



## 2011 ASSEMBLY BILL 58

March 22, 2011 – Introduced by Representatives BARCA, GRIGSBY, MASON, CLARK, ROYS, SEIDEL, SHILLING, VRUWINK, SINICKI, DANOU, RINGHAND, JORGENSEN, POPE-ROBERTS, BEWLEY, ZEPNICK, BERCEAU, STASKUNAS, FIELDS, D. CULLEN, STEINBRINK, HULSEY, MOLEPSKE JR, YOUNG, HINTZ, ZAMARRIPA, BERNARD SCHABER, E. COGGS, KESSLER, TOLES, HEBL, PARISI, RICHARDS and MILROY, cosponsored by Senators MILLER, HANSEN, TAYLOR and JAUCH. Referred to Committee on Labor and Workforce Development.

1     **AN ACT** *to repeal* 40.05 (2m), 40.05 (2n), 40.05 (4) (ar), 111.91 (2) (g) and 111.998  
2           (2) (d); *to amend* 20.515 (1) (ut), 20.866 (2) (xf), 40.02 (25) (b) 2., 40.03 (6) (c),  
3           40.03 (6) (j), 40.04 (2) (a), 40.04 (2) (e), 40.05 (1) (a) (intro.), 40.05 (1) (a) 1., 40.05  
4           (1) (a) 2., 40.05 (1) (a) 3., 40.05 (1) (a) 4., 40.05 (4) (c), 40.23 (2m) (e) 2., 40.32 (1),  
5           40.51 (7), 40.52 (3), 49.175 (1) (zh), 71.05 (6) (b) 47., 111.91 (1) (cm) and 111.998  
6           (1) (d); *to repeal and recreate* 40.05 (4) (ag) 1. and 2.; *to create* 59.875, 62.623  
7           and 66.0518 of the statutes; and *to affect* 2009 Wisconsin Act 28, section 9222  
8           (1d); **relating to:** state finances, compensation and fringe benefits of public  
9           employees, the Medical Assistance program, granting bonding authority, and  
10          making an appropriation.

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### *Analysis by the Legislative Reference Bureau*

#### **PUBLIC SECTOR RETIREMENT SYSTEMS**

Currently, employer and employee required contributions, and the earnings on these contributions, fund the cost of providing retirement annuities to all public employees who are covered under the Wisconsin Retirement System (WRS). Employer required and employee required contribution rates are set on an annual

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basis. This bill provides that the employee required contribution rate for general participating employees and for elected and executive participating employees must equal one-half of all actuarially required contributions, as determined by the Employee Trust Funds Board. For protective occupation employees, the bill provides that the employee required contribution rate must equal the percentage of earnings paid by general participating employees.

Current law also requires the employer to pay all of the employer required contributions, but permits the employer to also pay all or part of the employee required contributions. This bill provides that an employer may not pay any of the employee required contributions under the WRS or under an employee retirement system of a first class city or a county having a population of 500,000 or more.

Currently, when a WRS participant terminates employment and becomes eligible for a retirement annuity, assuming the participant does not receive a money purchase annuity, the amount of the annuity is determined by multiplying the participant's final average earnings by the participant's years of creditable service and by a percentage multiplier. For a protective occupation participant, the multiplier is either 2 percent or 2.5 percent, depending on whether the person is covered by social security. For elected officials and executive participating employees, the multiplier is 2 percent. For all other participants in the WRS, the multiplier is 1.6 percent. This bill decreases the multiplier for elected officials and executive participating employees from 2 percent to 1.6 percent for creditable service that is performed on or after the bill's effective date.

**PUBLIC SECTOR GROUP INSURANCE**

Currently, state employees, as well as employees of public authorities created by the state, receive health care coverage under plans offered by the Group Insurance Board (GIB), which plans are assigned to one of three tiers depending on the employee's premium costs. The employer share of premium costs for employees who work more than 1,565 hours a year is an amount not less than 80 percent of the average premium costs under the various health care coverage plans. The amount for represented employees is subject to collective bargaining and the amount for nonrepresented employees is established in various compensation plans.

This bill provides that the employer may not pay more than 88 percent of the average premium cost of plans offered in the tier with the lowest employee premium cost. For employees who work less than 1,566 hours a year, with exceptions, the employer must pay an amount determined by the director of the Office of State Employment Relations (OSER). Under the bill, the actual employer and employee share of premium costs is established on an annual basis by the director of OSER.

For the remainder of 2011, however, beginning in April 2011, the bill provides that state employees, as well as employees of public authorities created by the state, who work more than 1,565 hours a year shall pay \$84 a month for individual coverage and \$208 a month for family coverage for health care coverage under any plan offered in the tier with the lowest employee premium cost; \$122 a month for individual coverage and \$307 a month for family coverage for health care coverage under any plan offered in the tier with the next lowest employee premium cost; and \$226 a month for individual coverage and \$567 a month for family coverage for health care

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coverage under any plan offered in the tier with the highest employee premium cost. University of Wisconsin (UW) System graduate assistants and teaching assistants must pay half of these amounts. Employees who work less than 1,566 hours a year are required to pay the same amount for health care coverage during 2011 that they were required to pay before the bill's effective date.

The bill further provides that a local government employer who participates in the local government health insurance plan offered by GIB may not participate in the plan if it intends to pay more than 88 percent of the average premium cost of plans offered in any tier with the lowest employee premium cost.

