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**PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION**

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1 AN ACT <sup>er</sup> ...; relating to: state finances, collective bargaining for public employees,  
 2 compensation and fringe benefits of public employees, state civil service  
 3 system, Medical Assistance program, sale of certain facilities, granting bonding  
 4 authority, and making an appropriation.

***Analysis by the Legislative Reference Bureau***

**COLLECTIVE BARGAINING**

Under current law, municipal employees have the right to collectively bargain over wages, hours, and conditions of employment under the Municipal Employment Relations Act (MERA), and state employees have the right to collectively bargain over wages, hours, and conditions of employment under the State Employment Labor Relations Act (SELRA). This bill changes MERA and SELRA with respect to all employees except employees who are certain protective occupation participants under the Wisconsin Retirement System or under a county or city retirement system (public safety employees). This bill limits the right to collectively bargain for all employees who are not public safety employees (general employees) to the subject of base wages. In addition, unless a referendum authorizes a greater increase, any general employee who is part of a collective bargaining unit is limited to bargaining over a percentage of total base wages increase that is no greater than the percentage change in the consumer price index. This bill also prohibits municipal employers from collectively bargaining with municipal general employees in ~~matters~~ that are not permitted under MERA.

matters ←

Under SELRA and MERA, a collective bargaining unit elects a labor organization as its representative once a majority of the employees in that collective bargaining unit who are actually voting votes for that labor organization; that labor organization remains the representative unless a percentage of members of the collective bargaining unit supports a petition for a new election and subsequently votes to decertify the representative. This bill requires an annual certification election of the labor organization that represents each collective bargaining unit containing general employees. If, at the election, less than 51 percent of the actual employees in the collective bargaining unit vote for a representative, then, at the expiration of the current collective bargaining agreement, the current representative is decertified and the members of the collective bargaining unit are nonrepresented and may not be represented for one year. This bill requires an initial certification election for represented state general employees in April 2011, for represented school district employees in the first May following the termination of their current collective bargaining agreements, and for other represented municipal general employees in the first December following the termination of their current collective bargaining agreements.

Currently, except for an initial collective bargaining agreement, the terms of collective bargaining agreements are generally two years for state and municipal employees, and current law does not prohibit collective bargaining agreements from being extended. This bill limits the term for general employees to one year and prohibits the extension of collective bargaining agreements.

Current law provides that state and municipal employees who are represented by a labor organization have the organization dues deducted from their salaries. Except for salary deductions for public safety employees, this bill prohibits the salary deductions for labor organization dues. This bill also allows a general employee to refrain from paying dues and remain a member of a collective bargaining unit.

Under current law, University of Wisconsin (UW) System employees, employees of the UW Hospitals and Clinics Authority, and certain home care and child care providers have the right to collectively bargain over wages, hours, and conditions of employment. This bill eliminates the rights of these employees to collectively bargain.

### **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 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

the Department of Employee Trust Funds (

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.

Under current law, state employees become participating employees in the WRS if they are expected to work at least one-third of what is considered full-time employment by DETF and have an expected duration of employment of one year or more. If a state employee becomes a WRS participating employee, the employee is also entitled to receive health insurance under the GIB program. A current group of state employees are appointed to state positions as limited term appointments in the state civil service, which are provisional appointments or appointments for less than 1,044 hours per year. This bill prohibits limited term appointments from participating in the WRS, as well as prohibits these employees from receiving health insurance under the GIB program.

This bill also requires the secretary of administration, the director of the Office of State Employee Relations (OSER), the secretary of employee trust funds, and the cochairpersons of the Joint Survey Committee on Retirement Systems (JSCRS) to study the WRS. The study must specifically address establishing a defined contribution plan as an option for WRS participating employees; establishing different vesting periods for employer contributions and eligibility for WRS retirement benefits; modifying the supplemental health insurance premium credit program for state employees; and permitting participating employees to not make employee required contributions under the WRS and limiting retirement benefits for these employees to a money purchase annuity. Under the bill, no later than June 30, 2012, the secretary of administration, the director of OSER, the secretary of employee trust funds, and the cochairpersons of JSCRS must report their findings and recommendations to the chief clerk of each house of the legislature, for distribution to the legislature.

### 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

Group Insurance Board (GIB)

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 OSER. Under the bill, the actual employer and employee share of premium costs is established on an annual basis by the director of OSER.

X For the remainder of 2011, however, ~~for pay periods after March 12, 2011~~, <sup>beginning in April</sup> 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 coverage under any plan offered in the tier with the highest employee premium cost. 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.

This bill requires the director of OSER and the secretary of employee trust funds to study the feasibility of offering to employees eligible to receive health care coverage under the GIB plans, beginning on January 1, 2013, the option of receiving health care coverage through either a low-cost health care coverage plan or through a high-deductible health plan and the establishment of a health savings account, as described under federal law. The study must also examine the feasibility of requiring state employees to receive health care coverage through a health benefits exchange established pursuant to the federal law and creating a health care insurance purchasing pool for all public employees and individuals receiving health care coverage under the Medical Assistance program. No later than June 30, 2012, the director and secretary shall report their findings and recommendations to the governor.

→ Current law also provides that ~~the~~ GIB may not enter into agreements to modify or expand group insurance coverage in a manner that conflicts with applicable statutes, or 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

the Department of Health Services

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 the 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. The 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 the GIB to contract with 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.

Currently, the attorney general, or his or her designee, serves on the GIB. This bill requires that the attorney general designee on the GIB must be an attorney.

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 CIVIL SERVICE SYSTEM**

Under current law, the governor may declare a state of emergency if he or she determines that an emergency exists resulting from a disaster or the imminent threat of a disaster. This bill authorizes a state agency to discharge any state employee who fails to report to work as scheduled for any three working days during a state of emergency or who participates in a strike, work stoppage, sit-down, stay-in, slowdown, or other concerted interruption of operations or services, including specifically purported mass resignations or sick calls. Under the bill, engaging in any of these actions constitutes just cause for discharge.

Currently, the director of the OSER has promulgated rules to establish a career executive program. The program provides state agencies with highly qualified executive candidates, provides outstanding administrative employees a broad opportunity for career advancement, and provides for the mobility of such employees among state agencies for the most advantageous use of their managerial and administrative skills. Under current administrative rules, an appointing authority may reassign a career executive employee from one career executive position to another career executive position within the same state agency. This bill permits an appointing authority to reassign an employee in a career executive position to a

the Joint Committee on Finance (

career executive position in any state agency if the appointing authority in the state agency to which the employee is to be reassigned approves of the reassignment.

This bill increases the number of unclassified division administrators by 35 FTE positions, decreases 36 FTE positions in executive branch agencies, which positions are to be determined by the secretary of administration, expands the definition of "division administrator" to include other managerial positions, and permits the director of OSER to appoint either a deputy director or an executive assistant in the unclassified service.

the Joint Committee on Legislative Organization

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

This bill reduces executive branch agency lapses and transfers to the general fund for the 2009-11 fiscal biennium that were required under 2007 Wisconsin Act 20 from \$200,000,000 to \$121,000,000, as well as reduces the expenditure authority of JCF during the 2010-11 fiscal year by \$4,590,400 from its general purpose revenue supplemental appropriation.

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 JCLO 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.

