 (1) (fm) of the statutes is repealed.

SECTION 1034t. 44.53 (2) (am) of the statutes is repealed.

SECTION 1035. Subchapter IV (title) of chapter 44 [precedes 44.70] of the statutes is repealed.

SECTION 1036d. 44.70 (intro.) of the statutes is renumbered 16.99 (intro.).

SECTION 1037. 44.70 (1) of the statutes is repealed.

SECTION 1038d. 44.70 (1d) of the statutes is renumbered 16.99 (1d).

SECTION 1039d. 44.70 (1m) of the statutes is renumbered 16.99 (1m).

SECTION 1040. 44.70 (2) of the statutes is repealed.

SECTION 1041d. 44.70 (2g) of the statutes is renumbered 16.99 (2g) and amended to read:

16.99 (2g) “Educational agency” means a school district, charter school sponsor, secured correctional facility, private school, cooperative educational service agency, technical college district, private college, public library system, public library board, public museum, the Wisconsin Center for the Blind and Visually Impaired, or the Wisconsin Educational Services Program for the Deaf and Hard of Hearing.

SECTION 1042d. 44.70 (3) of the statutes is renumbered 16.99 (3).

SECTION 1043d. 44.70 (3d) of the statutes is renumbered 16.99 (3d).

SECTION 1044d. 44.70 (3g) of the statutes is renumbered 16.99 (3g).

SECTION 1045d. 44.70 (3j) of the statutes is renumbered 16.99 (3j).

1 **SECTION 1046d.** 44.70 (3m) of the statutes is renumbered 16.99 (3m).

2 **SECTION 1047d.** 44.70 (3r) of the statutes is renumbered 16.99 (3r).

3 **SECTION 1048d.** 44.70 (4) of the statutes is renumbered 16.99 (4).

4 **SECTION 1049d.** 44.70 (5) of the statutes is renumbered 16.99 (5).

5 **SECTION 1050d.** 44.70 (6) of the statutes is renumbered 16.99 (6).

6 **SECTION 1051.** 44.71 (title) of the statutes is repealed.

7 **SECTION 1052.** 44.71 (1) of the statutes is repealed.

8 **SECTION 1053d.** 44.71 (2) (intro.) of the statutes is renumbered 16.993 (intro.)

9 and amended to read:

10 **16.993 Duties Technology for educational achievement in Wisconsin;**
11 **departmental duties.** (intro.) The ~~board~~ department shall do all of the following:

12 **SECTION 1054d.** 44.71 (2) (a) of the statutes is renumbered 16.993 (1) and
13 amended to read:

14 16.993 (1) In cooperation with school districts, cooperative educational service
15 agencies, the technical college system board, and the board of regents of the
16 University of Wisconsin System ~~and the department~~, promote the efficient,
17 cost-effective procurement, installation, and maintenance of educational technology
18 by school districts, cooperative educational service agencies, technical college
19 districts, and the University of Wisconsin System.

20 **SECTION 1055d.** 44.71 (2) (b) of the statutes is renumbered 16.993 (2).

21 **SECTION 1056d.** 44.71 (2) (c) of the statutes is renumbered 16.993 (3) and
22 amended to read:

23 16.993 (3) ~~With the consent of the department, enter~~ Enter into cooperative
24 purchasing agreements under s. 16.73 (1) under which participating school districts

1 and cooperative educational service agencies may contract for their professional
2 employees to receive training concerning the effective use of educational technology.

3 **SECTION 1057d.** 44.71 (2) (d) of the statutes is renumbered 16.993 (4) and
4 amended to read:

5 16.993 (4) In cooperation with the board of regents of the University of
6 Wisconsin System, the technical college system board, ~~the department of public~~
7 ~~instruction~~ and other entities, support the development of courses for the instruction
8 of professional employees who are licensed by the state superintendent of public
9 instruction concerning the effective use of educational technology.

10 **SECTION 1058d.** 44.71 (2) (e) of the statutes is renumbered 16.993 (5) and
11 amended to read:

12 16.993 (5) ~~Subject to s. 44.73 (5), in cooperation with the department, provide~~
13 Provide telecommunications access to educational agencies under the program
14 established under s. 44.73 16.997.

15 **SECTION 1059d.** 44.71 (2) (f) of the statutes is renumbered 16.993 (6) and
16 amended to read:

17 16.993 (6) No later than October 1 of each even-numbered year, submit a
18 biennial report concerning the ~~board's~~ department's activities under this subchapter
19 to the governor, and to the appropriate standing committees of the legislature under
20 s. 13.172 (3).

21 **SECTION 1060d.** 44.71 (2) (g) of the statutes is renumbered 16.993 (7) and
22 amended to read:

23 16.993 (7) ~~Coordinate the purchasing of~~ Purchase educational technology
24 materials, supplies, equipment, and contractual services for school districts,
25 cooperative educational service agencies, technical college districts, and the board

1 of regents of the University of Wisconsin System ~~by the department~~ under s. 16.72
2 (8), and, ~~in cooperation with the department and subject to the approval of the~~
3 ~~department of electronic government~~, establish standards and specifications for
4 purchases of educational technology hardware and software by school districts,
5 cooperative educational service agencies, technical college districts, and the board
6 of regents of the University of Wisconsin System.