Current law provides that GIB may not enter into agreements to modify or expand group insurance coverage in a manner that conflicts with applicable statutes, or the Department of Employee Trust Funds (DETF) rules, or that materially affects the level of premiums required to be paid by the state or its employees or the level of benefits provided under any group insurance coverage. This bill provides that this restriction does not prevent GIB from encouraging participation in wellness or disease management programs under any of its group insurance coverage plans. In addition, the bill provides that this prohibition does not apply to GIB agreements relating to group insurance coverage for the 2012 and 2013 calendar years.

This bill requires GIB to design health care coverage plans for the 2012 calendar year that, after adjusting for any inflationary increase in health benefit costs, reduces the average premium cost of plans offered in the tier with the lowest employee premium cost by at least 5 percent from the cost of such plans offered during the 2011 calendar year. GIB must include copayments in the health care coverage plans for the 2012 calendar year and may require health risk assessments for state employees and participation in wellness or disease management programs.

This bill requires the secretary of employee trust funds to allocate \$28,000,000, from reserve accounts established in the public employee trust fund for group health and pharmacy benefits for state employees, to reduce employer costs for providing group health insurance for state employees for the period beginning on July 1, 2011, and ending on December 31, 2011.

Current law permits GIB to contract with the Department of Health Services (DHS) and other public or private entities for data collection and analysis services related to health maintenance organizations and insurance companies that provide health insurance to state employees. This bill permits GIB to contract for any other consulting services related to plans it offers.

This bill provides that if DETF determines that an audit of its employee benefit programs is necessary during the 2011–12 fiscal year, for the purpose of verifying the eligibility of dependents covered under the programs, DETF must submit a written request to the secretary of administration to expend an amount not exceeding \$700,000 to conduct the audit.

**STATE GOVERNMENT****STATE FINANCE**

This bill increases the amount of state public debt that may be contracted to refund any unpaid indebtedness used to finance tax-supported or self-amortizing

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facilities from \$309,000,000 to \$474,000,000. Such refunded debt must be contracted before July 1, 2011.

This bill requires the secretary of administration, before July 1, 2011, to lapse to the general fund, from executive branch appropriations, an amount equal to \$27,891,400; requires the cochairpersons of the Joint Committee on Legislative Organization to lapse to the general fund, from appropriations to the legislature, an amount equal to \$717,700; requires the governor to lapse to the general fund, from appropriations to the office of the governor, an amount equal to \$37,500; and requires the chief justice of the supreme court to lapse to the general fund, from appropriations to the judicial branch, an amount equal to \$1,153,400. The lapses seek to capture employer savings resulting from increases in state employee payments for health insurance and retirement contributions.

**HEALTH AND HUMAN SERVICES****MEDICAL ASSISTANCE**

Under current law, DHS administers the Medical Assistance (MA) program, which is a joint federal and state program that provides health services to individuals who have limited resources. Also under current law, DHS makes payments from a long-term care general purpose revenue (GPR) appropriation account, including community aids to counties, payments for certain MA programs, and social service payments. DHS also currently makes payments for administration of income maintenance activities among other payments. This bill decreases the amount that DHS is authorized to spend from the long-term care GPR appropriation account in fiscal year 2010–11. The bill also increases the amount that DHS is authorized to spend from the MA program benefits and administration GPR appropriation accounts, the income maintenance GPR appropriation account, and the MA trust fund, in fiscal year 2010–11.

In addition, the bill increases the amount that DHS may spend from the GPR account for fiscal year 2010–11 for the MA program for the purposes of funding the contribution for indigent health care for Milwaukee County and making capitation payments to care management organizations and other entities that provide services to MA recipients under a managed care system for services provided in June 2011 to individuals enrolled in care management organizations and managed care systems.

**PUBLIC ASSISTANCE**

Reflecting the receipt of emergency contingency funds under the Temporary Assistance for Needy Families (TANF) block grant program, this bill increases by \$37,000,000 the amount of TANF moneys allocated for the earned income tax credit.

This bill will be referred to the Joint Survey Committee on Retirement Systems for a detailed analysis, which will be printed as an appendix to this bill.

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For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

1           **SECTION 1.** 20.515 (1) (ut) of the statutes is amended to read:

2           20.515 (1) (ut) *Health insurance data collection and analysis and other*  
3 *consulting services contracts.* From the public employee trust fund, the amounts in  
4 the schedule for the costs of contracting for insurance data collection and analysis  
5 services under ss. 40.03 (6) (j) and 153.05 (2r) and other consulting services contracts  
6 under s. 40.03 (6) (j).

7           **SECTION 2.** 20.866 (2) (xf) of the statutes is amended to read:

8           20.866 (2) (xf) *Building commission; refunding tax-supported and*  
9 *self-amortizing general obligation debt incurred before July 1, 2011.* From the  
10 capital improvement fund, a sum sufficient to refund the whole or any part of any  
11 unpaid indebtedness used to finance tax-supported or self-amortizing facilities.  
12 The state may contract public debt in an amount not to exceed \$309,000,000  
13 \$474,000,000 for this purpose. Such indebtedness shall be construed to include any  
14 premium and interest payable with respect thereto. Debt incurred by this paragraph  
15 shall be incurred before July 1, 2011, and shall be repaid under the appropriations  
16 providing for the retirement of public debt incurred for tax-supported and  
17 self-amortizing facilities in proportional amounts to the purposes for which the debt  
18 was refinanced.