OTHER STATE GOVERNMENT

Currently, this state owns and operates numerous heating, cooling, and power plants that were constructed by the state to provide heating, cooling, and power to state facilities. DOA determines the method of operation of these plants and may delegate this authority to any other state agency that has managing authority for a plant. This bill permits DOA to sell or contract for the operation of any such plant. The bill exempts such sales and contracts from the requirement for PSC approval that may otherwise apply under current law. The bill provides that the net proceeds of any sale, after retirement of any outstanding state debt and any necessary repayment of federal financial assistance, is deposited in the budget stabilization fund. The bill also allows DOA, at any time, to petition the PSC to regulate as a public utility any person who purchases or contracts for the operation of any plant under the bill. Under current law, the PSC has regulatory authority over public utilities, including the authority to set rates for utility service.

The Department of Administration (

of the Public Service Commission (PSC)

## **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. Some services are provided through programs that operate under a waiver of federal laws related to medical assistance (MA waiver programs). This bill requires DHS to study potential changes to the MA state plan and to waivers of federal law relating to medical assistance for certain purposes, including increasing the cost effectiveness and efficiency of care for the MA program and MA waiver programs and improving the health status of individuals who receive benefits under the MA program or an MA waiver program. If DHS determines, as a result of the study, that revision of existing statutes or rules would be necessary to advance any of the purposes for which the study was conducted, DHS may promulgate rules to implement certain changes, including making certain requirements, modifying benefits, revising provider reimbursement models, developing standards and methodologies for eligibility, and reducing income levels for purposes of determining eligibility. Before promulgating a rule, DHS must submit the proposed rule and any plan developed as a result of the study to JCF for review. DHS must submit an amendment to the state MA plan or request a waiver of federal laws related to medical assistance, if necessary, to the extent necessary to implement any proposal. If the federal Department of Health and Human Services does not allow the amendment or does not grant the waiver, DHS may not put the rule into effect or implement the proposal. To reduce the eligibility income levels to a certain amount, DHS must request a waiver from the secretary of the federal Department of Health and Human Services to permit DHS to have in effect eligibility standards, methodologies, and procedures that are more restrictive than those in place on March 23, 2010. If DHS does not receive approval for the waiver, DHS must reduce the eligibility income levels for MA programs and MA waiver programs to 133 percent of the federal poverty line for adults who are not pregnant and not disabled, as allowed under federal law. DHS may promulgate the rules as emergency rules.

### **OTHER HEALTH AND HUMAN SERVICES**

This bill eliminates the UW Hospitals and Clinics Board, a state agency assigned the single duty to enter into a contractual services agreement with the UW Hospitals and Clinics Authority to provide the services of state employees who are in clerical, blue collar and nonbuilding trades, building trades crafts, security and public safety, and technical collective bargaining units. The bill also transfers all employees of the UW Hospitals and Clinics Board to the UW Hospitals and Clinics Authority.

### **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.

For further information see the *state and local* 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.** 7.33 (1) (c) of the statutes is amended to read:

2           7.33 (1) (c) "State agency" has the meaning given under s. 20.001 (1) and  
3 includes an authority created under subch. II of ch. 114 or ch. ~~52~~, 231, 232, 233, 234,  
4 or 237.

5           **SECTION 2.** 7.33 (4) of the statutes is amended to read:

6           7.33 (4) Except as otherwise provided in this subsection, each local  
7 governmental unit, as defined in s. 16.97 (7), may, and each state agency shall, upon  
8 proper application under sub. (3), permit each of its employees to serve as an election  
9 official under s. 7.30 without loss of fringe benefits or seniority privileges earned for  
10 scheduled working hours during the period specified in sub. (3), without loss of pay  
11 for scheduled working hours during the period specified in sub. (3) except as provided  
12 in sub. (5), and without any other penalty. For employees who are included in a  
13 collective bargaining unit for which a representative is recognized or certified under  
14 subch. V ~~or VI~~ of ch. 111, this subsection shall apply unless otherwise provided in a  
15 collective bargaining agreement.

16           **SECTION 3.** 13.111 (2) of the statutes is amended to read:

17           13.111 (2) **DUTIES.** The joint committee on employment relations shall perform  
18 the functions assigned to it under ~~subchs. subch. V and VI~~ of ch. 111, subch. II of ch.  
19 230 and ss. 16.53 (1) (d) 1., 20.916, 20.917, and 20.923 ~~and 40.05 (1) (b).~~



1           **SECTION 4.** 13.172 (1) of the statutes, as affected by 2011 Wisconsin Act ...  
2 (January 2011 Special Session Senate Bill 6), is amended to read:

3           13.172 (1) In this section, "agency" means an office, department, agency,  
4 institution of higher education, association, society, or other body in state  
5 government created or authorized to be created by the constitution or any law, that  
6 is entitled to expend moneys appropriated by law, including the legislature and the  
7 courts, and any authority created in subch. II of ch. 114 or subch. III of ch. 149 or in  
8 ch. ~~52~~, 231, 233, 234, 238, or 279.

9           **SECTION 5.** 13.48 (13) (a) of the statutes, as affected by 2011 Wisconsin Act ...  
10 (January 2011 Special Session Senate Bill 6), is amended to read:

11           13.48 (13) (a) Except as provided in par. (b) or (c), every building, structure or  
12 facility that is constructed for the benefit of or use of the state, any state agency,  
13 board, commission or department, the University of Wisconsin Hospitals and Clinics  
14 Authority, the Fox River Navigational System Authority, ~~the Wisconsin Quality~~  
15 ~~Home Care Authority~~, the Wisconsin Economic Development Corporation, or any  
16 local professional baseball park district created under subch. III of ch. 229 if the  
17 construction is undertaken by the department of administration on behalf of the  
18 district, shall be in compliance with all applicable state laws, rules, codes and  
19 regulations but the construction is not subject to the ordinances or regulations of the  
20 municipality in which the construction takes place except zoning, including without  
21 limitation because of enumeration ordinances or regulations relating to materials  
22 used, permits, supervision of construction or installation, payment of permit fees, or  
23 other restrictions.

24           **SECTION 6.** 13.62 (2) of the statutes, as affected by 2011 Wisconsin Act ...  
25 (January 2011 Special Session Senate Bill 6), is amended to read:

**SECTION 6**

1           13.62 (2) "Agency" means any board, commission, department, office, society,  
2 institution of higher education, council, or committee in the state government, or any  
3 authority created in subch. II of ch. 114 or subch. III of ch. 149 or in ch. 52, 231, 232,  
4 233, 234, 237, 238, or 279, except that the term does not include a council or  
5 committee of the legislature.

6           **SECTION 7.** 13.94 (4) (a) 1. of the statutes, as affected by 2011 Wisconsin Act ...  
7 (January 2011 Special Session Senate Bill 6), is amended to read:

8           13.94 (4) (a) 1. Every state department, board, examining board, affiliated  
9 credentialing board, commission, independent agency, council or office in the  
10 executive branch of state government; all bodies created by the legislature in the  
11 legislative or judicial branch of state government; any public body corporate and  
12 politic created by the legislature including specifically ~~the Wisconsin Quality Home~~  
13 ~~Care Authority~~, the Fox River Navigational System Authority, the Lower Fox River  
14 Remediation Authority, ~~and~~ the Wisconsin Aerospace Authority, and the Wisconsin  
15 Economic Development Corporation, a professional baseball park district, a local  
16 professional football stadium district, a local cultural arts district and a long-term  
17 care district under s. 46.2895; every Wisconsin works agency under subch. III of ch.  
18 49; every provider of medical assistance under subch. IV of ch. 49; technical college  
19 district boards; every county department under s. 51.42 or 51.437; every nonprofit  
20 corporation or cooperative or unincorporated cooperative association to which  
21 moneys are specifically appropriated by state law; and every corporation, institution,  
22 association or other organization which receives more than 50% of its annual budget  
23 from appropriations made by state law, including subgrantee or subcontractor  
24 recipients of such funds.