7 **SECTION 1061d.** 44.71 (2) (h) of the statutes is renumbered 16.993 (8) and
8 amended to read:

9 16.993 (8) ~~With the approval of the department of electronic government,~~
10 ~~purchase~~ Purchase educational technology equipment for use by school districts,
11 cooperative educational service agencies, and public educational institutions in this
12 state and permit the districts, agencies, and institutions to purchase or lease the
13 equipment, with an option to purchase the equipment at a later date. ~~This paragraph~~
14 ~~subsection~~ does not require the purchase or lease of any educational technology
15 equipment from the ~~board~~ department.

16 **SECTION 1062d.** 44.71 (2) (i) of the statutes is renumbered 16.993 (9).

17 **SECTION 1063.** 44.71 (3) of the statutes is repealed.

18 **SECTION 1064.** 44.72 (title) of the statutes is repealed.

19 **SECTION 1065.** 44.72 (1) of the statutes is repealed.

20 **SECTION 1066.** 44.72 (2) of the statutes is repealed.

21 **SECTION 1067.** 44.72 (3) of the statutes is repealed.

22 **SECTION 1068d.** 44.72 (4) (title) of the statutes is renumbered 16.995 (title).

23 **SECTION 1069d.** 44.72 (4) (a) of the statutes is renumbered 16.995 (1) and
24 amended to read:

1 16.995 (1) FINANCIAL ASSISTANCE AUTHORIZED. The board department may
2 provide financial assistance under this ~~subsection~~ section to school districts and
3 charter school sponsors from the proceeds of public debt contracted under s. 20.866
4 (2) (zc) and to public library boards from the proceeds of public debt contracted under
5 s. 20.866 (2) (zcm). Financial assistance under this ~~subsection~~ section may be used
6 only for the purpose of upgrading the electrical wiring of school and library buildings
7 in existence on October 14, 1997, and installing and upgrading computer network
8 wiring. The department may not provide any financial assistance under this section
9 after the effective date of this subsection [revisor inserts date].

10 **SECTION 1070d.** 44.72 (4) (b) of the statutes is renumbered 16.995 (2) and
11 amended to read:

12 16.995 (2) FINANCIAL ASSISTANCE APPLICATIONS, TERMS, AND CONDITIONS. The
13 board department shall establish application procedures for, and the terms and
14 conditions of, financial assistance under this ~~subsection, including a condition~~
15 ~~requiring a charter school sponsor to use financial assistance under this subsection~~
16 ~~for wiring upgrading and installation that benefits pupils attending the charter~~
17 ~~school~~ section. The board department shall make a loan to a school district, ~~charter~~
18 ~~school sponsor, or public library board, or to a municipality on behalf of a public~~
19 library board, in an amount equal to 50% of the total amount of financial assistance
20 for which the board department determines the school district or public library board
21 is eligible and provide a grant to the school district or public library board for the
22 remainder of the total. The terms and conditions of any financial assistance under
23 this ~~subsection~~ section may include the provision of professional building
24 construction services under s. 16.85 (15). The board department shall determine the
25 interest rate on loans under this ~~subsection~~ section. The interest rate shall be as low

1 as possible but shall be sufficient to fully pay all interest expenses incurred by the
2 state in making the loans and to provide reserves that are reasonably expected to be
3 required in the judgment of the ~~board~~ department to ensure against losses arising
4 from delinquency and default in the repayment of the loans. The term of a loan under
5 this ~~subsection~~ section may not exceed 10 years.

6 **SECTION 1071d.** 44.72 (4) (c) of the statutes is renumbered 16.995 (3) and
7 amended to read:

8 16.995 (3) REPAYMENT OF LOANS. The ~~board~~ department shall credit all moneys
9 received from school districts ~~and charter school sponsors~~ for repayment of loans
10 under this ~~subsection~~ section to the appropriation account under s. ~~20.275 (1) (h)~~
11 20.505 (4) (ha). The ~~board~~ department shall credit all moneys received from public
12 library boards or from municipalities on behalf of public library boards for
13 repayment of loans under this ~~subsection~~ section to the appropriation account under
14 s. ~~20.275 (1)~~ 20.505 (4) (hb).

15 **SECTION 1072d.** 44.72 (4) (d) of the statutes is renumbered 16.995 (4) and
16 amended to read:

17 16.995 (4) FUNDING FOR FINANCIAL ASSISTANCE. ~~The board, with the approval of~~
18 ~~the governor and~~ department, subject to the limits of s. 20.866 (2) (zc) and (zcm), may
19 request that the building commission contract public debt in accordance with ch. 18
20 to fund financial assistance under this ~~subsection~~ section.

21 **SECTION 1073d.** 44.73 (title) of the statutes is renumbered 16.997 (title).

22 **SECTION 1074d.** 44.73 (1) of the statutes is renumbered 16.997 (1) and
23 amended to read:

24 16.997 (1) Except as provided in s. 196.218 (4t), ~~the board, in consultation with~~
25 ~~the department and subject to the approval of the department of electronic~~

1 government, department shall promulgate rules establishing an educational
2 telecommunications access program to provide educational agencies with access to
3 data lines and video links.

