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1 appointment of a person to a position identified in s. 20.923 (4g) (ae) and (am) unless
 2 the increase is approved by the office of state employment relations. The granting
 3 of salary increases to recognize competitive factors does not obligate inclusion of the
 4 annualized amount of the increases in the appropriations under s. 20.285 (1) for
 5 subsequent fiscal bienniums. No later than October 1 of each year, the board shall
 6 report to the joint committee on finance and the secretary of administration and
 7 director of the office of state employment relations concerning the amounts of any
 8 salary increases granted to recognize competitive factors, and the institutions at
 9 which they are granted, for the 12-month period ending on the preceding June 30.

10 **SECTION 738d.** 36.11 (32) of the statutes is created to read:

11 ~~36.11 (32)~~ **NURSING PROGRAM.** The board shall plan for the establishment of a
 12 bachelor of science nursing program at the University of Wisconsin-Stevens Point.

A

13 **SECTION 738e.** 36.11 (48) of the statutes is amended to read:

14 **36.11 (48) REPORT ON UTILITY CHARGES; ASSESSMENT OF CERTAIN UTILITY CHARGES.**

15 The board shall ensure that the University of Wisconsin-Madison reports annually
 16 to the department of administration on utility charges in the following fiscal year to
 17 fund principal and interest costs incurred in purchasing the Walnut Street steam
 18 and chilled-water plant enumerated under 2003 Wisconsin Act 33, section 9106 (1)
 19 (g) 2. and in renovating and adding an addition to the Charter Street heating and
 20 cooling plant enumerated under 2009 Wisconsin Act ... (this act), section 9106 (1) (g)
 21 3., and the methodology used to calculate those charges. The board may not assess
 22 the utility charges until the charges are approved by the department of
 23 administration.

B

24 **SECTION 738s.** 36.11 (55) of the statutes is created to read:

1 36.11 (55) REVIEW OF SYSTEM CONTRACTS WITH RESEARCH COMPANIES. The board
2 shall review any contract submitted by the system under s. 946.13 (12) (b) 2. b. to
3 determine whether entering into the contract would constitute a violation of s.
4 946.13 (1). The board shall complete the review and, if the board determines that
5 entering into the contract would constitute a violation of s. 946.13 (1), notify the
6 system of its determination within 45 days after the date of submittal. ✓

7 **SECTION 740.** 36.25 (49) of the statutes is created to read:

8 36.25 (49) ACADEMIC FEE INCREASE GRANTS. The board may make grants in the
9 2009-10 fiscal year from the appropriation under s. 20.285 (1) (kj), in the 2010-11
10 fiscal year from the appropriations under s. 20.285 (1) (a) and (kj), and in the 2011-12
11 fiscal year and each fiscal year thereafter from the appropriation under s. 20.285 (1)
12 (a), to resident undergraduate students who do not receive grants under s. 39.435
13 that are payable from the appropriation under s. 20.235 (1) (fe), whose annual family
14 income is less than \$60,000, and who have unmet financial need. Beginning in fiscal
15 year 2011-12, the board may make a grant under this subsection only to those
16 students enrolled in the system during fiscal year 2010-11 who maintain continuous
17 enrollment. A grant to a student under this subsection shall be in an amount
18 determined by the board that corresponds to any increase, or any portion of an
19 increase, in academic fees charged to the student, but may not exceed the amount of
20 the student's unmet need. The board may not make a grant under this subsection
21 to a student whose name appears on the statewide support lien docket under s.
22 49.854 (2) (b), unless the student provides to the board a payment agreement that
23 has been approved by the county child support agency under s. 59.53 (5) and that is
24 consistent with rules promulgated under s. 49.858 (2) (a).

25 **SECTION 741.** 36.25 (50) of the statutes is created to read:

1 **36.25 (50) SCHOOL OF PUBLIC HEALTH.** The board may create a school of public
2 health at the University of Wisconsin-Milwaukee.

3 **SECTION 742.** 36.25 (51) of the statutes is created to read:

4 **36.25 (51) SCHOOL OF FRESHWATER SCIENCES.** The board may create a school of
5 freshwater sciences at the University of Wisconsin-Milwaukee.

6 **SECTION 743.**✓ 36.27 (2) (cr) of the statutes is created to read:

7 **36.27 (2) (cr)** A person who is a citizen of a country other than the United States
8 is entitled to the exemption under par. (a) if that person meets all of the following
9 requirements:

10 1. The person graduated from a high school in this state or received a
11 declaration of equivalency of high school graduation from this state.

12 2. The person was continuously present in this state for at least 3 years
13 following the first day of attending a high school in this state or immediately
14 preceding receipt of a declaration of equivalency of high school graduation.

15 3. The person enrolls in an institution and provides that institution with proof
16 that the person has filed or will file an application for a permanent resident visa with
17 U.S. Citizenship and Immigration Services as soon as the person is eligible to do so.

18 ✓**SECTION 753d.** 38.24 (7) (b) (intro.) of the statutes is amended to read:

19 **38.24 (7) (b) (intro.)** Except as provided in subds. 1. to 3. and par. (bg), the
20 district board shall grant full remission of fees under sub. (1m) (a) to (c) for 128
21 credits or 8 semesters, whichever is longer, less the number of credits or semesters
22 for which the person received remission of fees from any other district board under
23 this subsection and from the Board of Regents under s. 36.27 (3n) (b) and less the
24 amount of any fees paid under 38 USC 3319, to any resident student who is also any
25 of the following:

1 **SECTION 754d.**✓ 38.24 (7) (bg) of the statutes is created to read:

2 38.24 (7) (bg) Before the district board may grant a remission of fees under par.
3 (b), the district board shall require the resident student to apply to the payment of
4 those fees all educational assistance to which the resident student is entitled under
5 38 USC 3319. This requirement applies notwithstanding the fact that the resident
6 student may be entitled to educational assistance under 10 USC 16132a, 10 USC
7 16163a, or 38 USC 3500 to 3566 as well as under 38 USC 3319, unless the resident
8 student has 12 months or less of eligibility remaining for educational assistance
9 under 10 USC 16132a, 10 USC 16163a, or 38 USC 3500 to 3566.

10 **SECTION 754f.**✓ 38.24 (7) (bm) of the statutes is created to read:

11 38.24 (7) (bm) 1. For a resident student who is entitled to educational
12 assistance under 10 USC 16132a, 10 USC 16163a, or 38 USC 3500 to 3566 and under
13 38 USC 3319, if the amount of educational assistance, other than educational
14 assistance for tuition, to which the resident student is entitled under 10 USC 16132a,
15 10 USC 16163a, or 38 USC 3500 to 3566 is greater than the amount of educational
16 assistance, other than educational assistance for tuition, that the resident student
17 received under 38 USC 3319 for an academic year, as determined by the higher
18 educational aids board, in June of the academic year the higher educational aids
19 board shall reimburse the resident student for the difference in those amounts of
20 educational assistance, as calculated by the higher educational aids board, from the
21 appropriation account under s. 20.235 (1) (fz). The higher educational aids board
22 shall make that determination and calculation in consultation with the board and
23 district board.