1           **SECTION 8.** 13.95 (intro.) of the statutes, as affected by 2011 Wisconsin Act ....  
2 (January 2011 Special Session Senate Bill 6), is amended to read:

3           **13.95 Legislative fiscal bureau.** (intro.) There is created a bureau to be  
4 known as the "Legislative Fiscal Bureau" headed by a director. The fiscal bureau  
5 shall be strictly nonpartisan and shall at all times observe the confidential nature  
6 of the research requests received by it; however, with the prior approval of the  
7 requester in each instance, the bureau may duplicate the results of its research for  
8 distribution. Subject to s. 230.35 (4) (a) and (f), the director or the director's  
9 designated employees shall at all times, with or without notice, have access to all  
10 state agencies, the University of Wisconsin Hospitals and Clinics Authority, the  
11 Wisconsin Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority,  
12 the Lower Fox River Remediation Authority, ~~the Wisconsin Quality Home Care~~  
13 ~~Authority~~, the Wisconsin Economic Development Corporation, and the Fox River  
14 Navigational System Authority, and to any books, records, or other documents  
15 maintained by such agencies or authorities and relating to their expenditures,  
16 revenues, operations, and structure.

17           **SECTION 9.** 15.07 (1) (a) 6. of the statutes is repealed.

18           **SECTION 10.** 15.07 (4) of the statutes is amended to read:

19           **15.07 (4) QUORUM.** A majority of the membership of a board constitutes a  
20 quorum to do business and, unless a more restrictive provision is adopted by the  
21 board, a majority of a quorum may act in any matter within the jurisdiction of the  
22 board. This subsection does not apply to actions of the government accountability  
23 board, ~~the University of Wisconsin Hospitals and Clinics Board~~, or the school district  
24 boundary appeal board as provided in ss. 5.05 (1e), ~~15.96 (2)~~, and 117.05 (2) (a).

25           **SECTION 11.** 15.165 (2) of the statutes is amended to read:

1           15.165 (2) GROUP INSURANCE BOARD. There is created in the department of  
2 employee trust funds a group insurance board. The board shall consist of the  
3 governor, the attorney general, the secretary of administration, the director of the  
4 office of state employment relations, and the commissioner of insurance or their  
5 designees, and 6 persons appointed for 2-year terms, of whom one shall be an insured  
6 participant in the Wisconsin Retirement System who is not a teacher, one shall be  
7 an insured participant in the Wisconsin Retirement System who is a teacher, one  
8 shall be an insured participant in the Wisconsin Retirement System who is a retired  
9 employee, one shall be an insured employee of a local unit of government, and one  
10 shall be the chief executive or a member of the governing body of a local unit of  
11 government that is a participating employer in the Wisconsin Retirement System.  
12 The designee of the attorney general shall be an attorney.

13           **SECTION 12.** 15.96 of the statutes is repealed.

14           **SECTION 13.** 16.002 (2) of the statutes, as affected by 2011 Wisconsin Act ...  
15 (January 2011 Special Session Senate Bill 6), is amended to read:

16           16.002 (2) "Departments" means constitutional offices, departments, and  
17 independent agencies and includes all societies, associations, and other agencies of  
18 state government for which appropriations are made by law, but not including  
19 authorities created in subch. II of ch. 114 or subch. III of ch. 149 or in ch. 52, 231, 232,  
20 233, 234, 235, 237, 238, or 279.

21           **SECTION 14.** 16.004 (4) of the statutes, as affected by 2011 Wisconsin Act ...  
22 (January 2011 Special Session Senate Bill 6), is amended to read:

23           16.004 (4) FREEDOM OF ACCESS. The secretary and such employees of the  
24 department as the secretary designates may enter into the offices of state agencies  
25 and authorities created under subch. II of ch. 114 ~~or~~ and subch. III of ch. 149 and

1 under chs. ~~52~~, 231, 233, 234, 237, 238, and 279, and may examine their books and  
2 accounts and any other matter that in the secretary's judgment should be examined  
3 and may interrogate the agency's employees publicly or privately relative thereto.

4 **SECTION 15.** 16.004 (5) of the statutes, as affected by 2011 Wisconsin Act ....  
5 (January 2011 Special Session Senate Bill 6), is amended to read:

6 16.004 (5) AGENCIES AND EMPLOYEES TO COOPERATE. All state agencies and  
7 authorities created under subch. II of ch. 114 ~~or~~ and subch. III of ch. 149 and under  
8 chs. ~~52~~, 231, 233, 234, 237, 238, and 279, and their officers and employees, shall  
9 cooperate with the secretary and shall comply with every request of the secretary  
10 relating to his or her functions.

11 **SECTION 16.** 16.004 (12) (a) of the statutes, as affected by 2011 Wisconsin Act  
12 .... (January 2011 Special Session Senate Bill 6), is amended to read:

13 16.004 (12) (a) In this subsection, "state agency" means an association,  
14 authority, board, department, commission, independent agency, institution, office,  
15 society, or other body in state government created or authorized to be created by the  
16 constitution or any law, including the legislature, the office of the governor, and the  
17 courts, but excluding the University of Wisconsin Hospitals and Clinics Authority,  
18 the Wisconsin Aerospace Authority, the Health Insurance Risk-Sharing Plan  
19 Authority, the Lower Fox River Remediation Authority, ~~the Wisconsin Quality Home~~  
20 ~~Care Authority~~, the Wisconsin Economic Development Corporation, and the Fox  
21 River Navigational System Authority.

22 **SECTION 17.** 16.045 (1) (a) of the statutes, as affected by 2011 Wisconsin Act ....  
23 (January 2011 Special Session Senate Bill 6), is amended to read:

24 16.045 (1) (a) "Agency" means an office, department, independent agency,  
25 institution of higher education, association, society, or other body in state

**SECTION 17**

1 government created or authorized to be created by the constitution or any law, that  
2 is entitled to expend moneys appropriated by law, including the legislature and the  
3 courts, but not including an authority created in subch. II of ch. 114 or subch. III of  
4 ch. 149 or in ch. ~~52~~, 231, 232, 233, 234, 235, 237, 238, or 279.

5 **SECTION 18.** 16.15 (1) (ab) of the statutes, as affected by 2011 Wisconsin Act ...  
6 (January 2011 Special Session Senate Bill 6), is amended to read:

7 16.15 (1) (ab) "Authority" has the meaning given under s. 16.70 (2), but  
8 excludes the University of Wisconsin Hospitals and Clinics Authority, the Lower Fox  
9 River Remediation Authority, ~~the Wisconsin Quality Home Care Authority~~, the  
10 Wisconsin Economic Development Corporation, and the Health Insurance  
11 Risk-Sharing Plan Authority.

12 **SECTION 19.** 16.41 (4) of the statutes, as affected by 2011 Wisconsin Act ...  
13 (January 2011 Special Session Senate Bill 6), is amended to read:

14 16.41 (4) In this section, "authority" means a body created under subch. II of  
15 ch. 114 or subch. III of ch. 149 or under ch. ~~52~~, 231, 233, 234, 237, 238, or 279.

16 **SECTION 20.** 16.417 (1) (b) of the statutes, as affected by 2011 Wisconsin Act ...  
17 (January 2011 Special Session Senate Bill 6), is amended to read:

18 16.417 (1) (b) "Authority" means a body created under subch. II of ch. 114 or  
19 ch. ~~52~~, 231, 232, 233, 234, 235, 237, 238, or 279.