19           **SECTION 3.** 40.02 (25) (b) 2. of the statutes is amended to read:

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1           40.02 **(25)** (b) 2. Any person employed as a teaching assistant or graduate  
2 assistant and other employees–in–training as are designated by the board of regents  
3 of the university, who are employed on at least a one–third full–time basis.

4           **SECTION 4.** 40.03 (6) (c) of the statutes is amended to read:

5           40.03 **(6)** (c) Shall not enter into any agreements to modify or expand group  
6 insurance coverage in a manner which conflicts with this chapter or rules of the  
7 department or materially affects the level of premiums required to be paid by the  
8 state or its employees, or the level of benefits to be provided, under any group  
9 insurance coverage. This restriction shall not be construed to prevent modifications  
10 required by law, prohibit the group insurance board from modifying the standard  
11 plan to establish a more cost effective benefit plan design or providing optional  
12 insurance coverages as alternatives to the standard insurance coverage when any  
13 excess of required premium over the premium for the standard coverage is paid by  
14 the employee, prohibit the group insurance board from encouraging participation in  
15 wellness or disease management programs, or prohibit the group insurance board  
16 from providing other plans as authorized under par. (b).

17           **SECTION 5.** 40.03 (6) (j) of the statutes is amended to read:

18           40.03 **(6)** (j) May contract with the department of health services and may  
19 contract with other public or private entities for data collection and analysis services  
20 related to health maintenance organizations and insurance companies that provide  
21 health insurance to state employees, as well as for any other consulting services  
22 related to plans offered by the group insurance board.

23           **SECTION 6.** 40.04 (2) (a) of the statutes is amended to read:

24           40.04 **(2)** (a) An administrative account shall be maintained within the fund  
25 from which administrative costs of the department shall be paid, except charges for

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1 services performed by the investment board, costs of medical and vocational  
2 evaluations used in determinations of eligibility for benefits under ss. 40.61, 40.63  
3 and 40.65 and costs of contracting for insurance data collection and analysis services  
4 and other consulting services under s. 40.03 (6) (j).

5 **SECTION 7.** 40.04 (2) (e) of the statutes is amended to read:

6 40.04 (2) (e) The costs of contracting for insurance data collection and analysis  
7 services and other consulting services under s. 40.03 (6) (j) shall be paid from the  
8 appropriation under s. 20.515 (1) (ut).

9 **SECTION 8.** 40.05 (1) (a) (intro.) of the statutes is amended to read:

10 40.05 (1) (a) (intro.) ~~Except as provided in~~ Subject to par. (b) and sub. (2n):

11 **SECTION 9.** 40.05 (1) (a) 1. of the statutes is amended to read:

12 40.05 (1) (a) 1. For each participating employee not otherwise specified, ~~5% of~~  
13 ~~each payment of earnings~~ an amount equal to one-half of all actuarially required  
14 contributions, as approved by the board under s. 40.03 (1) (e).

15 **SECTION 10.** 40.05 (1) (a) 2. of the statutes is amended to read:

16 40.05 (1) (a) 2. For each participating employee whose formula rate is  
17 determined under s. 40.23 (2m) (e) 2., ~~5.5% of each payment of earnings~~ an amount  
18 equal to one-half of all actuarially required contributions, as approved by the board  
19 under s. 40.03 (1) (e).

20 **SECTION 11.** 40.05 (1) (a) 3. of the statutes is amended to read:

21 40.05 (1) (a) 3. For each participating employee whose formula rate is  
22 determined under s. 40.23 (2m) (e) 3., ~~6% of each payment of earnings~~ the percentage  
23 of earnings paid by a participating employee under subd. 1.

24 **SECTION 12.** 40.05 (1) (a) 4. of the statutes is amended to read:

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1           40.05 (1) (a) 4. For each participating employee whose formula rate is  
2 determined under s. 40.23 (2m) (e) 4., ~~8% of each payment of earnings~~ the percentage  
3 of earnings paid by a participating employee under subd. 1.

4           **SECTION 13.** 40.05 (2m) of the statutes is repealed.

5           **SECTION 14.** 40.05 (2n) of the statutes is repealed.

6           **SECTION 15.** 40.05 (4) (ag) 1. and 2. of the statutes are repealed and recreated  
7 to read:

8           40.05 (4) (ag) 1. For insured part-time employees other than employees  
9 specified in s. 40.02 (25) (b) 2., including those in project positions as defined in s.  
10 230.27 (1), who are appointed to work less than 1,566 hours per year, an amount  
11 determined annually by the director of the office of state employment relations.

12           2. For eligible employees not specified in subd. 1. and s. 40.02 (25) (b) 2., an  
13 amount not more than 88 percent of the average premium cost of plans offered in the  
14 tier with the lowest employee premium cost under s. 40.51 (6). Annually, the director  
15 of the office of state employment relations shall establish the amount that the  
16 employer is required to pay under this subdivision.

17           **SECTION 16.** 40.05 (4) (ar) of the statutes is repealed.

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

19           40.05 (4) (c) The employer shall contribute toward the payment of premiums  
20 for the plan established under s. 40.52 (3) ~~not more than the percentage of premium~~  
21 ~~paid by the employer for health insurance coverage under par. (ag) 2~~ the amount  
22 established under s. 40.52 (3).

23           **SECTION 18.** 40.23 (2m) (e) 2. of the statutes is amended to read:

24           40.23 (2m) (e) 2. For each participant for creditable service as an elected official  
25 or as an executive participating employee that is performed before January 1, 2000,



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1 2.165%; for such creditable service that is performed on or after January 1, 2000, but  
2 before the effective date of this subdivision ... [LRB inserts date], 2%; and for such  
3 creditable service that is performed on or after the effective date of this subdivision  
4 ... [LRB inserts date], 1.6%.