24 2. If in any fiscal year there are insufficient moneys available in the
25 appropriation account under s. 20.235 (1) (fz) to provide full reimbursement under

1 subd. 1. to all resident students who are eligible for that reimbursement, the higher
2 educational aids board and the district board shall reimburse those resident
3 students as provided in s. 39.50 (4). ✓

4 **SECTION 755d.** 38.24 (8) (b) of the statutes is amended to read:

5 38.24 (8) (b) The Except as provided in par. (bg), the district board shall grant
6 full remission of the fees charged under sub. (1m) (a) to (c) for 128 credits or 8
7 semesters, whichever is longer, less the number of credits or semesters for which the
8 person received remission of fees from any other district board under this subsection
9 and from the Board of Regents under s. 38.27 (3p) and less the amount of any fees
10 paid under 10 USC 2107 (c) or, 38 USC 3104 (a) (7) (A), or 38 USC 3313, to any student
11 who is a veteran. ✓

12 **SECTION 756d.** 38.24 (8) (bg) of the statutes is created to read:

13 38.24 (8) (bg) Before the district board may grant a remission of fees under par.
14 (b), the district board shall require the student to apply to the payment of those fees
15 all educational assistance to which the student is entitled under 38 USC 3313. This
16 requirement applies notwithstanding the fact that the student may be entitled to
17 educational assistance under 10 USC 16131 to 16137, 10 USC 16161 to 16166, or 38
18 USC 3001 to 3036 as well as under 38 USC 3313, unless the student has 12 months
19 or less of eligibility remaining for educational assistance under 10 USC 16131 to
20 16137, 10 USC 16161 to 16166, or 38 USC 3001 to 3036. ✓

21 **SECTION 756f.** 38.24 (8) (bm) of the statutes is created to read:

22 38.24 (8) (bm) 1. For a student who is entitled to educational assistance under
23 10 USC 16131 to 16137, 10 USC 16161 to 16166, or 38 USC 3001 to 3036 and under
24 38 USC 3313, if the amount of educational assistance, other than educational
25 assistance for tuition, to which the student is entitled under 10 USC 16131 to 16137,

1 10 USC 16161 to 16166, or 38 USC 3001 to 3036 is greater than the amount of
2 educational assistance, other than educational assistance for tuition, that the
3 student received under 38 USC 3313 for an academic year, as determined by the
4 higher educational aids board, in June of the academic year the higher educational
5 aids board shall reimburse the student for the difference in those amounts of
6 educational assistance, as calculated by the higher educational aids board, from the
7 appropriation account under s. 20.235 (1) (fz). The higher educational aids board
8 shall make that determination and calculation in consultation with the board and
9 district board. ✓

10 2. If in any fiscal year there are insufficient moneys available in the
11 appropriation account under s. 20.235 (1) (fz) to provide full reimbursement under
12 subd. 1. to all students who are eligible for that reimbursement, the higher
13 educational aids board and the district board shall reimburse those students as
14 provided in s. 39.50 (4). ✓

15 3036 and 38 USC 3313, if the amount of educational assistance, not including
16 educational assistance for tuition, to which the student is entitled under 38 USC
17 3001 to 3036 is greater than the amount of educational assistance, not including
18 educational assistance for tuition, to which the student is entitled under 38 USC
19 3313, as determined by the higher educational aids board, the higher educational
20 aids board shall reimburse the student for the difference in those amounts of
21 educational assistance, as calculated by the higher educational aids board. The
22 higher educational aids board shall make that determination and calculation in

23 ✓ **SECTION 744d.** 36.27 (3n) (b) (intro.) of the statutes is amended to read:

24 36.27 (3n) (b) (intro.) Except as provided in subds. 1. to 3. and par. (bg), the
25 board shall grant full remission of academic fees and segregated fees for 128 credits

1 or 8 semesters, whichever is longer, less the number of credits or semesters for which
2 the person received remission of fees under s. 38.24 (7) and less the amount of any
3 academic fees or segregated fees paid under 38 USC 3319, to any resident student
4 who is also any of the following:

5 ✓ **SECTION 745d.** 36.27 (3n) (bg) of the statutes is created to read:

6 36.27 (3n) (bg) Before the Board of Regents may grant a remission of academic
7 fees and segregated fees under par. (b), the Board of Regents shall require the
8 resident student to apply to the payment of those fees all educational assistance to
9 which the resident student is entitled under 38 USC 3319. This requirement applies
10 notwithstanding the fact that the resident student may be entitled to educational
11 assistance under 10 USC 16132a, 10 USC 16163a, or 38 USC 3500 to 3566 as well
12 as under 38 USC 3319, unless the resident student has 12 months or less of eligibility
13 remaining for educational assistance under 10 USC 16132a, 10 USC 16163a, or 38
14 USC 3500 to 3566.

15 ✓ **SECTION 745f.** 36.27 (3n) (bm) of the statutes is created to read:

16 36.27 (3n) (bm) 1. For a resident student who is entitled to educational
17 assistance under 10 USC 16132a, 10 USC 16163a, or 38 USC 3500 to 3566 and under
18 38 USC 3319, if the amount of educational assistance, not including educational
19 assistance for tuition, to which the resident student is entitled under 10 USC 16132a,
20 10 USC 16163a, or 38 USC 3500 to 3566 is greater than the amount of educational
21 assistance, not including educational assistance for tuition, that the resident
22 student received under 38 USC 3319 for an academic year, as determined by the
23 higher educational aids board, in June of the academic year the higher educational
24 aids board shall reimburse the resident student for the difference in those amounts
25 of educational assistance, as calculated by the higher educational aids board, from

1 the appropriation account under s. 20.235 (1) (fz). The higher educational aids board
2 shall make that determination and calculation in consultation with the Board of
3 Regents.

4 2. If in any fiscal year there are insufficient moneys available in the
5 appropriation account under s. 20.235 (1) (fz) to provide full reimbursement under
6 subd. 1. to all resident students who are eligible for that reimbursement, the higher
7 educational aids board and the Board of Regents shall reimburse those resident
8 students as provided in s. 39.50 (4).

9 ✓ **SECTION 746d.** 36.27 (3p) (b) of the statutes is amended to read:

10 36.27 (3p) (b) The Except as provided in par. (bg), the board shall grant full
11 remission of nonresident tuition, academic fees, and segregated fees charged for 128
12 credits or 8 semesters, whichever is longer, less the number of credits or semesters
13 for which the person received remission of fees under s. 38.24 (8) and less the amount
14 of any academic fees or segregated fees paid under 10 USC 2107 (c) or, 38 USC 3104
15 (a) (7) (A), or 38 USC 3313, to any student who is a veteran.