20 **SECTION 21.** 16.50 (3) (b) of the statutes is amended to read:

21 16.50 (3) (b) No change in the number of full-time equivalent positions  
22 authorized through the biennial budget process or other legislative act may be made  
23 without the approval of the joint committee on finance, except for position changes  
24 made by the governor under s. 16.505 (1) (c) or (2), ~~by the University of Wisconsin~~

1 ~~Hospitals and Clinics Board under s. 16.505 (2n)~~, or by the board of regents of the  
2 University of Wisconsin System under s. 16.505 (2m) or (2p).

3 **SECTION 22.** 16.50 (3) (e) of the statutes is amended to read:

4 16.50 (3) (e) No pay increase may be approved unless it is at the rate or within  
5 the pay ranges prescribed in the compensation plan or as provided in a collective  
6 bargaining agreement under subch. V ~~or VI~~ of ch. 111.

7 **SECTION 23.** 16.505 (1) (intro.) of the statutes is amended to read:

8 16.505 (1) (intro.) Except as provided in subs. (2), (2m), ~~(2n)~~, and (2p), no  
9 position, as defined in s. 230.03 (11), regardless of funding source or type, may be  
10 created or abolished unless authorized by one of the following:

11 **SECTION 24.** 16.505 (2n) of the statutes is repealed.

12 **SECTION 25.** 16.52 (7) of the statutes, as affected by 2011 Wisconsin Act ....  
13 (January 2011 Special Session Senate Bill 6), is amended to read:

14 16.52 (7) PETTY CASH ACCOUNT. With the approval of the secretary, each agency  
15 that is authorized to maintain a contingent fund under s. 20.920 may establish a  
16 petty cash account from its contingent fund. The procedure for operation and  
17 maintenance of petty cash accounts and the character of expenditures therefrom  
18 shall be prescribed by the secretary. In this subsection, "agency" means an office,  
19 department, independent agency, institution of higher education, association,  
20 society, or other body in state government created or authorized to be created by the  
21 constitution or any law, that is entitled to expend moneys appropriated by law,  
22 including the legislature and the courts, but not including an authority created in  
23 subch. II of ch. 114 or subch. III of ch. 149 or in ch. ~~52~~, 231, 233, 234, 237, 238, or 279.

24 **SECTION 26.** 16.528 (1) (a) of the statutes, as affected by 2011 Wisconsin Act ....  
25 (January 2011 Special Session Senate Bill 6), is amended to read:

1           16.528 (1) (a) “Agency” means an office, department, independent agency,  
2 institution of higher education, association, society, or other body in state  
3 government created or authorized to be created by the constitution or any law, that  
4 is entitled to expend moneys appropriated by law, including the legislature and the  
5 courts, but not including an authority created in subch. II of ch. 114 or subch. III of  
6 ch. 149 or in ch. ~~52~~, 231, 233, 234, 237, 238, or 279.

7           **SECTION 27.** 16.53 (2) of the statutes, as affected by 2011 Wisconsin Act ....  
8 (January 2011 Special Session Senate Bill 6), is amended to read:

9           16.53 (2) IMPROPER INVOICES. If an agency receives an improperly completed  
10 invoice, the agency shall notify the sender of the invoice within 10 working days after  
11 it receives the invoice of the reason it is improperly completed. In this subsection,  
12 “agency” means an office, department, independent agency, institution of higher  
13 education, association, society, or other body in state government created or  
14 authorized to be created by the constitution or any law, that is entitled to expend  
15 moneys appropriated by law, including the legislature and the courts, but not  
16 including an authority created in subch. II of ch. 114 or subch. III of ch. 149 or in ch.  
17 ~~52~~, 231, 233, 234, 237, 238, or 279.

18           **SECTION 28.** 16.54 (9) (a) 1. of the statutes, as affected by 2011 Wisconsin Act  
19 .... (January 2011 Special Session Senate Bill 6), is amended to read:

20           16.54 (9) (a) 1. “Agency” means an office, department, independent agency,  
21 institution of higher education, association, society or other body in state  
22 government created or authorized to be created by the constitution or any law, which  
23 is entitled to expend moneys appropriated by law, including the legislature and the  
24 courts, but not including an authority created in subch. II of ch. 114 or subch. III of  
25 ch. 149 or in ch. ~~52~~, 231, 233, 234, 237, 238, or 279.



1           **SECTION 29.** 16.70 (2) of the statutes is amended to read:

2           16.70 (2) "Authority" means a body created under subch. II of ch. 114 or subch.  
3           III of ch. 149 or under ch. 52, 231, 232, 233, 234, 235, 237, or 279.

4           **SECTION 30.** 16.705 (3) of the statutes is repealed.

5           **SECTION 31.** 16.765 (1) of the statutes, as affected by 2011 Wisconsin Act ...  
6           (January 2011 Special Session Senate Bill 6), is amended to read:

7           16.765 (1) Contracting agencies, the University of Wisconsin Hospitals and  
8           Clinics Authority, the Fox River Navigational System Authority, the Wisconsin  
9           Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority, the Lower  
10          Fox River Remediation Authority, ~~the Wisconsin Quality Home Care Authority~~, the  
11          Wisconsin Economic Development Corporation, and the Bradley Center Sports and  
12          Entertainment Corporation shall include in all contracts executed by them a  
13          provision obligating the contractor not to discriminate against any employee or  
14          applicant for employment because of age, race, religion, color, handicap, sex, physical  
15          condition, developmental disability as defined in s. 51.01 (5), sexual orientation as  
16          defined in s. 111.32 (13m), or national origin and, except with respect to sexual  
17          orientation, obligating the contractor to take affirmative action to ensure equal  
18          employment opportunities.

19          **SECTION 32.** 16.765 (2) of the statutes, as affected by 2011 Wisconsin Act ...  
20          (January 2011 Special Session Senate Bill 6), is amended to read:

21          16.765 (2) Contracting agencies, the University of Wisconsin Hospitals and  
22          Clinics Authority, the Fox River Navigational System Authority, the Wisconsin  
23          Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority, the Lower  
24          Fox River Remediation Authority, ~~the Wisconsin Quality Home Care Authority~~, the  
25          Wisconsin Economic Development Corporation, and the Bradley Center Sports and

1 Entertainment Corporation shall include the following provision in every contract  
2 executed by them: "In connection with the performance of work under this contract,  
3 the contractor agrees not to discriminate against any employee or applicant for  
4 employment because of age, race, religion, color, handicap, sex, physical condition,  
5 developmental disability as defined in s. 51.01 (5), sexual orientation or national  
6 origin. This provision shall include, but not be limited to, the following: employment,  
7 upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or  
8 termination; rates of pay or other forms of compensation; and selection for training,  
9 including apprenticeship. Except with respect to sexual orientation, the contractor  
10 further agrees to take affirmative action to ensure equal employment opportunities.  
11 The contractor agrees to post in conspicuous places, available for employees and  
12 applicants for employment, notices to be provided by the contracting officer setting  
13 forth the provisions of the nondiscrimination clause".

14 **SECTION 33.** 16.765 (4) of the statutes is amended to read:

15 16.765 (4) Contracting agencies, the University of Wisconsin Hospitals and  
16 Clinics Authority, the Fox River Navigational System Authority, the Wisconsin  
17 Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority, the Lower  
18 Fox River Remediation Authority, ~~the Wisconsin Quality Home Care Authority,~~ and  
19 the Bradley Center Sports and Entertainment Corporation shall take appropriate  
20 action to revise the standard government contract forms under this section.