4 **SECTION 1075d.** 44.73 (2) (intro.) of the statutes is renumbered 16.997 (2)
5 (intro.).

6 **SECTION 1076d.** 44.73 (2) (a) of the statutes is renumbered 16.997 (2) (a) and
7 amended to read:

8 16.997 (2) (a) Allow an educational agency to make a request to the ~~board~~
9 department for access to either one data line or one video link, except that any
10 educational agency may request access to additional data lines if the agency shows
11 to the satisfaction of the ~~board~~ department that the additional data lines are more
12 cost-effective than a single data line and except that a school district that operates
13 more than one high school or a public library board that operates more than one
14 library facility may request access to both a data line and a video link and access to
15 more than one data line or video link.

16 **SECTION 1077d.** 44.73 (2) (b) of the statutes is renumbered 16.997 (2) (b).

17 **SECTION 1078d.** 44.73 (2) (c) of the statutes is renumbered 16.997 (2) (c).

18 **SECTION 1079d.** 44.73 (2) (d) of the statutes is renumbered 16.997 (2) (d).

19 **SECTION 1080d.** 44.73 (2) (e) of the statutes is renumbered 16.997 (2) (e).

20 **SECTION 1081d.** 44.73 (2) (f) of the statutes is renumbered 16.997 (2) (f).

21 **SECTION 1082d.** 44.73 (2g) of the statutes is renumbered 16.997 (2g).

22 **SECTION 1083d.** 44.73 (2r) of the statutes is renumbered 116.997 (2r), and
23 16.997 (2r) (c), as renumbered, is amended to read:

1 16.997 (2r) (c) A public library board shall provide the technology for
2 educational achievement in Wisconsin board department with written notice within
3 30 days after entering into or modifying a shared service agreement under par. (a).

4 **SECTION 1084d.** 44.73 (3) of the statutes is renumbered 16.997 (3) and
5 amended to read:

6 16.997 (3) The board shall submit an annual report to the department shall
7 prepare an annual report on the status of providing data lines and video links that
8 are requested under sub. (2) (a) and the impact on the universal service fund of any
9 payment under contracts under s. 16.974.

10 **SECTION 1085d.** 44.73 (4) of the statutes is renumbered 16.997 (4).

11 **SECTION 1086.** 44.73 (5) of the statutes is repealed.

12 **SECTION 1087d.** 44.73 (6) (a) of the statutes is renumbered 16.997 (6) (a) and
13 amended to read:

14 16.997 (6) (a) From the appropriation under s. ~~20.275 (1)~~ 20.505 (4) (s) or (tm),
15 the board department may award an annual grant to a school district or private
16 school that had in effect on October 14, 1997, a contract for access to a data line or
17 video link, as documented by the board department. The board department shall
18 determine the amount of the grant, which shall be equal to the cost incurred by the
19 state to provide telecommunications access to a school district or private school
20 under a contract entered into under s. 16.974 (1) or (3) less the amount that the school
21 district or private school would be paying under sub. (2) (d) if the school district or
22 private school were participating in the program established under sub. (1), except
23 that the amount may not be greater than the cost that a school district or private
24 school incurs under the contract in effect on October 14, 1997. A school district or
25 private school receiving a grant under this subsection is not eligible to participate in

1 the program under sub. (1). No grant may be awarded under this subsection after
2 December 31, 2005.

3 **SECTION 1088d.** 44.73 (6) (b) of the statutes is renumbered 16.997 (6) (b) and
4 amended to read:

5 16.997 (6) (b) Notwithstanding par. (a), the ~~board~~ department may award a
6 school district that operates more than one high school and that had in effect on
7 October 14, 1997, a contract for access to more than one data line or video link an
8 annual grant for each data line or video link serving each high school covered by that
9 contract.

10 **SECTION 1088m.** 45.25 (title) of the statutes is amended to read:

11 **45.25 (title) Veterans' tuition and fee reimbursement program.**

12 **SECTION 1088p.** 45.25 (1) of the statutes is renumbered 45.25 (1m) and
13 amended to read:

14 **45.25 (1m) ADMINISTRATION.** The department shall administer a tuition and fee
15 reimbursement program for eligible veterans enrolling as undergraduates in any
16 institution of higher education, as defined in s. 45.396 (1) (a), in this state, enrolling
17 in a school that is approved under s. 45.35 (9m), enrolling in a proprietary school that
18 is approved under s. 45.54, or receiving a waiver of nonresident tuition under s.
19 39.47.

20 **SECTION 1088r.** 45.25 (1g) of the statutes is created to read:

21 **45.25 (1g) DEFINITION.** In this section, "tuition," when referring to the
22 University of Wisconsin System, means "academic fees," as described in s. 36.27 (1),
23 and when referring to the technical colleges, means "program fees," as described in
24 s. 38.24 (1m) (a) and (b).

25 **SECTION 1088t.** 45.25 (2) (intro.) of the statutes is amended to read:

1 45.25 (2) ELIGIBILITY. (intro.) An individual is eligible for the tuition and fee
2 reimbursement program if he or she meets all of the following criteria:

3 **SECTION 1089.** 45.25 (2) (c) of the statutes is amended to read:

4 45.25 (2) (c) The individual applies for the tuition and fee reimbursement
5 program for courses ~~completed~~ begun within 10 years after separation from the
6 service.