16 ✓ **SECTION 747d.** 36.27 (3p) (bg) of the statutes is created to read:

17 36.27 (3p) (bg) Before the Board of Regents may grant a remission of
18 nonresident tuition, academic fees, and segregated fees under par. (b), the board
19 shall require the student to apply to the payment of that tuition and those fees all
20 educational assistance to which the student is entitled under 38 USC 3313. This
21 requirement applies notwithstanding the fact that the student may be entitled to
22 educational assistance under 10 USC 16131 to 16137, 10 USC 16161 to 16166, or 38
23 USC 3001 to 3036 as well as under 38 USC 3313, unless the student has 12 months
24 or less of eligibility remaining for educational assistance under 10 USC 16131 to
25 16137, 10 USC 16161 to 16166, or 38 USC 3001 to 3036.

1 ✓ **SECTION 747f.** 36.27 (3p) (bm) of the statutes is created to read:

2 36.27 (3p) (bm) 1. For a student who is entitled to educational assistance under
3 10 USC 16131 to 16137, 10 USC 16161 to 16166, or 38 USC 3001 to 3036 and under
4 38 USC 3313, if the amount of educational assistance, not including educational
5 assistance for tuition, to which the student is entitled under 10 USC 16131 to 16137,
6 10 USC 16161 to 16166, or 38 USC 3001 to 3036 is greater than the amount of
7 educational assistance, not including educational assistance for tuition, that the
8 student received under 38 USC 3313 for an academic year, as determined by the
9 higher educational aids board, in June of the academic year the higher educational
10 aids board shall reimburse the student for the difference in those amounts of
11 educational assistance, as calculated by the higher educational aids board, from the
12 appropriation account under s. 20.235 (1) (fz). The higher educational aids board
13 shall make that determination and calculation in consultation with the Board of
14 Regents.

15 2. If in any fiscal year there are insufficient moneys available in the
16 appropriation account under s. 20.235 (1) (fz) to provide full reimbursement under
17 subd. 1. to all students who are eligible for that reimbursement, the higher
18 educational aids board and the Board of Regents shall reimburse those students as
19 provided in s. 39.50 (4). ✓

20 ✓ **SECTION 747m.** 36.27 (4) (a) of the statutes is amended to read:

21 36.27 (4) (a) The board may annually exempt from nonresident tuition, but not
22 from incidental or other fees, up to ~~200~~ 300 students enrolled at the University of
23 Wisconsin-Parkside as juniors or seniors in programs identified by that institution
24 as having surplus capacity and up to ~~150~~ 225 students enrolled at the University of

1 Wisconsin-Superior in programs identified by that institution as having surplus
2 capacity.

3 **SECTION 747p.** ✓ 36.34 (1) (c) 1. a. and b. of the statutes are amended to read:

4 36.34 (1) (c) 1. a. For purposes of calculating the amount to be appropriated
5 under s. 20.285 (4) (dd) for fiscal year ~~2007-08~~ 2011-12, "base amount" means the
6 amount shown in the schedule under s. 20.005 for that appropriation for fiscal year
7 ~~2006-07~~ 2010-11.

8 b. For purposes of calculating the amount to be appropriated under s. 20.285
9 (4) (dd) for each fiscal year after fiscal year ~~2007-08~~ 2011-12, "base amount" means
10 the appropriation determined under subd. 2. for the previous fiscal year.

11 **SECTION 747r.** ✓ 36.34 (1) (c) 2. (intro.) of the statutes is amended to read:

12 36.34 (1) (c) 2. (intro.) Beginning in ~~2007~~ 2011, biennially, by February 1, the
13 board shall calculate the amounts to be appropriated under s. 20.285 (4) (dd) for the
14 next biennium as follows:

15 **SECTION 747rm.** ✓ 36.49 of the statutes is created to read:

16 **36.49 Environmental program grants and scholarships.** From the
17 appropriation under s. 20.285 (1) (rm), the board shall annually do the following:

18 (1) Make need-based grants totaling \$100,000 to students who are members
19 of underrepresented groups and who are enrolled in a program leading to a
20 certificate or a bachelor's degree from the Nelson Institute for Environmental
21 Studies at the University of Wisconsin-Madison.

22 (2) Provide annual scholarships totaling \$100,000 to students enrolled in the
23 sustainable management degree program through the University of
24 Wisconsin-Extension. ✓

25 **SECTION 747s.** 36.60 (8) (g) of the statutes is created to read:

1 36.60 (8) (g) Make recommendations to the governor on all of the following:

2 1. Ways to improve the delivery of health care to persons living in rural areas
3 of the state that constitute shortage areas.

4 2. Ways to help communities evaluate and utilize the linkage between rural
5 health facilities and economic development.

6 3. Coordination of state and federal programs available to assist rural health
7 care service delivery.

8 4. Strengthening coordination and maintenance of rural services and delivery
9 system.

10 5. Development of mechanisms to reduce shortages of health care providers in
11 rural areas.

12 **SECTION 748.** 38.04 (4) (ag) of the statutes is amended to read:

13 38.04 (4) (ag) A program approved by the ~~development finance~~ economic policy
14 board under subch. IV V of ch. 560 is exempt from board approval under par. (a).

15 **SECTION 749.** 38.15 (1) of the statutes is amended to read:

16 38.15 (1) Subject to sub. (3), if the district board intends to make a capital
17 expenditure in excess of ~~\$1,000,000~~ \$1,500,000, excluding moneys received from
18 gifts, grants or federal funds, for the acquisition of sites, purchase or construction of
19 buildings, the lease/purchase of buildings if costs exceed ~~\$1,000,000~~ \$1,500,000 for
20 the lifetime of the lease, building additions or enlargements or the purchase of fixed
21 equipment relating to any such activity, it shall adopt a resolution stating its
22 intention to do so and identifying the anticipated source of revenue for each project
23 and shall submit the resolution to the electors of the district for approval. The
24 referendum shall be noticed, called and conducted as provided in s. 67.05 (3) insofar
25 as applicable. For the purposes of this section, all projects located on a single campus

1 site within one district which are bid concurrently or which are approved by the
2 board under s. 38.04 (10) within a 2-year period shall be considered as one capital
3 expenditure project.

4 **SECTION 750.** 38.15 (2) of the statutes is amended to read:

5 38.15 (2) No more than \$1,000,000 in reserve funds, consisting of property tax
6 revenues and investment earnings on those revenues, may be utilized by the district
7 board to finance capital expenditures in excess of \$1,000,000 \$1,500,000 for the
8 purposes under sub. (1).

9 **SECTION 751.** 38.22 (6) (e) of the statutes is created to read:

10 38.22 (6) (e) Any person who is a citizen of a country other than the United
11 States if that person meets all of the following requirements:

12 1. The person graduated from a high school in this state or received a
13 declaration of equivalency of high school graduation from this state.