21 **SECTION 34.** 16.765 (5) of the statutes, as affected by 2011 Wisconsin Act ....  
22 (January 2011 Special Session Senate Bill 6), is amended to read:

23 16.765 (5) The head of each contracting agency and the boards of directors of  
24 the University of Wisconsin Hospitals and Clinics Authority, the Fox River  
25 Navigational System Authority, the Wisconsin Aerospace Authority, the Health

1 Insurance Risk-Sharing Plan Authority, the Lower Fox River Remediation  
2 Authority, ~~the Wisconsin Quality Home Care Authority~~, the Wisconsin Economic  
3 Development Corporation, and the Bradley Center Sports and Entertainment  
4 Corporation shall be primarily responsible for obtaining compliance by any  
5 contractor with the nondiscrimination and affirmative action provisions prescribed  
6 by this section, according to procedures recommended by the department. The  
7 department shall make recommendations to the contracting agencies and the boards  
8 of directors of the University of Wisconsin Hospitals and Clinics Authority, the Fox  
9 River Navigational System Authority, the Wisconsin Aerospace Authority, the  
10 Health Insurance Risk-Sharing Plan Authority, the Lower Fox River Remediation  
11 Authority, ~~the Wisconsin Quality Home Care Authority~~, the Wisconsin Economic  
12 Development Corporation, and the Bradley Center Sports and Entertainment  
13 Corporation for improving and making more effective the nondiscrimination and  
14 affirmative action provisions of contracts. The department shall promulgate such  
15 rules as may be necessary for the performance of its functions under this section.

16 **SECTION 35.** 16.765 (6) of the statutes, as affected by 2011 Wisconsin Act ....  
17 (January 2011 Special Session Senate Bill 6), is amended to read:

18 16.765 (6) The department may receive complaints of alleged violations of the  
19 nondiscrimination provisions of such contracts. The department shall investigate  
20 and determine whether a violation of this section has occurred. The department may  
21 delegate this authority to the contracting agency, the University of Wisconsin  
22 Hospitals and Clinics Authority, the Fox River Navigational System Authority, the  
23 Wisconsin Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority,  
24 the Lower Fox River Remediation Authority, ~~the Wisconsin Quality Home Care~~  
25 ~~Authority~~, the Wisconsin Economic Development Corporation, or the Bradley Center

1 Sports and Entertainment Corporation for processing in accordance with the  
2 department's procedures.

3 **SECTION 36.** 16.765 (7) (intro.) of the statutes, as affected by 2011 Wisconsin  
4 Act .... (January 2011 Special Session Senate Bill 6), is amended to read:

5 16.765 (7) (intro.) When a violation of this section has been determined by the  
6 department, the contracting agency, the University of Wisconsin Hospitals and  
7 Clinics Authority, the Fox River Navigational System Authority, the Wisconsin  
8 Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority, the Lower  
9 Fox River Remediation Authority, ~~the Wisconsin Quality Home Care Authority~~, the  
10 Wisconsin Economic Development Corporation, or the Bradley Center Sports and  
11 Entertainment Corporation, the contracting agency, the University of Wisconsin  
12 Hospitals and Clinics Authority, the Fox River Navigational System Authority, the  
13 Wisconsin Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority,  
14 the Lower Fox River Remediation Authority, ~~the Wisconsin Quality Home Care~~  
15 ~~Authority~~, the Wisconsin Economic Development Corporation, or the Bradley Center  
16 Sports and Entertainment Corporation shall:

17 **SECTION 37.** 16.765 (7) (d) of the statutes, as affected by 2011 Wisconsin Act ....  
18 (January 2011 Special Session Senate Bill 6), is amended to read:

19 16.765 (7) (d) Direct the violating party to take immediate steps to prevent  
20 further violations of this section and to report its corrective action to the contracting  
21 agency, the University of Wisconsin Hospitals and Clinics Authority, the Fox River  
22 Navigational System Authority, the Wisconsin Aerospace Authority, the Health  
23 Insurance Risk-Sharing Plan Authority, the Lower Fox River Remediation  
24 Authority, ~~the Wisconsin Quality Home Care Authority~~, the Wisconsin Economic

1 Development Corporation, or the Bradley Center Sports and Entertainment  
2 Corporation.

3 **SECTION 38.** 16.765 (8) of the statutes, as affected by 2011 Wisconsin Act ....  
4 (January 2011 Special Session Senate Bill 6), is amended to read:

5 16.765 (8) If further violations of this section are committed during the term  
6 of the contract, the contracting agency, the Fox River Navigational System Authority,  
7 the Wisconsin Aerospace Authority, the Health Insurance Risk-Sharing Plan  
8 Authority, the Lower Fox River Remediation Authority, ~~the Wisconsin Quality Home~~  
9 ~~Care Authority~~, the Wisconsin Economic Development Corporation, or the Bradley  
10 Center Sports and Entertainment Corporation may permit the violating party to  
11 complete the contract, after complying with this section, but thereafter the  
12 contracting agency, the Fox River Navigational System Authority, the Wisconsin  
13 Aerospace Authority, the Health Insurance Risk-Sharing Plan Authority, the Lower  
14 Fox River Remediation Authority, ~~the Wisconsin Quality Home Care Authority~~, the  
15 Wisconsin Economic Development Corporation, or the Bradley Center Sports and  
16 Entertainment Corporation shall request the department to place the name of the  
17 party on the ineligible list for state contracts, or the contracting agency, the Fox River  
18 Navigational System Authority, the Wisconsin Aerospace Authority, the Health  
19 Insurance Risk-Sharing Plan Authority, the Lower Fox River Remediation  
20 Authority, ~~the Wisconsin Quality Home Care Authority~~, the Wisconsin Economic  
21 Development Corporation, or the Bradley Center Sports and Entertainment  
22 Corporation may terminate the contract without liability for the uncompleted  
23 portion or any materials or services purchased or paid for by the contracting party  
24 for use in completing the contract.

25 **SECTION 39.** 16.84 (1) of the statutes is amended to read:

**SECTION 39**

1           16.84 (1) Have charge of, operate, maintain and keep in repair the state capitol  
2 building, the executive residence, ~~the light, heat and power plant~~, the state office  
3 buildings ~~and their power plants, any heating, cooling, and power plants owned and~~  
4 ~~operated by the state serving those properties~~, the grounds connected ~~therewith with~~  
5 ~~those properties~~, and such other state properties as are designated by law. All costs  
6 of such operation and maintenance shall be paid from the appropriations under s.  
7 20.505 (5) (ka) and (kb), except for debt service costs paid under s. 20.866 (1) (u). The  
8 department shall transfer moneys from the appropriation under s. 20.505 (5) (ka) to  
9 the appropriation account under s. 20.505 (5) (kc) sufficient to make principal and  
10 interest payments on state facilities and payments to the United States under s.  
11 13.488 (1) (m).

12           **SECTION 40.** 16.848 (5) of the statutes is created to read:

13           16.848 (5) This section does not apply to the sale of any state-owned heating,  
14 cooling, and power plant. Any sale of such a plant is governed exclusively by s.  
15 16.896.

16           **SECTION 41.** 16.85 (2) of the statutes, as affected by 2011 Wisconsin Act ....  
17 (January 2011 Special Session Senate Bill 6), is amended to read:

18           16.85 (2) To furnish engineering, architectural, project management, and other  
19 building construction services whenever requisitions therefor are presented to the  
20 department by any agency. The department may deposit moneys received from the  
21 provision of these services in the account under s. 20.505 (1) (kc) or in the general  
22 fund as general purpose revenue — earned. In this subsection, “agency” means an  
23 office, department, independent agency, institution of higher education, association,  
24 society, or other body in state government created or authorized to be created by the  
25 constitution or any law, which is entitled to expend moneys appropriated by law,

1 including the legislature and the courts, but not including an authority created in  
2 subch. II of ch. 114 or subch. III of ch. 149 or in ch. ~~52~~, 231, 233, 234, 237, 238, or 279.