5 **SECTION 19.** 40.32 (1) of the statutes is amended to read:

6 40.32 (1) The sum of all contributions allocated to a participant's account under  
7 each defined contribution plan sponsored by the employer, including all employer  
8 contributions and picked-up contributions credited with interest at the effective rate  
9 under ss. 40.04 (4) (a) and (5) (b) and 40.05 (2) (g) and all employee contributions  
10 made under ss. 40.02 (17) and 40.05 (1) ~~and (2m)~~, may not in any calendar year  
11 exceed the maximum contribution limitation established under section 415 (c) of the  
12 Internal Revenue Code.

13 **SECTION 20.** 40.51 (7) of the statutes is amended to read:

14 40.51 (7) Any employer, other than the state, may offer to all of its employees  
15 a health care coverage plan through a program offered by the group insurance board.  
16 Notwithstanding sub. (2) and ss. 40.05 (4) and 40.52 (1), the department may by rule  
17 establish different eligibility standards or contribution requirements for such  
18 employees and employers and may by rule limit the categories of employers, other  
19 than the state, which may be included as participating employers under this  
20 subchapter. Beginning on January 1, 2012, except as otherwise provided in a  
21 collective bargaining agreement under subch. IV of ch. 111, an employer may not  
22 offer a health care coverage plan to its employees under this subsection if the  
23 employer pays more than 88 percent of the average premium cost of plans offered in  
24 any tier with the lowest employee premium cost under this subsection.

25 **SECTION 21.** 40.52 (3) of the statutes is amended to read:

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1           40.52 (3) The group insurance board, after consulting with the board of regents  
2 of the University of Wisconsin System, shall establish the terms of a health insurance  
3 plan for graduate assistants, for teaching assistants, and for employees-in-training  
4 designated by the board of regents, who are employed on at least a one-third  
5 full-time basis and for teachers who are employed on at least a one-third full-time  
6 basis by the University of Wisconsin System with an expected duration of  
7 employment of at least 6 months but less than one year. Annually, the director of the  
8 office of state employment relations shall establish the amount that the employer is  
9 required to pay in premium costs under this subsection.

10           **SECTION 22.** 49.175 (1) (zh) of the statutes is amended to read:

11           49.175 (1) (zh) *Earned income tax credit supplement.* For the transfer of  
12 moneys from the appropriation account under s. 20.437 (2) (md) to the appropriation  
13 account under s. 20.835 (2) (kf) for the earned income tax credit, \$6,664,200 in fiscal  
14 year 2009–10 and ~~\$6,664,200~~ \$43,664,200 in fiscal year 2010–2011.

15           **SECTION 23.** 59.875 of the statutes is created to read:

16           **59.875 Payment of contributions in an employee retirement system of**  
17 **populous counties.** (1) In this section, “county” means any county having a  
18 population of 500,000 or more.

19           (2) Beginning on the effective date of this subsection ... [LRB inserts date], in  
20 any employee retirement system of a county, except as otherwise provided in a  
21 collective bargaining agreement entered into under subch. IV of ch. 111, employees  
22 shall pay half of all actuarially required contributions for funding benefits under the  
23 retirement system. The employer may not pay on behalf of an employee any of the  
24 employee’s share of the actuarially required contributions.

25           **SECTION 24.** 62.623 of the statutes is created to read:

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1           **62.623 Payment of contributions in an employee retirement system of**  
2           **a 1st class city.** Beginning on the effective date of this section .... [LRB inserts date],  
3           in any employee retirement system of a 1st class city, except as otherwise provided  
4           in a collective bargaining agreement entered into under subch. IV of ch. 111,  
5           employees shall pay all employee required contributions for funding benefits under  
6           the retirement system. The employer may not pay on behalf of an employee any of  
7           the employee's share of the required contributions.

8           **SECTION 25.** 66.0518 of the statutes is created to read:

9           **66.0518 Defined benefit pension plans.** A local governmental unit, as  
10          defined in s. 66.0131 (1) (a), may not establish a defined benefit pension plan for its  
11          employees unless the plan requires the employees to pay half of all actuarially  
12          required contributions for funding benefits under the plan and prohibits the local  
13          governmental unit from paying on behalf of an employee any of the employee's share  
14          of the actuarially required contributions.

15          **SECTION 26.** 71.05 (6) (b) 47. of the statutes, as created by 2011 Wisconsin Act  
16          5, is amended to read:

17          71.05 **(6)** (b) 47. An amount equal to the increase in the number of full-time  
18          equivalent employees employed by the taxpayer in this state during the taxable year,  
19          multiplied by \$4,000 for a business with gross receipts of no greater than \$5,000,000  
20          in the taxable year or \$2,000 for a business with gross receipts greater than  
21          \$5,000,000 in the taxable year. For purposes of this subdivision, the increase in the  
22          number of full-time equivalent employees employed by the taxpayer in this state  
23          during the taxable year is determined by subtracting from the number of full-time  
24          equivalent employees employed by the taxpayer in this state during the taxable year,  
25          as determined by computing the average employee count from the taxpayer's

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1 quarterly unemployment insurance reports or other information as required by the  
2 department for the taxable year, the number of full-time equivalent employees  
3 employed by the taxpayer in this state during the immediately preceding taxable  
4 year, as determined by computing the average employee count from the taxpayer's  
5 quarterly unemployment insurance reports or other information as required by the  
6 department for the immediately preceding taxable year. No person may claim a  
7 deduction under this subdivision if the person may claim a ~~credit~~ deduction under  
8 this subchapter based on the person relocating the person's business from another  
9 state to this state and in an amount equal to the person's tax liability. The  
10 department shall promulgate rules to administer this subdivision.