14 2. The person was continuously present in this state for at least 3 years
15 following the first day of attending a high school in this state or immediately
16 preceding receipt of a declaration of equivalency of high school graduation.

17 3. The person enrolls in a district school and provides the district board with
18 proof[✓] that the person has filed or will file an application for a permanent resident visa
19 with U.S. Citizenship and Immigration Services as soon as the person is eligible to
20 do so.

21 **SECTION 752.**[✓] 38.24 (3) (a) of the statutes is amended to read:

22 38.24 (3) (a) For all students who are not residents of this state, nor subject to
23 reciprocal agreements with the board, annually the board shall establish a fee based
24 on ~~100% of the statewide cost per full-time equivalent student for operating the~~

1 ~~programs in which they are enrolled~~ 150 percent of program fees established under
2 sub. (1m) (a) and (b).

3 **SECTION 753.** ✓ 38.24 (7) (b) (intro.) of the statutes is amended to read:

4 38.24 (7) (b) (intro.) Except as provided in subds. 1. to 3. and par. (bm), the
5 district board shall grant full remission of fees under sub. (1m) (a) to (c) for 128
6 credits or 8 semesters, whichever is longer, less the amount of any fees paid under
7 38 USC 3319, to any resident student who is also any of the following:

8 **SECTION 754.** ✓ 38.24 (7) (bm) of the statutes is created to read:

9 38.24 (7) (bm) Before the district board may grant a remission of fees under par.
10 (b), the district board shall require the resident student to apply to the payment of
11 those fees all educational assistance to which the resident student is entitled under
12 38 USC 3319. This requirement applies notwithstanding the fact that the resident
13 student may be entitled to educational assistance under 38 USC 3500 to 3566 as well
14 as under 38 USC 3319. For a resident student who is entitled to educational
15 assistance under both 38 USC 3500 to 3566 and 38 USC 3319, if the amount of
16 educational assistance, other than educational assistance for tuition, to which the
17 resident student is entitled under 38 USC 3500 to 3566 is greater than the amount
18 of educational assistance, other than educational assistance for tuition, to which the
19 resident student is entitled under 38 USC 3319, as determined by the higher
20 educational aids board, the higher educational aids board shall reimburse the
21 resident student for the difference in those amounts of educational assistance, as
22 calculated by the higher educational aids board. The higher educational aids board
23 shall make that determination and calculation in consultation with the board and
24 district board.

25 **SECTION 755.** ✓ 38.24 (8) (b) of the statutes is amended to read:

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1 38.24 (8) (b) ~~The~~ Except as provided in par. (bm), the district board shall grant
2 full remission of the fees charged under sub. (1m) (a) to (c) for 128 credits or 8
3 semesters, whichever is longer, less the amount of any fees paid under 10 USC 2107
4 (c) ~~or~~, 38 USC 3104 (a) (7) (A), or 38 USC 3313, to any student who is a veteran.

5 **SECTION 756.** ✓ 38.24 (8) (bm) of the statutes is created to read:

6 38.24 (8) (bm) Before the district board may grant a remission of fees under par.
7 (b), the district board shall require the student to apply to the payment of those fees
8 all educational assistance to which the student is entitled under 38 USC 3313. This
9 requirement applies notwithstanding the fact that the student may be entitled to
10 educational assistance under 38 USC 3001 to 3036 as well as under 38 USC 3313.
11 For a student who is entitled to educational assistance under both 38 USC 3001 to
12 3036 and 38 USC 3313, if the amount of educational assistance, other than
13 educational assistance for tuition, to which the student is entitled under 38 USC
14 3001 to 3036 is greater than the amount of educational assistance, other than
15 educational assistance for tuition, to which the student is entitled under 38 USC
16 3313, as determined by the higher educational aids board, the higher educational
17 aids board shall reimburse the student for the difference in those amounts of
18 educational assistance, as calculated by the higher educational aids board. The
19 higher educational aids board shall make that determination and calculation in
20 consultation with the board and district board.

21 **SECTION 758d.** ✓ 38.41 (2) (a) (intro.) and 1. of the statutes are consolidated,
22 renumbered 38.41 (2) and amended to read:

23 38.41 (2) The board may award a grant to a district board to provide skills
24 training or other education to a business if ~~all of the following apply:~~ 1. ~~The~~ the
25 business is located in this state and ~~satisfies any of the following criteria:~~ a. ~~The~~ the

1 applicant submits to the board an affidavit stating that the business has no more
2 than 100 employees. b. [✓] The business ^{← delete space} or had no more than \$10,000,000 in gross
3 annual income in its most recent fiscal year.

4 **SECTION 758h.** 38.41 (2) (a) 2. to 6. of the statutes are repealed.

5 **SECTION 758k.** 38.41 (2) (b) of the statutes is repealed.

6 **SECTION 758L.** 38.41 (2) (c) of the statutes is repealed.

7 **SECTION 758p.** 38.41 (3) (b) of the statutes is repealed.

8 **SECTION 758t.** 38.41 (3) (c) of the statutes is amended to read:

9 38.41 (3) (c) The board may award no more than \$500,000 in the 2007-08 fiscal
10 year, ~~and no more than \$1,000,000 in any fiscal year thereafter,~~ under sub. (2).

11 **SECTION 760d.** 39.435 (3) of the statutes is amended to read:

12 39.435 (3) Grants under sub. (1) shall not be less than \$250 during any one
13 academic year, unless the joint committee on finance approves an adjustment in the
14 amount of the minimum grant. Grants under sub. (1) shall not exceed \$3,000 during
15 any one academic year, except that beginning in academic year 2009-10, grants
16 under sub. (1) shall not exceed \$3,150 during any one academic year. The board shall,
17 by rule, establish a reporting system to periodically provide student economic data
18 and shall promulgate other rules the board deems necessary to assure uniform
19 administration of the program.

20 **SECTION 760g.** 39.435 (7) (a) 1. of the statutes is amended to read:

21 39.435 (7) (a) 1. For purposes of calculating the amount to be appropriated
22 under s. 20.235 (1) (fe) for fiscal year ~~2009-10~~ 2011-12, "base amount" means the
23 amount shown in the schedule under s. 20.005 for that appropriation for fiscal year
24 ~~2008-09~~ 2010-11.

25 **SECTION 760i.** 39.435 (7) (a) 2. of the statutes is amended to read:

1 39.435 (7) (a) 2. For purposes of calculating the amount to be appropriated
2 under s. 20.235 (1) (fe) for each fiscal year after fiscal year ~~2009-10~~ 2011-12, "base
3 amount" means the appropriation amount calculated under par. (b) for the previous
4 fiscal year.