3 **SECTION 42.** 16.865 (8) of the statutes, as affected by 2011 Wisconsin Act ....  
4 (January 2011 Special Session Senate Bill 6), is amended to read:

5 16.865 (8) Annually in each fiscal year, allocate as a charge to each agency a  
6 proportionate share of the estimated costs attributable to programs administered by  
7 the agency to be paid from the appropriation under s. 20.505 (2) (k). The department  
8 may charge premiums to agencies to finance costs under this subsection and pay the  
9 costs from the appropriation on an actual basis. The department shall deposit all  
10 collections under this subsection in the appropriation account under s. 20.505 (2) (k).  
11 Costs assessed under this subsection may include judgments, investigative and  
12 adjustment fees, data processing and staff support costs, program administration  
13 costs, litigation costs, and the cost of insurance contracts under sub. (5). In this  
14 subsection, "agency" means an office, department, independent agency, institution  
15 of higher education, association, society, or other body in state government created  
16 or authorized to be created by the constitution or any law, that is entitled to expend  
17 moneys appropriated by law, including the legislature and the courts, but not  
18 including an authority created in subch. II of ch. 114 or subch. III of ch. 149 or in ch.  
19 ~~52~~, 231, 232, 233, 234, 235, 237, 238, or 279.

20 **SECTION 43.** 16.895 (2) (h) of the statutes is amended to read:

21 16.895 (2) (h) Periodically assess to agencies their proportionate cost of the  
22 expenses incurred by the department under this subsection and ss. 16.85 (4), 16.896  
23 (1), 16.90, 16.91 and 16.92 in accordance with a method of apportionment determined  
24 by the department.

25 **SECTION 44.** 16.896 of the statutes is created to read:

1           **16.896 Sale or contractual operation of state-owned heating, cooling,**  
2 **and power plants. (1)** Notwithstanding ss. 13.48 (14) (am) and 16.705 (1), the  
3 department may sell any state-owned heating, cooling, and power plant or may  
4 contract with a private entity for the operation of any such plant, with or without  
5 solicitation of bids, for any amount that the department determines to be in the best  
6 interest of the state. Notwithstanding ss. 196.49 and 196.80, no approval or  
7 certification of the public service commission is necessary for a public utility to  
8 purchase, or contract for the operation of, such a plant. **(INSERT 24-8)**

9           **(2)** If there is any outstanding public debt used to finance the acquisition,  
10 construction, or improvement of any plant that is sold under sub. (1), the department  
11 shall deposit a sufficient amount of the net proceeds from the sale of the property in  
12 the bond security and redemption fund under s. 18.09 to repay the principal and pay  
13 the interest on the debt, and any premium due upon refunding of the debt. If the  
14 property was acquired, constructed, or improved with federal financial assistance,  
15 the department shall repay to the federal government any of the net proceeds  
16 required by federal law.

17           **(3)** Except as provided in s. 51.06 (6), if there is no such debt outstanding or  
18 there are no moneys payable to the federal government, or if the net proceeds exceed  
19 the amount required to be deposited or paid under sub. (2), the department shall  
20 deposit the net proceeds or remaining net proceeds in the budget stabilization fund.

21           **(4)** If the department sells or contracts for the operation of any state-owned  
22 heating, cooling, and power plant under sub. (1), the department may attach such  
23 conditions to the sale or contract as it finds to be in the best interest of the state. Any  
24 such contract shall provide that, unless otherwise expressly agreed between the  
25 parties, the purchaser or contractor will continue to operate the plant and keep it in



1 good repair, and will continue to provide adequate and sufficient heating, cooling,  
2 and power to meet the state's current and future needs. Any such contract shall also  
3 require the purchaser or contractor to submit to the jurisdiction of the public service  
4 commission under ch. 196 if the commission determines to regulate the purchaser  
5 or contractor as a public utility under s. 196.025 (7).

6 (5) (a) In this subsection, "state agency" has the meaning given under s. 20.001  
7 (1).

8 (b) Notwithstanding s. 16.50 (1), the secretary shall require submission of  
9 expenditure estimates under s. 16.50 (2) for each state agency that proposes to  
10 expend moneys from any appropriation for the operation of a state-owned heating,  
11 cooling, and power plant during any fiscal biennium in which the plant is sold or in  
12 which the department contracts for operation of the plant. Notwithstanding s. 16.50  
13 (2), the secretary shall disapprove any such estimate for any period during which  
14 that plant is owned or operated by a private entity. The secretary may then require  
15 the use of the amounts of any disapproved expenditure estimates for the purpose of  
16 purchase of contractual services relating to heating, cooling, or power for state  
17 facilities or payment of the costs of purchasing heating, cooling, or power for the state  
18 agencies or facilities for which the amounts were appropriated.

19 (c) If the department sells or contracts for the operation of any state-owned  
20 heating, cooling, and power plant under sub. (1), the secretary may identify any  
21 full-time equivalent positions authorized for the state agency that has operating  
22 authority for the plant, the duties of which primarily relate to the management or  
23 operation of the plant, and may decrease the authorized full-time equivalent  
24 positions for that state agency by the number of positions so identified effective on  
25 the date that the state agency no longer has operating authority for the plant.

1 (d) Notwithstanding ss. 20.001 (3) (a) to (c) and 25.40 (3), the secretary may  
2 lapse or transfer to the general fund from the unencumbered balances of  
3 appropriations to any state agency, other than sum sufficient appropriations and  
4 appropriations of federal revenues, any amount appropriated to a state agency that  
5 is determined by the secretary to be allocated for the purpose of management or  
6 operation of a plant that is sold or the operation of which is contracted under sub. (1)  
7 effective on the date that the state agency to which the moneys are appropriated no  
8 longer has operating authority for the plant.

9 (e) The secretary shall notify the cochairpersons of the joint committee on  
10 finance of any action taken by the secretary under this subsection.

11 **SECTION 45.** 19.42 (10) (s) of the statutes is repealed.

12 **SECTION 46.** 19.42 (13) (o) of the statutes is repealed.

13 **SECTION 47.** 19.82 (1) of the statutes is amended to read:

14 19.82 (1) "Governmental body" means a state or local agency, board,  
15 commission, committee, council, department or public body corporate and politic  
16 created by constitution, statute, ordinance, rule or order; a governmental or  
17 quasi-governmental corporation except for the Bradley center sports and  
18 entertainment corporation; a local exposition district under subch. II of ch. 229; a  
19 long-term care district under s. 46.2895; or a formally constituted subunit of any of  
20 the foregoing, but excludes any such body or committee or subunit of such body which  
21 is formed for or meeting for the purpose of collective bargaining under subch. I, IV,  
22 or V, or VI of ch. 111.

23 **SECTION 48.** 19.85 (3) of the statutes is amended to read:

24 19.85 (3) Nothing in this subchapter shall be construed to authorize a  
25 governmental body to consider at a meeting in closed session the final ratification or

1 approval of a collective bargaining agreement under subch. I, IV, or V, or VI of ch. 111  
2 which has been negotiated by such body or on its behalf.

3 **SECTION 49.** 19.86 of the statutes is amended to read:

4 **19.86 Notice of collective bargaining negotiations.** Notwithstanding s.  
5 19.82 (1), where notice has been given by either party to a collective bargaining  
6 agreement under subch. I, IV, or V, or VI of ch. 111 to reopen such agreement at its  
7 expiration date, the employer shall give notice of such contract reopening as provided  
8 in s. 19.84 (1) (b). If the employer is not a governmental body, notice shall be given  
9 by the employer's chief officer or such person's designee.