11 **SECTION 27.** 111.91 (1) (cm) of the statutes is amended to read:

12 111.91 (1) (cm) Except as provided in sub. (2) ~~(g) and (h)~~ and ss. 40.02 (22) (e)  
13 and 40.23 (1) (f) 4., all laws governing the Wisconsin retirement system under ch. 40  
14 and all actions of the employer that are authorized under any such law which apply  
15 to nonrepresented individuals employed by the state shall apply to similarly situated  
16 employees, unless otherwise specifically provided in a collective bargaining  
17 agreement that applies to those employees.

18 **SECTION 28.** 111.91 (2) (g) of the statutes is repealed.

19 **SECTION 29.** 111.998 (1) (d) of the statutes is amended to read:

20 111.998 (1) (d) Except as provided in sub. (2) ~~(d) and (e)~~ and ss. 40.02 (22) (e)  
21 and 40.23 (1) (f) 4., all laws governing the Wisconsin Retirement System under ch.  
22 40 and all actions of the board that are authorized under any such law which apply  
23 to nonrepresented individuals employed by the state shall apply to similarly situated  
24 employees, unless otherwise specifically provided in a collective bargaining  
25 agreement that applies to those employees.

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1           **SECTION 30.** 111.998 (2) (d) of the statutes is repealed.

2           **SECTION 31.** 2009 Wisconsin Act 28, section 9222 (1d) is repealed.

3           **SECTION 9115. Nonstatutory provisions; Employee Trust Funds.**

4           (1) ALLOCATION OF CERTAIN EXCESS RESERVES IN THE PUBLIC EMPLOYEE TRUST FUND  
5 TO REDUCE EMPLOYER HEALTH INSURANCE COSTS DURING 2011. Notwithstanding any  
6 action of the group insurance board under section 40.03 (6) (d) of the statutes, from  
7 reserve accounts established under section 20.515 (1) (r) of the statutes for group  
8 health insurance and pharmacy benefits for state employees, the secretary of  
9 employee trust funds shall allocate an amount equal to \$28,000,000 to reduce  
10 employer costs for providing group health insurance for state employees for the  
11 period beginning on July 1, 2011, and ending on December 31, 2011.

12           (2) AGREEMENTS TO MODIFY GROUP INSURANCE COVERAGE FOR STATE EMPLOYEES.  
13 Section 40.03 (6) (c) of the statutes shall not apply to any agreements entered into  
14 by the group insurance board to modify group insurance coverage for the 2012 and  
15 2013 calendar years.

16           (3) REDUCTIONS IN HEALTH CARE PREMIUM COSTS FOR HEALTH CARE COVERAGE  
17 DURING 2012 CALENDAR YEAR. The group insurance board shall design health care  
18 coverage plans for the 2012 calendar year that, after adjusting for any inflationary  
19 increase in health benefit costs, as determined by the group insurance board, reduces  
20 the average premium cost of plans offered in the tier with the lowest employee  
21 premium cost under section 40.51 (6) of the statutes by at least 5 percent from the  
22 cost of such plans offered during the 2011 calendar year. The group insurance board  
23 shall include copayments in the health care coverage plans for the 2012 calendar  
24 year and may require health risk assessments for state employees and participation  
25 in wellness or disease management programs.

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1           (4) AUDIT OF DEPENDENT ELIGIBILITY UNDER BENEFIT PROGRAMS. If the department  
2 of employee trust funds determines that an audit of benefit programs administered  
3 by the department is necessary for the purpose of verifying the eligibility of  
4 dependents covered under the benefit programs, the department shall submit a  
5 written request to the secretary of administration to expend an amount not  
6 exceeding \$700,000 from the appropriation account under section 20.515 (1) (w) of  
7 the statutes for the 2011–12 fiscal year to fund the cost of the audit. If the secretary  
8 of administration approves the request, the department of employee trust funds may  
9 proceed with the audit.

10           (5) STATE EMPLOYEE HEALTH CARE COVERAGE.

11           (a) Notwithstanding section 40.05 (4) (ag) and (c) of the statutes, as affected by  
12 this act, beginning with health insurance premiums paid in April 2011, and ending  
13 with coverage for December 2011, all of the following shall apply:

14           1. Employees covered under section 40.05 (4) (ag) 2. of the statutes, as affected  
15 by this act, shall pay \$84 a month for individual coverage and \$208 a month for family  
16 coverage for health care coverage under any plan offered in the tier with the lowest  
17 employee premium cost under section 40.51 (6) of the statutes; \$122 a month for  
18 individual coverage and \$307 a month for family coverage for health care coverage  
19 under any plan offered in the tier with the next lowest employee premium cost under  
20 section 40.51 (6) of the statutes; and \$226 a month for individual coverage and \$567  
21 a month for family coverage for health care coverage under any plan offered in the  
22 tier with the highest employee premium cost under section 40.51 (6) of the statutes.

23           2. Eligible employees covered under section 40.02 (25) (b) 2. of the statutes, as  
24 affected by this act, shall pay 50 percent of the amounts required for employees under  
25 subdivision 1.