7 **SECTION 1089c.** 45.25 (2) (d) of the statutes is amended to read:

8 45.25 (2) (d) The individual is a resident at the time of application for the
9 tuition and fee reimbursement program and was a Wisconsin resident at the time of
10 entry or reentry into service or was a resident for any consecutive 12-month period
11 after entry or reentry into service and before the date of his or her application. If a
12 person applying for a benefit under this section meets the residency requirement of
13 12 consecutive months, the department may not require the person to reestablish
14 that he or she meets that residency requirement when he or she later applies for any
15 other benefit under this chapter that requires that residency.

16 **SECTION 1089e.** 45.25 (3) (a) of the statutes is amended to read:

17 45.25 (3) (a) Except as provided in par. (am), an individual who meets the
18 requirements under sub. (2), upon satisfactory completion of a full-time
19 undergraduate semester in any institution of higher education, as defined in s.
20 45.396 (1) (a), in this state, any school that is approved under s. 45.35 (9m), any
21 proprietary school that is approved under s. 45.54, or any institution from which the
22 individual receives a waiver of nonresident tuition under s. 39.47, may be
23 reimbursed an amount not to exceed the total cost of the individual's tuition and fees
24 minus any grants or scholarships, including those made under s. 21.49, that the
25 individual receives specifically for the payment of the tuition ~~or fees~~, or 85% of the

1 standard cost of tuition for a state resident for an equivalent undergraduate course
2 semester at the University of Wisconsin–Madison ~~per course~~, whichever is less.
3 Reimbursement is available only for tuition ~~and fees that are~~ is part of a curriculum
4 that is relevant to a degree in a particular course of study at the institution.

5 **SECTION 1089g.** 45.25 (3) (am) of the statutes is repealed and recreated to read:

6 45.25 (3) (am) Any individual who is eligible to receive reimbursement under
7 par. (a) and received reimbursement under par. (a) or s. 45.25 (3) (am), 2001 stats.,
8 before the effective date of this paragraph [revisor inserts date], shall be
9 reimbursed an amount not to exceed the amount determined under par. (a) or the
10 amount determined under s. 45.25 (3) (a) or (am), 2001 stats., whichever is greater.

11 **SECTION 1089j.** 45.25 (3) (b) (intro.) of the statutes is amended to read:

12 45.25 (3) (b) (intro.) An application for reimbursement of tuition ~~and fees~~ under
13 par. (a) ~~or (am)~~ shall meet all of the following requirements:

14 **SECTION 1089m.** 45.35 (14) (h) of the statutes is amended to read:

15 45.35 (14) (h) To provide grants to the governing bodies of federally recognized
16 American Indian tribes and bands from the appropriation under s. 20.485 (2) (~~km~~)
17 (vz) if that governing body enters into an agreement with the department regarding
18 the creation, goals and objectives of a tribal veterans' service officer, appoints a
19 veteran to act as a tribal veterans' service officer and gives that veteran duties
20 similar to the duties described in s. 45.43 (5), except that the veteran shall report to
21 the governing body of the tribe or band. The department may make annual grants
22 of up to \$2,500 under this paragraph and shall promulgate rules to implement this
23 paragraph.

24 **SECTION 1090.** 45.365 (7) of the statutes is created to read:

1 45.365 (7) The department may develop a program to provide stipends to
2 individuals to attend school and receive the necessary credentials to become
3 employed at the home or the southeastern facility. If the department does develop
4 a stipend program under this subsection, the department shall promulgate
5 administrative rules related to the program, including the application process,
6 eligibility criteria, stipend amount, repayment provisions, and other provisions that
7 the department determines are necessary to administer the program.

8 **SECTION 1091.** 45.37 (11) of the statutes is amended to read:

9 45.37 (11) DISPOSITION OF PROPERTY DESCENDING TO STATE. If a member dies
10 without a relative that is entitled to an interest in the property of the member under
11 the rules of intestate succession and without leaving a will the existence of which is
12 made known to the commandant of the home within 60 days of the member's death,
13 the member's property shall be converted to cash and turned over by the
14 commandant of the home to the ~~state treasurer~~ secretary of administration to be paid
15 into the appropriation under s. 20.485 (1) (h), without administration. The amount
16 is subject to refund within 6 years to the estate of a veteran if it is subsequently
17 discovered that the veteran left a will or a relative that is entitled to an interest in
18 the property of the member under the rules of intestate succession or to any creditor
19 of the veteran who establishes right to the fund or property or any portion thereof.
20 The department, upon being satisfied that a claim out of such funds or property is
21 legal and valid, shall pay the same out of such funds or property, except that payment
22 of claims for a member's funeral and burial expenses may not exceed a total of \$1,500
23 including any amount allowed by the United States for the member's funeral and
24 burial and the right for burial and interment provided in sub. (15) (a).

25 **SECTION 1092.** 45.37 (15) (c) of the statutes is amended to read:

1 45.37 (15) (c) Expenses incident to the burial at the home of a member shall
2 be paid from the estate of the decedent, except that if there is no estate or the estate
3 is insufficient, the expense of burial, or necessary part thereof, shall be paid from the
4 appropriation under s. 20.485 (1) (gk) and the amount expended therefor shall not
5 exceed the amount established for funeral and burial expenses under s. ~~49.30~~ 49.785
6 (1) (b).