5 **SECTION 760k.** 39.435 (7) (b) (intro.) of the statutes is amended to read:

6 39.435 (7) (b) (intro.) Biennially, beginning on February 1, ~~2009~~ 2011, the board
7 shall calculate the amounts to be appropriated under s. 20.235 (1) (fe) for the next
8 biennium as follows:

9 **SECTION 761.** 39.435 (8) of the statutes is amended to read:

10 39.435 (8) The board shall award grants under this section to University of
11 Wisconsin System students from the ~~appropriation~~ appropriations under s. 20.235
12 (1) (fe) and (ke).

13 **SECTION 762.** 39.435 (8) of the statutes, as affected by 2009 Wisconsin Act
14 (this act), is amended to read:

15 39.435 (8) The board shall award grants under this section to University of
16 Wisconsin System students from the ~~appropriations~~ appropriation under s. 20.235
17 (1) (fe) and (ke).

18 **SECTION 763.** 39.437 (1) of the statutes is amended to read:

19 39.437 (1) ESTABLISHMENT OF GRANT PROGRAM. There is established, to be
20 administered by the board, with the assistance of the office of the Wisconsin
21 Covenant Scholars Program in the department of administration as provided in
22 subs. (2) (a) 2., (4), and (5), a Wisconsin Covenant Scholars Program to provide grants
23 to students who meet the eligibility criteria specified in sub. (2).

24 **SECTION 764.** 39.437 (2) (a) of the statutes is renumbered 39.437 (2) (a) (intro.)
25 and amended to read:

1 39.437 (2) (a) (intro.) Except as provided in par. (b), a student is eligible for a
2 grant under this section if the student is meets all of the following criteria:

3 1. The student is a resident of this state and is enrolled at least half time and
4 registered as a freshman, sophomore, junior, or senior in a public or private,
5 nonprofit, accredited institution of higher education or in a tribally controlled college
6 in this state.

7 **SECTION 765.** 39.437 (2) (a) 2. of the statutes is created to read:

8 39.437 (2) (a) 2. The student has been designated as a Wisconsin covenant
9 scholar by the office of the Wisconsin Covenant Scholars Program in the department
10 of administration.

11 **SECTION 766.** 39.437 (4) (a) of the statutes is amended to read:

12 39.437 (4) (a) By February 1 of each year, the Board of Regents of the University
13 of Wisconsin System shall provide to the ~~board~~ office of the Wisconsin Covenant
14 Scholars Program in the department of administration information relating to the
15 resident undergraduate academic fees charged to attend each of the institutions
16 within that system for the current academic year, the technical college system board
17 shall provide to ~~the board~~ that office information relating to the fees under s. 38.24
18 (1m) (a) to (c) charged to attend each of the technical colleges within that system for
19 the current academic year, and each tribally controlled college in this state shall
20 provide to ~~the board~~ that office information relating to the tuition and fees charged
21 to attend the tribal college for the current academic year, and the Wisconsin
22 Association of Independent Colleges and Universities or a successor organization
23 shall provide to that office information relating to tuition and fees charged to attend
24 each of the private, nonprofit, accredited institutions of higher education in this state
25 for the current academic year.

1 **SECTION 767.** 39.437 (4) (b) of the statutes is amended to read:

2 39.437 (4) (b) By April 1 of each year, the board office of the Wisconsin Covenant
3 Scholars Program in the department of administration shall determine the average
4 of the resident undergraduate academic fees charged for the current academic year
5 among the institutions within the University of Wisconsin System, the average of the
6 fees under s. 38.24 (1m) (a) to (c) charged for the current academic year among the
7 technical colleges in this state, ~~and~~ the average of the tuition and fees charged for
8 the current academic year among the tribally controlled colleges in this state, and
9 the average of the tuition and fees charged for the current academic year among the
10 private, nonprofit, accredited institutions of higher education in this state.

11 **SECTION 768.** 39.437 (4) (c) of the statutes is created to read:

12 39.437 (4) (c) To the extent permitted under 20 USC 1232g and 34 CFR part
13 99, the department of public instruction shall provide pupil information to the office
14 of the Wisconsin Covenant Scholars Program in the department of administration
15 as necessary for that office to fulfill its role in the administration of the grant
16 program under this section.

17 **SECTION 769.** 39.437 (5) of the statutes is renumbered 39.437 (5) (intro.) and
18 amended to read:

19 39.437 (5) RULES. (intro.) The board department of administration shall
20 promulgate rules to implement this section, including rules all of the following:

21 (a) Rules establishing a reporting system to periodically provide student
22 economic data ~~and any~~.

23 (c) Any other rules the board department of administration considers necessary
24 to assure the uniform administration of this section.

25 **SECTION 770.** 39.437 (5) (b) of the statutes is created to read:

1 39.437 (5) (b) Rules establishing eligibility criteria for designation as a
2 Wisconsin covenant scholar under sub. (2) (a) 2.

3 **SECTION 770j.** ✓ 39.50 (3m) (title) of the statutes is amended to read:

4 39.50 (3m) (title) ~~PRORATED REMISSION OF FEES; PRORATED~~ REIMBURSEMENT.

5 **SECTION 770k.** 39.50 (4) of the statutes is created to read:

6 39.50 (4) REIMBURSEMENT OF VETERANS AND DEPENDENTS; PRORATED
7 REIMBURSEMENT. In June of each fiscal year, the higher educational aids board shall
8 determine the total amount of reimbursement due to students under ss. 36.27 (3n)
9 (bm) 1. and (3p) (bm) 1. and 38.24 (7) (bm) 1. and (8) (bm) 1. If the moneys
10 appropriated under s. 20.235 (1) (fz) are not sufficient to provide full reimbursement
11 to those students, the higher educational aids board shall prorate the
12 reimbursement paid to those students under ss. 36.27 (3n) (bm) 1. and (3p) (bm) 1.
13 and 38.24 (7) (bm) 1. and (8) (bm) 1. in the proportion that the moneys available bears
14 to the total amount eligible for reimbursement under ss. 36.27 (3n) (bm) 1. and (3p)
15 (bm) 1. and 38.24 (7) (bm) 1. and (8) (bm) 1. If the higher educational aids board
16 prorates reimbursement under this subsection, the Board of Regents shall reimburse
17 a student who is eligible for reimbursement under s. 36.27 (3n) (bm) 1. or (3p) (bm)
18 1., and the appropriate technical college district board shall reimburse a student who
19 is eligible for reimbursement under s. 38.24 (7) (bm) 1. or (8) (bm) 1., in an amount
20 that is equal to the difference between the amount of reimbursement for which the
21 student is eligible and the amount of reimbursement paid by the higher educational
22 aids board. ✓

23 **SECTION 771.** 40.02 (2m) of the statutes is amended to read:

1 40.02 (2m) "Alternate payee" means a former spouse or domestic partner of a
2 participant who is named in a qualified domestic relations order as having a right
3 to receive a portion of the benefits of the participant.