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1           3. Employees covered under section 40.05 (4) (ag) 1. of the statutes, as affected  
2 by this act, and craft employees, as defined in section 111.81 (4) of the statutes, and  
3 related nonrepresented employees shall pay the same amounts that they are  
4 required to pay on the day before the effective date of this subdivision.

5           (b) If an employer is unable to modify payroll procedures in sufficient time to  
6 collect employees' increased share of the premium costs for health care coverage  
7 under paragraph (a), the employer shall recover all amounts that employees owe for  
8 the increased share of premium costs before July 1, 2011.

9           (6) EMPLOYER AND EMPLOYEE REQUIRED CONTRIBUTIONS FOR 2011. Notwithstanding  
10 the employer and employee required contributions rates established for 2011 under  
11 section 40.05 (1) and (2), 2009 stats., beginning on the first day of the first pay period  
12 after March 13, 2011, the employee required contributions under section 40.05 (1) (a)  
13 of the statutes, as affected by this act, shall be in effect for the remainder of 2011, and  
14 the employer required contributions under section 40.05 (2) of the statutes shall be  
15 adjusted to reflect the increases in employee required contributions for the  
16 remainder of 2011. If an employer is unable to modify payroll procedures in sufficient  
17 time to collect the increased employee required contributions before the first day of  
18 the first pay period after March 13, 2011, the employer shall recover all amounts that  
19 employees owe before July 1, 2011.

20           **SECTION 9155. Nonstatutory provisions; Other.**

21           (1) Section 20.003 (4) shall not apply to the actions of the legislature in enacting  
22 this act.

23           **SECTION 9208. Fiscal changes; Children and Families.**

24           (1) TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BLOCK GRANT FUNDS. In the  
25 schedule under section 20.005 (3) of the statutes for the appropriation to the

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1 department of children and families under section 20.437 (2) (md) of the statutes, as  
2 affected by the acts of 2011, the dollar amount is increased by \$37,000,000 for the  
3 second fiscal year of the fiscal biennium in which this subsection takes effect to  
4 support an increase in the earned income tax credit.

5 (2) INCOME AUGMENTATION LAPSE.

6 (a) Notwithstanding section 20.001 (3) (c) of the statutes, there is lapsed to the  
7 general fund from the appropriation account to the department of children and  
8 families under section 20.437 (1) (kx) of the statutes, as affected by the acts of 2011,  
9 \$2,011,200 in the second fiscal year of the fiscal biennium in which this subsection  
10 takes effect.

11 (b) Notwithstanding 2007 Wisconsin Act 20, section 9201 (1c) (a), the secretary  
12 of administration shall apply the lapse under paragraph (a) to the lapse requirement  
13 for the 2009–11 fiscal biennium under 2007 Wisconsin Act 20, section 9201 (1c) (a).

14 **SECTION 9211. Fiscal changes; Corrections.**

15 (1) ADULT CORRECTIONAL SERVICES. In the schedule under section 20.005 (3) of  
16 the statutes for the appropriation to the department of corrections under section  
17 20.410 (1) (a) of the statutes, as affected by the acts of 2011, the dollar amount is  
18 increased by \$19,537,900 for the second fiscal year of the fiscal biennium in which  
19 this subsection takes effect to increase funding for the purpose for which the  
20 appropriation is made.

21 (2) TRANSFERS.

22 (a) There is transferred from the appropriation account under section 20.410  
23 (1) (f) of the statutes to the appropriation account under section 20.410 (1) (a) of the  
24 statutes \$5,362,500 in the second fiscal year of the fiscal biennium in which this  
25 paragraph takes effect.



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1 (b) There is transferred from the appropriation account under section 20.410  
2 (1) (ab) of the statutes to the appropriation account under section 20.410 (1) (a) of the  
3 statutes \$2,825,300 in the second fiscal year of the fiscal biennium in which this  
4 paragraph takes effect.

5 (c) There is transferred from the appropriation account under section 20.410  
6 (2) (a) of the statutes to the appropriation account under section 20.410 (1) (a) of the  
7 statutes \$100,200 in the second fiscal year of the fiscal biennium in which this  
8 paragraph takes effect.

9 (d) There is transferred from the appropriation account under section 20.410  
10 (3) (cg) of the statutes to the appropriation account under section 20.410 (1) (a) of the  
11 statutes \$71,000 in the second fiscal year of the fiscal biennium in which this  
12 paragraph takes effect.

13 (e) There is transferred from the appropriation account under section 20.410  
14 (1) (bm) of the statutes to the appropriation account under section 20.410 (1) (a) of  
15 the statutes \$10,700 in the second fiscal year of the fiscal biennium in which this  
16 paragraph takes effect.

17 (f) There is transferred from the appropriation account under section 20.410  
18 (3) (a) of the statutes to the appropriation account under section 20.410 (1) (a) of the  
19 statutes \$36,600 in the second fiscal year of the fiscal biennium in which this  
20 paragraph takes effect.

21 (g) There is transferred from the appropriation account under section 20.410  
22 (3) (cg) of the statutes to the appropriation account under section 20.410 (1) (b) of the  
23 statutes \$2,138,400 in the second fiscal year of the fiscal biennium in which this  
24 paragraph takes effect.