7 **SECTION 1092g.** 45.396 (1) (c) of the statutes is created to read:

8 45.396 (1) (c) “Tuition” has the meaning given in s. 45.25 (1g).

9 **SECTION 1092m.** 45.396 (4) of the statutes is amended to read:

10 45.396 (4) Enrolled part-time classroom study or direct correspondence
11 courses from a qualified educational institution may be authorized and the veteran
12 reimbursed in part by the department when such courses are related to one’s
13 occupational, professional or employment objectives, and to the extent that payment
14 or reimbursement is not available from any other sources, or, in cases where
15 reimbursement is not specifically for fees and tuition, to the extent that such
16 reimbursement is insufficient to cover all educational costs.

17 **SECTION 1092p.** 45.396 (5) of the statutes is renumbered 45.396 (5) (a) and
18 amended to read:

19 45.396 (5) (a) Except as provided in ~~sub. (9) par. (b)~~, the amount of the
20 reimbursement may not exceed ~~85%~~ of the total cost of the individual’s tuition and
21 fees or ~~85%~~ of the standard cost for a state resident for tuition and fees for an
22 equivalent undergraduate course at the University of Wisconsin–Madison per
23 course, whichever is less, and may not be provided to an individual more than 4 times
24 during any consecutive 12-month period.

25 **SECTION 1092q.** 45.396 (5) (b) of the statutes is created to read:

1 45.396 (5) (b) Any individual who is eligible to receive reimbursement under
2 par. (a) and received reimbursement under par. (a) before the effective date of this
3 paragraph [revisor inserts date], shall be reimbursed an amount not to exceed the
4 amount determined under par. (a) or the amount determined under s. 45.396 (5) (a),
5 2001 stats., whichever is greater.

6 **SECTION 1092r.** 45.396 (9) of the statutes is repealed.

7 **SECTION 1093.** 45.43 (7) (b) of the statutes is amended to read:

8 45.43 (7) (b) The department shall award a grant annually to a county that
9 meets the standards developed under this subsection and employs a county veterans'
10 service officer who, if chosen after August 9, 1989, is chosen from a list of candidates
11 who have taken a civil service examination for the position of county veterans' service
12 officer developed and administered by the division of merit recruitment and selection
13 in the ~~department of employment relations~~ office of state human resources
14 management, or is appointed under a civil service competitive examination
15 procedure under ch. 63 or s. 59.52 (8). The grant shall be \$8,500 for a county with
16 a population of less than 20,000, \$10,000 for a county with a population of 20,000 to
17 45,499, \$11,500 for a county with a population of 45,500 to 74,999, and \$13,000 for
18 a county with a population of 75,000 or more. The department shall use the most
19 recent Wisconsin official population estimates prepared by the demographic services
20 center when making grants under this paragraph.

21 **SECTION 1094.** 45.54 (10) (a) of the statutes is amended to read:

22 45.54 (10) (a) *Authority.* All proprietary schools shall be examined and
23 approved by the board before operating in this state. Approval shall be granted to
24 schools meeting the criteria established by the board for a period not to exceed one
25 year. No school may advertise in this state unless approved by the board. All

1 approved schools shall submit quarterly reports, including information on
2 enrollment, number of teachers and their qualifications, course offerings, number of
3 graduates, number of graduates successfully employed, and such other information
4 as the board deems necessary. If a school closure results in losses to students,
5 parents, or sponsors, the board may authorize the full or partial payment of those
6 losses from the appropriation under s. 20.485 (5) (gm).

7 **SECTION 1095.** 45.54 (10) (c) 4. of the statutes is created to read:

8 45.54 (10) (c) 4. Specify a student protection fee.

9 **SECTION 1095m.** 45.54 (10) (cm) of the statutes is created to read:

10 45.54 (10) (cm) *Limit on student protection fee.* The board shall discontinue
11 collecting annual student protection fees under par. (c) 4. during the period that the
12 balance in the fund created by those fees exceeds \$1,000,000.

13 **SECTION 1096.** 46.03 (7) (h) of the statutes is created to read:

14 46.03 (7) (h) Contract for the provision of a centralized unit for determining
15 whether the cost of providing care for a child is eligible for reimbursement under 42
16 USC 670 to 679a.

17 **SECTION 1098d.** 46.057 (2) of the statutes is amended to read:

18 46.057 (2) From the appropriation account under s. 20.410 (3) (ba), the
19 department of corrections shall transfer to the appropriation account under s. 20.435
20 (2) (kx) \$1,379,300 in fiscal year ~~2001–02~~ 2003–04 and \$1,379,300 in fiscal year
21 ~~2002–03~~ 2004–05 and, from the appropriation account under s. 20.410 (3) (hm), the
22 department of corrections shall transfer to the appropriation account under s. 20.435
23 (2) (kx) ~~\$2,489,300 in fiscal year 1999–2000 and \$2,489,900 in fiscal year 2000–01~~
24 \$2,086,700 in fiscal year 2003–04 and \$2,155,600 in fiscal year 2004–05 for services
25 for juveniles placed at the Mendota juvenile treatment center. The department of

1 health and family services may charge the department of corrections not more than
2 the actual cost of providing those services.