4 **SECTION 772.** 40.02 (8) (a) 2. of the statutes is amended to read:

5 40.02 (8) (a) 2. In the absence of a written designation of beneficiary, or if all
6 designated beneficiaries who survive the decedent die before filing with the
7 department a beneficiary designation applicable to that death benefit or an
8 application for any death benefit payable, the person determined in the following
9 sequence: group 1, surviving spouse or surviving domestic partner; group 2, children
10 of the deceased participant, employee or annuitant, in equal shares, with the share
11 of any deceased child payable to the issue of the child or, if there is no surviving issue
12 of a deceased child, to the other eligible children in this group or, if deceased, their
13 issue; group 3, parent, in equal shares if both survive; group 4, brother and sister in
14 equal shares and the issue of any deceased brother or sister. The shares payable to
15 the issue of a person shall be determined per stirpes. No payment may be made to
16 a person included in any group if there is a living person in any preceding group, and
17 s. 854.04 (6) shall not apply to a determination under this subsection.

18 **SECTION 772r.** ✓ 40.02 (17) (intro.) of the statutes is amended to read:

19 40.02 (17) (intro.) "Creditable service" means the creditable current and prior
20 service, expressed in years and fractions of a year to the nearest one-hundredth, for
21 which a participating employee receives or is considered to receive earnings under
22 sub. (22) (e), (ef), or (em) and for which contributions have been made as required by
23 s. 40.05 (1) and (2) and creditable military service, service credited under s. 40.285
24 (2) (b) and service credited under s. 40.29, expressed in years and fractions of years
25 to the nearest one-hundredth. How much service in any annual earnings period is

1 the full-time equivalent of one year of creditable service shall be determined by rule
2 by the department and the rules may provide for differing equivalents for different
3 types of employment. Except as provided under s. 40.285 (2) (e) and (f), the amount
4 of creditable service for periods prior to January 1, 1982, shall be the amount for
5 which the participant was eligible under the applicable laws and rules in effect prior
6 to January 1, 1982. No more than one year of creditable service shall be granted for
7 any annual earnings period. Creditable service is determined in the following
8 manner for the following persons: ✓

9 **SECTION 773.** 40.02 (20) of the statutes is amended to read:

10 40.02 (20) "Dependent" means the spouse, domestic partner, minor child,
11 including stepchildren of the current marriage or domestic partnership dependent
12 on the employee for support and maintenance, or child of any age, including
13 stepchildren of the current marriage or domestic partnership, if handicapped to an
14 extent requiring continued dependence. For group insurance purposes only, the
15 department may promulgate rules with a different definition of "dependent" than the
16 one otherwise provided in this subsection for each group insurance plan.

17 **SECTION 774.** 40.02 (21c) of the statutes is created to read:

18 40.02 (21c) "Domestic partner" means an individual in a domestic partnership.

19 **SECTION 775.** 40.02 (21d) of the statutes is created to read:

20 40.02 (21d) "Domestic partnership" means a relationship between 2
21 individuals that satisfies all of the following:

22 (a) Each individual is at least 18 years old and otherwise competent to enter
23 into a contract.

24 (b) Neither individual is married to, or in a domestic partnership with, another
25 individual.

1 (c) The 2 individuals are not related by blood in any way that would prohibit
2 marriage under s. 765.03.

3 (d) The 2 individuals consider themselves to be members of each other's
4 immediate family.

5 (e) The 2 individuals agree to be responsible for each other's basic living
6 expenses.

7 (f) The 2 individuals share a common residence. Two individuals may share
8 a common residence even if any of the following applies:

9 1. Only one of the individuals has legal ownership of the residence.

10 2. One or both of the individuals have one or more additional residences not
11 shared with the other individual.

12 3. One of the individuals leaves the common residence with the intent to return.

13 **SECTION 775h.** ✓ 40.02 (22) (ef) of the statutes is created to read:

14 40.02 (22) (ef) For Wisconsin retirement system purposes only, for a state
15 employee, means compensation that would have been payable to the participant, at
16 the participant's rate of pay immediately prior to the beginning of any mandatory
17 temporary reduction of work hours or days during the period from July 1, 2009, to
18 June 30, 2011, for service that would have been rendered by the participant during
19 that period if the mandatory temporary reduction of work hours or days had not been
20 in effect. Contributions and premiums on earnings considered to be received under
21 this paragraph shall be paid as required under s. 40.05. ✓

22 **SECTION 775r.** 40.02 (25) (b) 2c. of the statutes, as created by 2009 Wisconsin
23 Act 15, is amended to read:

24 40.02 (25) (b) 2c. A state employee described in s. 49.825 (4) or 49.826 (4).

25 **SECTION 776.** 40.02 (25) (b) 3. of the statutes is amended to read:

1 40.02 (25) (b) 3. The surviving spouse or domestic partner of an employee, or
2 of a retired employee, who is currently covered by health insurance at the time of
3 death of the employee or retired employee. The spouse or domestic partner shall
4 have the same right to health insurance coverage as the deceased employee or retired
5 employee, but without state contribution, under rules promulgated by the secretary.

6 **SECTION 777.** 40.02 (25) (b) 8. of the statutes is amended to read:

7 40.02 (25) (b) 8. Any other state employee for whom coverage is authorized
8 under a collective bargaining agreement pursuant to subch. I ~~or~~ V, or VI of ch. 111
9 or under s. 230.12 or 233.10.

10 **SECTION 778.** 40.02 (28) of the statutes, as affected by 2007 Wisconsin Act 20,
11 section 756, is amended to read:

12 40.02 (28) "Employer" means the state, including each state agency, any
13 county, city, village, town, school district, other governmental unit or
14 instrumentality of 2 or more units of government now existing or hereafter created
15 within the state, any federated public library system established under s. 43.19
16 whose territory lies within a single county with a population of 500,000 or more, a
17 local exposition district created under subch. II of ch. 229, a transit authority created
18 under s. 66.1038 or 66.1039, and a long-term care district created under s. 46.2895,
19 except as provided under ss. 40.51 (7) and 40.61 (3) and subch. X. "Employer" does
20 not include a local cultural arts district created under subch. V of ch. 229. Each
21 employer shall be a separate legal jurisdiction for OASDHI purposes.

22 **SECTION 779.** 40.02 (28) of the statutes, as affected by 2007 Wisconsin Act 20,
23 section 757, and 2009 Wisconsin Act (this act), is repealed and recreated to read:

24 40.02 (28) "Employer" means the state, including each state agency, any
25 county, city, village, town, school district, other governmental unit or

1 instrumentality of 2 or more units of government now existing or hereafter created
2 within the state, any federated public library system established under s. 43.19
3 whose territory lies within a single county with a population of 500,000 or more, a
4 local exposition district created under subch. II of ch. 229, a transit authority created
5 under s. 66.1038[✓] or 66.1039, and a long-term care district created under s. 46.2895,
6 except as provided under ss. 40.51 (7) and 40.61 (3). "Employer" does not include a
7 local cultural arts district created under subch. V of ch. 229. Each employer shall be
8 a separate legal jurisdiction for OASDHI purposes.