25 **SECTION 9219. Fiscal changes; Governor.**

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1           (1) LAPSES TO GENERAL FUND RELATING TO EMPLOYER SAVINGS IN FRINGE BENEFIT  
2 COSTS DURING THE 2009–11 FISCAL BIENNIUM. Notwithstanding section 20.001 (3) (a) to  
3 (c) of the statutes, before July 1, 2011, the governor shall take actions to ensure that  
4 from general purpose revenue appropriations to the office of the governor under  
5 section 20.525 of the statutes an amount equal to \$37,500 is lapsed from sum certain  
6 appropriation accounts or is subtracted from the expenditure estimates for any other  
7 type of appropriations, or both.

**SECTION 9221. Fiscal changes; Health Services.**

8           (1) INCOME AUGMENTATION LAPSE.

9           (a) Notwithstanding section 20.001 (3) (c) of the statutes, there is lapsed to the  
10 general fund from the appropriation account to the department of health services  
11 under section 20.435 (8) (mb) of the statutes, as affected by the acts of 2011,  
12 \$4,500,000 in the second fiscal year of the fiscal biennium in which this subsection  
13 takes effect.  
14

15           (b) Notwithstanding 2007 Wisconsin Act 20, section 9201 (1c) (a), the secretary  
16 of administration shall apply the lapse under paragraph (a) to the lapse requirement  
17 for the 2009–11 fiscal biennium under 2007 Wisconsin Act 20, section 9201 (1c) (a).

18           (2) COMMUNITY AIDS APPROPRIATION. In the schedule under section 20.005 (3) of  
19 the statutes for the appropriation to the department of health services under section  
20 20.435 (7) (b) of the statutes, as affected by the acts of 2011, the dollar amount is  
21 decreased by \$3,100,000 for the second fiscal year of the fiscal biennium in which this  
22 subsection takes effect for the purposes for which the appropriation is made.

23           (3) MEDICAL ASSISTANCE GENERAL PURPOSE REVENUE APPROPRIATION. In the  
24 schedule under section 20.005 (3) of the statutes for the appropriation to the  
25 department of health services under section 20.435 (4) (b) of the statutes, as affected

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1 by the acts of 2011, the dollar amount is increased by \$127,200,000 for the second  
2 fiscal year of the fiscal biennium in which this subsection takes effect for the  
3 purposes for which the appropriation is made.

4 (4) MEDICAL ASSISTANCE ADMINISTRATION APPROPRIATION. In the schedule under  
5 section 20.005 (3) of the statutes for the appropriation to the department of health  
6 services under section 20.435 (4) (bm) of the statutes, as affected by the acts of 2011,  
7 the dollar amount is increased by \$16,000,000 for the second fiscal year of the fiscal  
8 biennium in which this subsection takes effect for the purposes for which the  
9 appropriation is made.

10 (5) INCOME MAINTENANCE APPROPRIATION. In the schedule under section 20.005  
11 (3) of the statutes for the appropriation to the department of health services under  
12 section 20.435 (4) (bn) of the statutes, as affected by the acts of 2011, the dollar  
13 amount is increased by \$2,500,000 for the second fiscal year of the fiscal biennium  
14 in which this subsection takes effect for the purposes for which the appropriation is  
15 made.

16 (6) MEDICAL ASSISTANCE TRUST FUND. In the schedule under section 20.005 (3)  
17 of the statutes for the appropriation to the department of health services under  
18 section 20.435 (4) (w) of the statutes, as affected by the acts of 2011, the dollar amount  
19 is increased by \$6,700,000 for the second fiscal year of the fiscal biennium in which  
20 this subsection takes effect for the purposes for which the appropriation is made.

21 (7) MEDICAL ASSISTANCE PROGRAM BENEFITS APPROPRIATION INCREASE. In the  
22 schedule under section 20.005 (3) of the statutes for the appropriation to the  
23 department of health services under section 20.435 (4) (b) of the statutes, as affected  
24 by the acts of 2011, the dollar amount is increased by \$6,800,000 for the second fiscal

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1 year of the fiscal biennium in which this subsection takes effect to fund the  
2 contribution for indigent health care in Milwaukee County.

3 (8) INCREASE IN MEDICAL ASSISTANCE APPROPRIATION FOR CAPITATION PAYMENTS. In  
4 the schedule under section 20.005 (3) of the statutes for the appropriation to the  
5 department of health services under section 20.435 (4) (b) of the statutes, as affected  
6 by the acts of 2011, the dollar amount is increased by \$42,700,000 for the second fiscal  
7 year of the fiscal biennium in which this subsection takes effect to pay capitation  
8 payments to care management organizations and other entities that provide services  
9 to medical assistance recipients under a managed care system for services provided  
10 in June 2011, to individuals enrolled in care management organizations and  
11 managed care systems.

**SECTION 9227. Fiscal changes; Joint Committee on Finance.**

12 (1) FEDERAL PROGRAM SUPPLEMENT. In the schedule under section 20.005 (3) of  
13 the statutes for the appropriation to the joint committee on finance under section  
14 20.865 (4) (m) of the statutes, as affected by the acts of 2011, the dollar amount is  
15 decreased by \$37,000,000 for the second fiscal year of the fiscal biennium in which  
16 this subsection takes effect for supplementing federal earned income tax credit  
17 payments.  
18

**SECTION 9230. Fiscal changes; Legislature.**

19 (1) LAPSES TO GENERAL FUND RELATING TO EMPLOYER SAVINGS IN FRINGE BENEFIT  
20 COSTS DURING THE 2009-11 FISCAL BIENNIUM.  
21

22 (a) Notwithstanding section 20.001 (3) (a) to (c) of the statutes, before July 1,  
23 2011, the cochairpersons of the joint committee on legislative organization shall take  
24 actions to ensure that from general purpose revenue appropriations to the  
25 legislature under section 20.765 of the statutes an amount equal to \$717,700 is

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1 lapsed from sum certain appropriation accounts or is subtracted from the  
2 expenditure estimates for any other type of appropriations, or both.