3 **SECTION 1100g.** 46.10 (16) of the statutes is amended to read:

4 46.10 (16) The department shall delegate to county departments under ss.
5 51.42 and 51.437 or the local providers of care and services meeting the standards
6 established by the department under s. 46.036, the responsibilities vested in the
7 department under this section for collection of patient fees for services other than
8 those provided at state facilities or those provided to children that are reimbursed
9 under a waiver under s. 46.27 (11), 46.275, or 46.278 or a waiver requested under
10 2001 Wisconsin Act 16, section 9123 (16rs), or 2003 Wisconsin Act (this act),
11 section 9124 (8c), if such the county departments or providers meet the conditions
12 deemed that the department determines are appropriate by the department. The
13 department may delegate to county departments under ss. 51.42 and 51.437 the
14 responsibilities vested in the department under this section for collection of patient
15 fees for services provided at the state facilities if the necessary conditions are met.

16 **SECTION 1101.** 46.215 (1) (n) of the statutes is amended to read:

17 46.215 (1) (n) To collect and transmit information to the department of
18 administration so that a federal energy assistance payment may be made to an
19 eligible household; to collect and transmit information to the department of
20 administration so that weatherization services may be made available to an eligible
21 household; to receive applications from individuals seeking low-income energy
22 assistance under s. ~~16.385~~ 16.27 (4) or weatherization services under s. ~~16.39~~ 16.26;
23 to provide information on the income eligibility for weatherization of a recipient of
24 low-income energy assistance to an entity with which the department of
25 administration contracts for provision of weatherization under s. ~~16.39~~ 16.26; and

1 to receive a request, determine a correct payment amount, if any, and provide
2 payment, if any, for emergency assistance under s. ~~16.385~~ 16.27 (8).

3 **SECTION 1102.** 46.22 (1) (b) 4m. c. of the statutes is amended to read:

4 46.22 (1) (b) 4m. c. To receive applications from individuals seeking low-income
5 energy assistance under s. ~~16.385~~ 16.27 (4) or weatherization services under s. ~~16.39~~
6 16.26.

7 **SECTION 1103.** 46.22 (1) (b) 4m. d. of the statutes is amended to read:

8 46.22 (1) (b) 4m. d. To provide information on the income eligibility for
9 weatherization of a recipient of low-income energy assistance to an entity with
10 which the department of administration contracts for provision of weatherization
11 under s. ~~16.39~~ 16.26.

12 **SECTION 1104.** 46.22 (1) (b) 4m. e. of the statutes is amended to read:

13 46.22 (1) (b) 4m. e. To receive a request, determine a correct payment amount,
14 if any, and provide payment, if any, for emergency assistance under s. ~~16.385~~ 16.27
15 (8).

16 **SECTION 1104m.** 46.22 (1) (c) 8. f. of the statutes is amended to read:

17 46.22 (1) (c) 8. f. Before July 1, 2005, the county department of social services
18 shall implement the statewide automated child welfare information system
19 established by the department under s. 46.03 (7) (g). After that system has been
20 implemented in a county, the department shall require that county to support 50%
21 of the nonfederal portion of the ongoing cost of that system. All moneys received by
22 the department under this subd. 8. f. shall be credited to the appropriation account
23 under s. 20.435 (3) (j).

24 **SECTION 1105.** 46.22 (1) (d) of the statutes is amended to read:

1 46.22 (1) (d) *Merit system; records.* The county department of social services
2 is subject to s. ~~49.33~~ 49.78 (4) to (7). The county department of social services and
3 all county officers and employees performing any duties in connection with the
4 administration of aid to families with dependent children shall observe all rules
5 promulgated by the department of workforce development under s. ~~49.33~~ 49.78 (4)
6 and shall keep records and furnish reports as the department of workforce
7 development requires in relation to their performance of such duties.

8 **SECTION 1106.** 46.22 (2) (b) of the statutes is amended to read:

9 46.22 (2) (b) Appoint the county social services director under sub. (3) subject
10 to s. ~~49.33~~ 49.78 (4) to (7) and the rules promulgated thereunder and subject to the
11 approval of the county board of supervisors in a county with a single-county
12 department of social services or the county boards of supervisors in counties with a
13 multicounty department of social services.

14 **SECTION 1107.** 46.22 (3m) (a) of the statutes is amended to read:

15 46.22 (3m) (a) In any county with a county executive or a county administrator
16 ~~which~~ that has established a single-county department of social services, the county
17 executive or county administrator, subject to s. ~~49.33~~ 49.78 (4) to (7) and the rules
18 promulgated thereunder, shall appoint and supervise the county social services
19 director. The appointment is subject to the confirmation of the county board of
20 supervisors unless the county board of supervisors, by ordinance, elects to waive
21 confirmation or unless the appointment is made under a civil service system
22 competitive examination procedure established under s. 59.52 (8) or ch. 63.