9 **SECTION 779d.**[✓] 40.02 (33) (a) 1. of the statutes is amended to read:

10 40.02 (33) (a) 1. The participant's total earnings received or considered to be
11 received under sub. (22) (e), ~~(ef)~~, or (em) and for which contributions are made under
12 s. 40.05 (1) and (2) during the 3 annual earnings periods (excluding any period more
13 than 3 years prior to the effective date for any participating employer) in which the
14 earnings were the highest, subject to the annual compensation limits under 26 USC
15 401 (a) (17) for a participating employee who first becomes a participating employee
16 on or after January 1, 1996; by

17 **SECTION 784.**[✓] 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 or VI of ch. 111 and for employees whose fringe benefits

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

21 **SECTION 785.** 40.05 (4) (ag) (intro.) of the statutes is amended to read:

22 40.05 (4) (ag) (intro.) Beginning on January 1, 2004, except as otherwise
23 provided in accordance with a collective bargaining agreement under subch. I ~~or~~ V,
24 or VI of ch. 111 or s. 230.12 or 233.10, the employer shall pay for its currently
25 employed insured employees:

1 **SECTION 786.** 40.05 (4) (ar) of the statutes is amended to read:

2 40.05 (4) (ar) The employer shall pay under par. (a) for employees who are not
3 covered by a collective bargaining agreement under subch. I ~~or~~, V, or VI of ch. 111 and
4 for employees whose health insurance premium contribution rates are not
5 determined under s. 230.12 or 233.10 an amount equal to the amount specified in par.
6 (ag) unless a different amount is recommended by the director of the office of state
7 employment relations and approved by the joint committee on employment relations
8 in the manner provided for approval of changes in the compensation plan under s.
9 230.12 (3).

10 **SECTION 787.** 40.05 (4) (b) of the statutes is amended to read:

11 40.05 (4) (b) Except as provided under pars. (bc) and (bp), accumulated unused
12 sick leave under ss. 13.121 (4), 36.30, 230.35 (2), 233.10, and 757.02 (5) and subch.
13 I ~~or~~, V, or VI of ch. 111 of any eligible employee shall, at the time of death, upon
14 qualifying for an immediate annuity or for a lump sum payment under s. 40.25 (1)
15 or upon termination of creditable service and qualifying as an eligible employee
16 under s. 40.02 (25) (b) 6. or 10., be converted, at the employee's highest basic pay rate
17 he or she received while employed by the state, to credits for payment of health
18 insurance premiums on behalf of the employee or the employee's surviving insured
19 dependents. Any supplemental compensation that is paid to a state employee who
20 is classified under the state classified civil service as a teacher, teacher supervisor,
21 or education director for the employee's completion of educational courses that have
22 been approved by the employee's employer is considered as part of the employee's
23 basic pay for purposes of this paragraph. The full premium for any eligible employee
24 who is insured at the time of retirement, or for the surviving insured dependents of
25 an eligible employee who is deceased, shall be deducted from the credits until the

1 credits are exhausted and paid from the account under s. 40.04 (10), and then
2 deducted from annuity payments, if the annuity is sufficient. The department shall
3 provide for the direct payment of premiums by the insured to the insurer if the
4 premium to be withheld exceeds the annuity payment. Upon conversion of an
5 employee's unused sick leave to credits under this paragraph or par. (bf), the
6 employee or, if the employee is deceased, the employee's surviving insured
7 dependents may initiate deductions from those credits or may elect to delay
8 initiation of deductions from those credits, but only if the employee or surviving
9 insured dependents are covered by a comparable health insurance plan or policy
10 during the period beginning on the date of the conversion and ending on the date on
11 which the employee or surviving insured dependents later elect to initiate
12 deductions from those credits. If an employee or an employee's surviving insured
13 dependents elect to delay initiation of deductions from those credits, an employee or
14 the employee's surviving insured dependents may only later elect to initiate
15 deductions from those credits during the annual enrollment period under par. (be).
16 A health insurance plan or policy is considered comparable if it provides hospital and
17 medical benefits that are substantially equivalent to the standard health insurance
18 plan established under s. 40.52 (1).

19 **SECTION 788.** 40.05 (4) (bw) of the statutes is amended to read:

20 40.05 (4) (bw) On converting accumulated unused sick leave to credits for the
21 payment of health insurance premiums under par. (b), the department shall add
22 additional credits, calculated in the same manner as are credits under par. (b), that
23 are based on a state employee's accumulated sabbatical leave or earned vacation
24 leave from the state employee's last year of service prior to retirement, or both. The
25 department shall apply the credits awarded under this paragraph for the payment

1 of health insurance premiums only after the credits awarded under par. (b) are
2 exhausted. This paragraph applies only to state employees who are eligible for
3 accumulated unused sick leave conversion under par. (b) and who are entitled to the
4 benefits under this paragraph pursuant to a collective bargaining agreement under
5 subch. V or VI of ch. 111.

6 **SECTION 789.** 40.05 (4g) (a) 4. of the statutes is amended to read:

7 40.05 (4g) (a) 4. Has received a military leave of absence under s. 230.32 (3) (a)
8 or 230.35 (3), under a collective bargaining agreement under subch. V or VI of ch. 111
9 or under rules promulgated by the director of the office of state employment relations
10 or is eligible for reemployment with the state under s. 321.64 after completion of his
11 or her service in the U.S. armed forces.

12 **SECTION 790.** 40.05 (5) (intro.) of the statutes is amended to read:

13 40.05 (5) INCOME CONTINUATION INSURANCE PREMIUMS. (intro.) For the income
14 continuation insurance provided under subch. V the employee shall pay the amount
15 remaining after the employer has contributed the following or, if different, the
16 amount determined under a collective bargaining agreement under subch. I ~~or~~ V, or
17 VI of ch. 111 or s. 230.12 or 233.10:

18 **SECTION 791.** 40.05 (5) (b) 4. of the statutes is amended to read:

19 40.05 (5) (b) 4. The accrual and crediting of sick leave shall be determined in
20 accordance with ss. 13.121 (4), 36.30, 230.35 (2), 233.10 and 757.02 (5) and subch. I
21 ~~or~~ V, or VI of ch. 111.

22 **SECTION 792.** 40.05 (6) (a) of the statutes is amended to read:

23 40.05 (6) (a) Except as otherwise provided in accordance with a collective
24 bargaining agreement under subch. I ~~or~~ V, or VI of ch. 111 or s. 230.12 or 233.10, each
25 insured employee under the age of 70 and annuitant under the age of 65 shall pay

1 for group life insurance coverage a sum, approved by the group insurance board,
2 which shall not exceed 60 cents monthly for each \$1,000 of group life insurance,
3 based upon the last amount of insurance in force during the month for which
4 earnings are paid. The equivalent premium may be fixed by the group insurance
5 board if the annual compensation is paid in other than 12 monthly installments.