3 (b) The amount lapsed under paragraph (a) shall be in addition to the amounts  
4 that are required to be lapsed or transferred to the general fund under 2009  
5 Wisconsin Act 28, section 3416f.

**SECTION 9236. Fiscal changes; Public Defender Board**

6  
7 (1) In the schedule under section 20.005 (3) of the statutes for the appropriation  
8 to the public defender board under section 20.550 (1) (d) of the statutes, as affected  
9 by the acts of 2011, the dollar amount is increased by \$3,500,000 for the second fiscal  
10 year of the fiscal biennium in which this subsection takes effect for the purpose for  
11 which the appropriation is made.

**SECTION 9241. Fiscal changes; Revenue.**

12  
13 (1) EARNED INCOME TAX CREDIT. In the schedule under section 20.005 (3) of the  
14 statutes for the appropriation to the department of revenue under section 20.835 (2)  
15 (kf) of the statutes, as affected by the acts of 2011, the dollar amount is increased by  
16 \$37,000,000 for the second fiscal year of the fiscal biennium in which this subsection  
17 takes effect for the purposes for which the appropriation is made.

**SECTION 9245. Fiscal changes; Supreme Court.**

18  
19 (1) LAPSES TO GENERAL FUND RELATING TO EMPLOYER SAVINGS IN FRINGE BENEFIT  
20 COSTS DURING THE 2009–11 FISCAL BIENNIUM. Notwithstanding section 20.001 (3) (a) to  
21 (c) of the statutes, before July 1, 2011, the chief justice of the supreme court shall take  
22 actions to ensure that from general purpose revenue appropriations to the judicial  
23 branch of government under subchapter VII of chapter 20 of the statutes an amount  
24 equal to \$1,153,400 is lapsed from sum certain appropriation accounts or is

1 subtracted from the expenditure estimates for any other type of appropriations, or  
2 both.

3 **SECTION 9255. Fiscal changes; Other.**

4 (1) LAPSES TO GENERAL FUND RELATING TO EMPLOYER SAVINGS IN FRINGE BENEFIT  
5 COSTS DURING THE 2009–11 FISCAL BIENNIUM.

6 (a) In this subsection, “state agency” means any office, department, or  
7 independent agency in the executive branch of state government.

8 (b) Notwithstanding section 20.001 (3) (a) to (c) of the statutes, before July 1,  
9 2011, the secretary of administration shall lapse to the general fund, from the  
10 unencumbered balances of general purpose revenue and program revenue  
11 appropriations to state agencies, other than sum sufficient appropriations and  
12 appropriations of federal revenues, an amount equal to \$27,891,400.

13 (c) The amount lapsed under paragraph (b) shall be in addition to the amounts  
14 that are required to be lapsed or transferred to the general fund under 2009  
15 Wisconsin Act 28, section 3416d.

16 (d) The secretary of administration may not lapse moneys under paragraph (b)  
17 if the lapse would violate a condition imposed by the federal government on the  
18 expenditure of the moneys or if the lapse would violate the federal or state  
19 constitution. The secretary also may not lapse any amount from program revenue  
20 appropriations under section 20.285 of the statutes.

21 **SECTION 9315. Initial applicability; Employee Trust Funds.**

22 (1) CALCULATION OF ANNUITIES UNDER THE WISCONSIN RETIREMENT SYSTEM.

23 (a) Except as provided in paragraph (b), for elected officials, as defined in  
24 section 40.02 (24) of the statutes, who are participating employees in the Wisconsin  
25 retirement system, the treatment of section 40.23 (2m) (e) 2. of the statutes first

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1 applies to creditable service that is performed on the first day of a term of office that  
2 begins after the effective date of this paragraph.

3 (b) For supreme court justices, court of appeals judges, and circuit court judges,  
4 who are participating employees in the Wisconsin retirement system, the treatment  
5 of section 40.23 (2m) (e) 2. of the statutes first applies to creditable service that is  
6 performed on the day on which the next supreme court justice, court of appeals judge,  
7 or circuit court judge assumes office after the effective date of this paragraph.

8 (2) HEALTH CARE COVERAGE PREMIUMS. The treatment of sections 40.02 (25) (b)  
9 2., 40.05 (4) (ag) 1. and 2., (ar), and (c), 40.51 (7), and 40.52 (3) of the statutes and  
10 SECTION 9115 (5) of this act first apply to employees who are covered by a collective  
11 bargaining agreement that contains provisions inconsistent with those sections on  
12 the day on which the agreement expires or is terminated, extended, modified, or  
13 renewed, whichever occurs first.

14 (3) PAYMENT OF EMPLOYEE REQUIRED CONTRIBUTIONS. The treatment of sections  
15 40.05 (1) (a) (intro.), 1., 2., 3., and 4., (2m), and (2n), 40.32 (1), 59.875, 62.623, 66.0518,  
16 111.91 (1) (cm) and (2) (g), and 111.998 (1) (d) and (2) (d) of the statutes and SECTION  
17 9115 (6) of this act first apply to employees who are covered by a collective bargaining  
18 agreement that contains provisions inconsistent with those sections on the day on  
19 which the agreement expires or is terminated, extended, modified, or renewed,  
20 whichever occurs first.

21 (END)