23 **SECTION 1108.** 46.27 (7) (am) of the statutes is amended to read:

24 46.27 (7) (am) From the appropriation under s. 20.435 (7) (bd), the department
25 shall allocate funds to each county or private nonprofit agency with which the

1 department contracts to pay assessment and case plan costs under sub. (6) not
2 otherwise paid by fee or under s. ~~49.33 (2)~~ or 49.45 or 49.78 (2). The department shall
3 reimburse counties for the cost of assessing persons eligible for medical assistance
4 under s. 49.46, 49.468, or 49.47 as part of the administrative services of medical
5 assistance, payable under s. 49.45 (3) (a). Counties may use unspent funds allocated
6 under this paragraph to pay the cost of long-term community support services and
7 for a risk reserve under par. (fr).

8 **SECTION 1109.** 46.27 (7) (fm) of the statutes is amended to read:

9 46.27 (7) (fm) The department shall, at the request of a county, carry forward
10 up to ~~10%~~ 5% of the amount allocated under this subsection to the county for a
11 calendar year if up to ~~10%~~ 5% of the amount so allocated has not been spent or
12 encumbered by the county by December 31 of that year, for use by the county in the
13 following calendar year, except that the amount carried forward shall be reduced by
14 the amount of funds that the county has notified the department that the county
15 wishes to place in a risk reserve under par. (fr). The department may transfer funds
16 within s. 20.435 (7) (bd) to accomplish this purpose. An allocation under this
17 paragraph does not affect a county's base allocation under this subsection and shall
18 lapse to the general fund unless expended within the calendar year to which the
19 funds are carried forward. A county may not expend funds carried forward under
20 this paragraph for administrative or staff costs, except administrative or staff costs
21 that are associated with implementation of the waiver under sub. (11) and approved
22 by the department.

23 **SECTION 1111.** 46.27 (9) (a) of the statutes is amended to read:

24 46.27 (9) (a) The department may select up to 5 counties that volunteer to
25 participate in a pilot project under which they will receive certain funds allocated for

1 long-term care. The department shall allocate a level of funds to these counties
2 equal to the amount that would otherwise be paid under s. 20.435 (4) (b), (gp), or (w)
3 to nursing homes for providing care because of increased utilization of nursing home
4 services, as estimated by the department. In estimating these levels, the department
5 shall exclude any increased utilization of services provided by state centers for the
6 developmentally disabled. The department shall calculate these amounts on a
7 calendar year basis under sub. (10).

8 **SECTION 1112.** 46.27 (10) (a) 1. of the statutes is amended to read:

9 46.27 (10) (a) 1. The department shall determine for each county participating
10 in the pilot project under sub. (9) a funding level of state medical assistance
11 expenditures to be received by the county. This level shall equal the amount that the
12 department determines would otherwise be paid under s. 20.435 (4) (b), (gp), or (w)
13 because of increased utilization of nursing home services, as estimated by the
14 department.

15 **SECTION 1113.** 46.275 (5) (a) of the statutes is amended to read:

16 46.275 (5) (a) Medical assistance Assistance reimbursement for services a
17 county, or the department under sub. (3r), provides under this program is available
18 from the ~~appropriations~~ appropriation accounts under s. 20.435 (4) (b), (gp), (hm), (o),
19 and (w). If 2 or more counties jointly contract to provide services under this program
20 and the department approves the contract, ~~medical assistance~~ Medical Assistance
21 reimbursement is also available for services provided jointly by these counties.

22 **SECTION 1114.** 46.275 (5) (c) of the statutes is amended to read:

23 46.275 (5) (c) The total allocation under s. 20.435 (4) (b), (gp), (hm), (o), and (w)
24 to counties and to the department under sub. (3r) for services provided under this
25 section may not exceed the amount approved by the federal department of health and

1 human services. A county may use funds received under this section only to provide
2 services to persons who meet the requirements under sub. (4) and may not use
3 unexpended funds received under this section to serve other developmentally
4 disabled persons residing in the county.

5 **SECTION 1115.** 46.275 (5) (e) of the statutes is created to read:

6 46.275 (5) (e) From the appropriation under s. 20.435 (2) (gL), the department
7 may provide moneys to a county to pay for one-time costs associated with the
8 relocation under this section of an individual from a state center for the
9 developmentally disabled.

10 **SECTION 1123.** 46.277 (5) (g) of the statutes is created to read:

11 46.277 (5) (g) The department may provide enhanced reimbursement for
12 services provided under this section to an individual who is relocated to the
13 community from a nursing home by a county department on or after the effective date
14 of this paragraph ... [revisor inserts date], if the nursing home bed that was used by
15 the individual is delicensed upon relocation of the individual. The department shall
16 develop and utilize a formula to determine the enhanced reimbursement rate.

17 **SECTION 1131.** 46.278 (6) (f) of the statutes is repealed.

18 **SECTION 1132.** 46.279 of the statutes is created to read:

19 **46.279 Restrictions on placements and admissions to intermediate**
20 **and nursing facilities. (1) DEFINITIONS.** In this section:

21 (a) “Developmental disability” has the meaning given in s. 51.01 (5) (a).

22 (b) “Intermediate facility” means an intermediate care facility for the mentally
23 retarded, as defined in 42 USC 1396d (d), other than a center for the developmentally
24 disabled, as defined in s. 51.01 (3).