10 **SECTION 50.** 20.425 (1) (a) of the statutes is amended to read:

11 20.425 (1) (a) *General program operations.* The amounts in the schedule for  
12 the purposes provided in subchs. I, IV, and V, and VI of ch. 111 and s. 230.45 (1).

13 **SECTION 51.** 20.425 (1) (i) of the statutes is amended to read:

14 20.425 (1) (i) *Fees, collective bargaining training, publications, and appeals.*  
15 The amounts in the schedule for the performance of fact-finding, mediation,  
16 certification, and arbitration functions, for the provision of copies of transcripts, for  
17 the cost of operating training programs under ss. 111.09 (3), ~~111.71 (5)~~, and 111.94  
18 (3), for the preparation of publications, transcripts, reports, and other copied  
19 material, and for costs related to conducting appeals under s. 230.45. All moneys  
20 received under ss. 111.09 (1) and (2), 111.70 (4) (d) 3. b., 111.71 (1) and (2), 111.83 (3)  
21 (b), 111.94 (1) and (2), ~~111.9993~~, and 230.45 (3), all moneys received from arbitrators  
22 and arbitration panel members, and individuals who are interested in serving in  
23 such positions, and from individuals and organizations who participate in other  
24 collective bargaining training programs conducted by the commission, and all

1 moneys received from the sale of publications, transcripts, reports, and other copied  
2 material shall be credited to this appropriation account.

3 **SECTION 52.** 20.495 of the statutes is repealed.

4 **SECTION 53.** 20.515 (1) (d) of the statutes is created to read:

5 20.515 (1) (d) *Health insurance and retirement studies.* A sum sufficient to fund  
6 the cost of studies, including any actuarial studies and costs incurred by the  
7 department of employee trust funds, conducted under 2011 Wisconsin Act ... (this  
8 act), section 9115 (1) and (3). No moneys may be expended from this appropriation  
9 without the approval of the secretary of administration.

10 **SECTION 54.** 20.515 (1) (ut) of the statutes is amended to read:

11 20.515 (1) (ut) *Health insurance data collection and analysis and other*  
12 *consulting services contracts.* From the public employee trust fund, the amounts in  
13 the schedule for the costs of contracting for insurance data collection and analysis  
14 services under ss. 40.03 (6) (j) and 153.05 (2r) and other consulting services contracts  
15 under s. 40.03 (6) (j).

16 **SECTION 55.** 20.545 (1) (k) of the statutes is amended to read:

17 20.545 (1) (k) *General program operations.* The amounts in the schedule to  
18 administer state employment relations functions and the civil service system under  
19 ~~subchs. subch. V and VI~~ of ch. 111 and ch. 230, to pay awards under s. 230.48, and  
20 to defray the expenses of the state employees suggestion board. All moneys received  
21 from state agencies for materials and services provided by the office of state  
22 employment relations shall be credited to this appropriation.

23 **SECTION 56.** 20.545 (1) (km) of the statutes is amended to read:

24 20.545 (1) (km) *Collective bargaining grievance arbitrations.* The amounts in  
25 the schedule for the payment of the state's share of costs related to collective

1 bargaining grievance arbitrations under s. 111.86 ~~and related to collective~~  
2 ~~bargaining grievance arbitrations under s. 111.993~~. All moneys received from state  
3 agencies for the purpose of reimbursing the state's share of the costs related to  
4 grievance arbitrations under s. 111.86 and to reimburse the state's share of costs for  
5 training related to grievance arbitrations, ~~and all moneys received from institutions,~~  
6 ~~as defined in s. 36.05 (9), for the purpose of reimbursing the state's share of the costs~~  
7 ~~related to grievance arbitrations under s. 111.993 and to reimburse the state's share~~  
8 ~~of costs for training related to grievance arbitrations~~ shall be credited to this  
9 appropriation account.

10 **SECTION 57.** 20.865 (1) (ci) of the statutes is amended to read:

11 20.865 (1) (ci) *Nonrepresented university system senior executive, faculty and*  
12 *academic pay adjustments.* A sum sufficient to pay the cost of pay and related  
13 adjustments approved by the joint committee on employment relations under s.  
14 230.12 (3) (e) for University of Wisconsin System employees under ss. 20.923 (4g), (5)  
15 and (6) (m) and 230.08 (2) (d) who are not included within a collective bargaining unit  
16 for which a representative is certified under subch. V ~~or VI~~ of ch. 111, as determined  
17 under s. 20.928, other than adjustments funded under par. (cj).

18 **SECTION 58.** 20.865 (1) (cm) of the statutes is repealed.

19 **SECTION 59.** 20.865 (1) (ic) of the statutes is amended to read:

20 20.865 (1) (ic) *Nonrepresented university system senior executive, faculty and*  
21 *academic pay adjustments.* From the appropriate program revenue and program  
22 revenue-service accounts, a sum sufficient to supplement the appropriations to the  
23 University of Wisconsin System to pay the cost of pay and related adjustments  
24 approved by the joint committee on employment relations under s. 230.12 (3) (e) for  
25 University of Wisconsin System employees under ss. 20.923 (4g), (5) and (6) (m) and

1 230.08 (2) (d) who are not included within a collective bargaining unit for which a  
2 representative is certified under subch. V ~~or VI~~ of ch. 111, as determined under s.  
3 20.928, other than adjustments funded under par. (cj).

4 **SECTION 60.** 20.865 (1) (im) of the statutes is repealed.

5 **SECTION 61.** 20.865 (1) (si) of the statutes is amended to read:

6 20.865 (1) (si) *Nonrepresented university system senior executive, faculty and*  
7 *academic pay adjustments.* From the appropriate segregated funds, a sum sufficient  
8 to supplement the appropriations to the University of Wisconsin System to pay the  
9 cost of pay and related adjustments approved by the joint committee on employment  
10 relations under s. 230.12 (3) (e) for University of Wisconsin System employees under  
11 ss. 20.923 (4g), (5) and (6) (m) and 230.08 (2) (d) who are not included within a  
12 collective bargaining unit for which a representative is certified under subch. V ~~or~~  
13 ~~VI~~ of ch. 111, as determined under s. 20.928.

14 **SECTION 62.** 20.865 (1) (sm) of the statutes is repealed.

15 **SECTION 63.** 20.866 (2) (xf) of the statutes is amended to read:

16 20.866 (2) (xf) *Building commission; refunding tax-supported and*  
17 *self-amortizing general obligation debt incurred before July 1, 2011.* From the  
18 capital improvement fund, a sum sufficient to refund the whole or any part of any  
19 unpaid indebtedness used to finance tax-supported or self-amortizing facilities.  
20 The state may contract public debt in an amount not to exceed ~~\$309,000,000~~  
21 \$474,000,000 for this purpose. Such indebtedness shall be construed to include any  
22 premium and interest payable with respect thereto. Debt incurred by this paragraph  
23 shall be incurred before July 1, 2011, and shall be repaid under the appropriations  
24 providing for the retirement of public debt incurred for tax-supported and

1 self-amortizing facilities in proportional amounts to the purposes for which the debt  
2 was refinanced.

3 **SECTION 64.** 20.917 (3) (b) of the statutes is amended to read:

4 20.917 (3) (b) This subsection applies to employees in all positions in the civil  
5 service, including those employees in positions included in collective bargaining  
6 units under subch. V ~~or VI~~ of ch. 111, whether or not the employees are covered by  
7 a collective bargaining agreement.