6 **SECTION 793.** ✓ 40.08 (8) (a) 4. of the statutes is amended to read:

7 40.08 (8) (a) 4. The former spouse or domestic partner of a participant who is
8 an alternate payee and whom the department cannot locate by reasonable efforts,
9 with such efforts beginning by the end of the month in which the participant attains,
10 or would have attained, the age of 65, shall be considered to have abandoned all
11 benefits under the Wisconsin retirement system on the date on which the participant
12 attains, or would have attained, the age of 70. The department shall close the
13 alternate payee's account and shall transfer the moneys in the account to the
14 employer accumulation reserve. The department shall restore the alternate payee's
15 account and shall debit the employer accumulation reserve accordingly if the
16 alternate payee subsequently applies for retirement benefits under this chapter
17 before the participant attains or would have attained the age of 80.

18 **SECTION 794.** 40.08 (9) of the statutes is amended to read:

19 40.08 (9) PAYMENTS OF BENEFITS TO MINORS AND INDIVIDUALS FOUND INCOMPETENT.

20 In any case in which a benefit amount becomes payable to a minor or to an individual
21 adjudicated incompetent, the department may waive guardianship proceedings, and
22 pay the benefit to the person providing for or caring for the minor, or to the spouse
23 or domestic partner, parent, or other relative by blood or adoption providing for or
24 caring for the individual adjudicated incompetent.

1 **SECTION 794r.** 40.22 (2) (m) of the statutes, as created by 2009 Wisconsin Act
2 15, is amended to read:

3 40.22 (2) (m) Notwithstanding sub. (3m), the employee was formerly employed
4 by Milwaukee County, is a state employee described in s. 49.825 (4) or 49.826 (4), and
5 elects to remain a covered employee under the retirement system established under
6 chapter 201, laws of 1937, pursuant to s. 49.825 (4) (c) or 49.826 (4) (c). This
7 paragraph shall not apply if the employee remains a state employee, but is no longer
8 performing services for the Milwaukee County enrollment services unit under s.
9 49.825 or the child care provider services unit under s. 49.826.

10 **SECTION 795.** 40.22 (2m) (a) of the statutes is amended to read:

11 40.22 (2m) (a) At least one year for at least one-third of what is considered
12 full-time employment by the department, as determined by rule, or, for an
13 educational support personnel employee, at least one year for at least one-third of
14 what is considered full-time employment for a teacher.

15 **SECTION 796.** 40.23 (2m) (fm) of the statutes is amended to read:

16 40.23 (2m) (fm) Notwithstanding s. 40.02 (17) (intro.), for purposes of
17 determining creditable service under par. (f) 2., ~~participants with at least 0.75 of a~~
18 ~~year~~ a participant's amount of creditable service in any annual earnings period shall
19 be treated as ~~having one year~~ the amount of creditable service that a teacher would
20 earn for that annual earnings period. To be eligible for the treatment provided by
21 this paragraph, the participant must have earned only a partial year of creditable
22 service in at least 5 of the 10 annual earnings periods immediately preceding the
23 annual earnings period in which the participant terminated covered employment,
24 ~~and the participant must notify the department of the applicability of this paragraph~~
25 ~~to the participant's service. The participant is not eligible for the treatment provided~~

1 ~~by this paragraph if such notification is provided by the participant later than 60~~
2 ~~days after the participant's annuity effective date.~~ This paragraph does not apply
3 to service credited under s. 40.02 (15) ~~or to creditable service as a teacher.~~

4 **SECTION 797.** 40.23 (4) (e) of the statutes is amended to read:

5 40.23 (4) (e) 1. Subject to subds. 2. to 4., if a participant dies before the
6 distribution of benefits has commenced and the participant's beneficiary is the
7 spouse or domestic partner, the department shall begin the distribution within 5
8 years after the date of the participant's death.

9 2. If the spouse or domestic partner files a subsequent beneficiary designation
10 with the department, the payment of the distribution may be deferred until the
11 January 1 of the year in which the participant would have attained the age of 70.5
12 years.

13 3. If the spouse or domestic partner does not apply for a distribution, the
14 distribution shall begin as an automatic distribution as provided under subd. 1. or
15 under par. (c), whichever distribution date is earlier.

16 4. If the spouse or domestic partner dies, but has designated a new beneficiary,
17 the birth date of the spouse or domestic partner shall be used for the purposes of
18 determining the required beginning date.

19 5. The department shall specify by rule all procedures relating to an automatic
20 distribution to the spouse or domestic partner. These rules shall comply with the
21 internal revenue code.

22 **SECTION 798.** 40.23 (4) (f) (intro.) of the statutes is amended to read:

23 40.23 (4) (f) (intro.) If a participant dies before the distribution of benefits has
24 commenced and the participant's beneficiary is not the spouse or domestic partner,
25 the beneficiary shall do one of the following:

1 **SECTION 799.** 40.24 (7) (a) (intro.) of the statutes is amended to read:

2 40.24 (7) (a) (intro.) Any participant who has been married to the same spouse,
3 or in a domestic partnership with the same domestic partner, for at least one year
4 immediately preceding the participant's annuity effective date shall elect the
5 annuity option under sub. (1) (d), the annuity option under sub. (1) (e), if the reduced
6 annuity under sub. (1) (e) is payable in an optional life form provided under sub. (1)
7 (d), or an annuity option in a form provided by rule, if the annuity is payable for life
8 with monthly payments of at least 75% of the amount of the annuity to be continued
9 to the beneficiary, for life, upon the death of the participant, and the participant shall
10 designate the spouse or domestic partner as the beneficiary, unless the participant's
11 application for a retirement annuity in a different optional annuity form is signed
12 by both the participant and the participant's spouse or domestic partner or unless the
13 participant establishes to the satisfaction of the department that, by reason of
14 absence or other inability, the spouse's or domestic partner's signature may not be
15 obtained. This subsection does not apply to any of the following:

16 **SECTION 800.** 40.24 (7) (b) of the statutes is amended to read:

17 40.24 (7) (b) In administering this subsection, the secretary may require the
18 participant to provide the department with a certification of the participant's marital
19 or domestic partnership status and of the validity of the spouse's or domestic
20 partner's signature. If a participant is exempted from the requirements under par.
21 (a) on the basis of a certification which the department or a court subsequently
22 determines to be invalid, the liability of the fund and the department shall be limited
23 to a conversion of annuity options at the time the certification is determined to be
24 invalid. The conversion shall be from the present value of the annuity in the optional
25 form originally elected by the participant to an annuity with the same present value