1 (bm) “Most integrated setting” means a setting that enables an individual to
2 interact with persons without developmental disabilities to the fullest extent
3 possible.

4 (c) “Nursing facility” has the meaning given under 42 USC 1369r (a).

5 (2) PLACEMENTS AND ADMISSIONS TO INTERMEDIATE FACILITIES. Except as provided
6 in sub. (5), no person may place an individual with a developmental disability in an
7 intermediate facility and no intermediate facility may admit such an individual
8 unless, before the placement or admission and after having considered a plan
9 developed under sub. (4), a court under s. 55.06 (9) (a) or (10) (a) 2. finds that
10 placement in the intermediate facility is the most integrated setting that is
11 appropriate to the needs of the individual, taking into account information presented
12 by all affected parties. An intermediate facility to which an individual who has a
13 developmental disability applies for admission shall, within 5 days after receiving
14 the application, notify the county department that is participating in the program
15 under s. 46.278 of the county of residence of the individual who is seeking admission
16 concerning the application.

17 (3) PLACEMENTS AND ADMISSIONS TO NURSING FACILITIES. Except as provided in
18 sub. (5), if the department or an entity determines from a screening under s. 49.45
19 (6c) (b) that an individual requires active treatment for developmental disability, no
20 individual may be placed in a nursing facility, and no nursing facility may admit the
21 individual, unless it is determined from the screening that the individual’s need for
22 care cannot fully be met in an intermediate facility or under a plan under sub. (4).

23 (4) PLAN FOR HOME OR COMMUNITY-BASED CARE. Except as provided in a contract
24 specified in sub. (4m), a county department that participates in the program under
25 s. 46.278 shall develop a plan for providing home or community-based care in a

1 noninstitutional community setting to an individual who is a resident of that county,
2 under any of the following circumstances:

3 (a) Within 120 days after any determination made under s. 49.45 (6c) (c) 3. that
4 the level of care required by a resident that is provided by a facility could be provided
5 in an intermediate facility or under a plan under this subsection.

6 (b) Within 120 days after receiving written notice under sub. (2) of an
7 application.

8 (c) Within 120 days after a proposal is made under s. 55.06 (9) (a) to place the
9 individual in an intermediate facility or a nursing facility.

10 (d) Within 120 days after receiving written notice under s. 55.06 (10) (a) 2. of
11 the placement of the individual in a nursing facility or an intermediate facility.

12 (e) Within 90 days after extension of a temporary placement order by the court
13 under s. 55.06 (11) (c).

14 **(4m) CONTRACT FOR PLAN DEVELOPMENT.** The department shall contract with a
15 public or private agency to develop a plan under sub. (4), and the county department
16 is not required to develop such a plan, for an individual, as specified in the contract,
17 to whom all of the following apply:

18 (a) The individual resides in a county with a population of less than 100,000
19 in which are located at least 2 intermediate facilities that have licenses issued to
20 private nonprofit organizations that are exempt from federal income tax under
21 section 501 (a) of the Internal Revenue Code.

22 (b) Placement for the individual is in, or proposed to be in, an intermediate
23 facility specified under par. (a) that has agreed to reduce its licensed bed capacity to
24 an extent and according to a schedule acceptable to the facility and the department.

1 **(5) EXCEPTIONS.** Subsections (2) and (3) do not apply to an emergency placement
2 under s. 55.06 (11) (a) or to a temporary placement under s. 55.06 (11) (c) or (12).

3 **SECTION 1133.** 46.2805 (2) of the statutes is amended to read:

4 **46.2805 (2)** “Eligible person” means a person who meets all eligibility criteria
5 under s. 46.286 (1) ~~or (1m)~~.

6 **SECTION 1134.** 46.283 (5) of the statutes is amended to read:

7 **46.283 (5) FUNDING.** From the appropriation accounts under s. 20.435 (4) (b),
8 (bm), (gp), (pa), and (w) and (7) (b), (bd), and (md), the department may contract with
9 organizations that meet standards under sub. (3) for performance of the duties under
10 sub. (4) and shall distribute funds for services provided by resource centers.

11 **SECTION 1135.** 46.284 (5) (a) of the statutes is amended to read:

12 **46.284 (5) (a)** From the appropriation accounts under s. 20.435 (4) (b), (g), (gp),
13 (im), (o), and (w) and (7) (b) and (bd), the department shall provide funding on a
14 capitated payment basis for the provision of services under this section.
15 Notwithstanding s. 46.036 (3) and (5m), a care management organization that is
16 under contract with the department may expend the funds, consistent with this
17 section, including providing payment, on a capitated basis, to providers of services
18 under the family care benefit.

19 **SECTION 1136.** 46.286 (1) (intro.) of the statutes is amended to read:

20 **46.286 (1) ELIGIBILITY.** (intro.) ~~Except as provided in sub. (1m), a~~ A person is
21 eligible for, but not necessarily entitled to, the family care benefit if the person is at
22 least 18 years of age; has a physical disability, as defined in s. 15.197 (4) (a) 2., a
23 developmental disability, as defined in s. 51.01 (5) (a), or infirmities of aging, as
24 defined in s. 55.01 (3); and meets all of the following criteria:

25 **SECTION 1137.** 46.286 (1m) of the statutes is repealed.