8 **SECTION 65.** 20.921 (1) (a) 2. of the statutes is amended to read:

9 20.921 (1) (a) 2. ~~Payment~~ If the state employee is a public safety employee  
10 under s. 111.81 (15r), payment of dues to employee organizations.

11 **SECTION 66.** 20.921 (1) (b) of the statutes is amended to read:

12 20.921 (1) (b) Except as provided in ~~ss. 111.06 (1) (e) and s. 111.84 (1) (f)~~, the  
13 request under par. (a) shall be made to the state agency or to the University of  
14 Wisconsin Hospitals and Clinics Authority in the form and manner and contain the  
15 directions and information prescribed by each state agency or by the authority. The  
16 request may be withdrawn or the amount paid to the payee may be changed by  
17 notifying the state agency or the authority to that effect, but no such withdrawal or  
18 change shall affect a payroll certification already prepared.

19 **SECTION 67.** 20.923 (6) (intro.) of the statutes is amended to read:

20 20.923 (6) SALARIES SET BY APPOINTING AUTHORITIES. (intro.) Salaries for the  
21 following positions may be set by the appointing authority, subject to restrictions  
22 otherwise set forth in the statutes and the compensation plan under s. 230.12, except  
23 where the salaries are a subject of bargaining with a certified representative of a  
24 collective bargaining unit under s. 111.91 ~~or 111.998~~:

25 **SECTION 68.** 20.923 (8) of the statutes is amended to read:

1           20.923 (8) DEPUTIES. Salaries for deputies appointed pursuant to ss. 13.94 (3)  
2 (b), 15.04 (2), 230.04 (16), and 551.601 (1) shall be set by the appointing authority.  
3 The salary shall not exceed the maximum of the salary range one range below the  
4 salary range of the executive salary group to which the department or agency head  
5 is assigned. The positions of assistant secretary of state, assistant state treasurer  
6 and associate director of the historical society shall be treated as unclassified  
7 deputies for pay purposes under this subsection.

8           **SECTION 69.** 20.928 (1) of the statutes is amended to read:

9           20.928 (1) Each state agency head shall certify to the department of  
10 administration, at such time and in such manner as the secretary of administration  
11 prescribes, the sum of money needed by the state agency from the appropriations  
12 under s. 20.865 (1) (c), (ci), ~~(em)~~, (cj), (d), (i), (ic), ~~(im)~~, (j), (s), (si), ~~(sm)~~, and (t). Upon  
13 receipt of the certifications together with such additional information as the  
14 secretary of administration prescribes, the secretary shall determine the amounts  
15 required from the respective appropriations to supplement state agency budgets.

16           **SECTION 70.** 36.09 (1) (j) of the statutes is amended to read:

17           36.09 (1) (j) Except where such matters are a subject of bargaining with a  
18 certified representative of a collective bargaining unit under s. 111.91 ~~or 111.998~~, the  
19 board shall establish salaries for persons not in the classified staff prior to July 1 of  
20 each year for the next fiscal year, and shall designate the effective dates for payment  
21 of the new salaries. In the first year of the biennium, payments of the salaries  
22 established for the preceding year shall be continued until the biennial budget bill  
23 is enacted. If the budget is enacted after July 1, payments shall be made following  
24 enactment of the budget to satisfy the obligations incurred on the effective dates, as  
25 designated by the board, for the new salaries, subject only to the appropriation of



1 funds by the legislature and s. 20.928 (3). This paragraph does not limit the  
2 authority of the board to establish salaries for new appointments. The board may  
3 not increase the salaries of employees specified in ss. 20.923 (5) and (6) (m) and  
4 230.08 (2) (d) under this paragraph unless the salary increase conforms to the  
5 proposal as approved under s. 230.12 (3) (e) or the board authorizes the salary  
6 increase to correct salary inequities under par. (h), to fund job reclassifications or  
7 promotions, or to recognize competitive factors. The board may not increase the  
8 salary of any position identified in s. 20.923 (4g) under this paragraph unless the  
9 salary increase conforms to the proposal as approved under s. 230.12 (3) (e) or the  
10 board authorizes the salary increase to correct a salary inequity or to recognize  
11 competitive factors. The board may not increase the salary of any position identified  
12 in s. 20.923 (4g) (ae) and (am) to correct a salary inequity that results from the  
13 appointment of a person to a position identified in s. 20.923 (4g) (ae) and (am) unless  
14 the increase is approved by the office of state employment relations. The granting  
15 of salary increases to recognize competitive factors does not obligate inclusion of the  
16 annualized amount of the increases in the appropriations under s. 20.285 (1) for  
17 subsequent fiscal bienniums. No later than October 1 of each year, the board shall  
18 report to the joint committee on finance and the secretary of administration and  
19 director of the office of state employment relations concerning the amounts of any  
20 salary increases granted to recognize competitive factors, and the institutions at  
21 which they are granted, for the 12-month period ending on the preceding June 30.

22 **SECTION 71.** 36.11 (1) (b) of the statutes is amended to read:

23 36.11 (1) (b) Except as provided in s. 16.896 (1) and this paragraph, the board  
24 may purchase, have custody of, hold, control, possess, lease, grant easements and  
25 enjoy any lands, buildings, books, records and all other property of any nature which

**SECTION 71**

1 may be necessary and required for the purposes, objects and uses of the system  
2 authorized by law. Any lease is subject to the powers of the University of Wisconsin  
3 Hospitals and Clinics Authority under s. 233.03 (13) and the rights of the authority  
4 under any lease agreement, as defined in s. 233.01 (6). The board shall not permit  
5 a facility that would be privately owned or operated to be constructed on state-owned  
6 land without obtaining prior approval of the building commission under s. 13.48 (12).  
7 ~~The~~ Except as provided in s. 16.896 (1), the board may sell or dispose of such property  
8 as provided by law, or any part thereof when in its judgment it is for the best interests  
9 of the system and the state. All purchases and sales of real property shall be subject  
10 to the approval of the building commission. The provision of all leases of real  
11 property to be occupied by the board shall be the responsibility of the department of  
12 administration under s. 16.84 (5).

13 **SECTION 72.** 36.25 (13g) (c) of the statutes is repealed.

14 **SECTION 73.** 40.02 (25) (b) 2. of the statutes is amended to read:

15 40.02 (25) (b) 2. Any person employed as a teaching assistant or graduate  
16 assistant and other employees-in-training as are designated by the board of regents  
17 of the university, who are employed on at least a one-third full-time basis.

18 **SECTION 74.** 40.02 (25) (b) 8. of the statutes is amended to read:

19 40.02 (25) (b) 8. Any other state employee for whom coverage is authorized  
20 under a collective bargaining agreement pursuant to subch. I, V, ~~or VI~~ of ch. 111 or  
21 under s. 230.12 or 233.10, other than an employee appointed to a limited term  
22 appointment under s. 230.26.

23 **SECTION 75.** 40.02 (27) of the statutes is amended to read:

24 40.02 (27) "Employee required contribution" means the contribution made by  
25 an employee under s. 40.05 (1) (a) 1. to 4. ~~or for an employee under s. 40.05 (1) (b).~~

1           **SECTION 76.** 40.03 (6) (c) of the statutes is amended to read:

2           40.03 (6) (c) Shall not enter into any agreements to modify or expand group  
3 insurance coverage in a manner which conflicts with this chapter or rules of the  
4 department or materially affects the level of premiums required to be paid by the  
5 state or its employees, or the level of benefits to be provided, under any group  
6 insurance coverage. This restriction shall not be construed to prevent modifications  
7 required by law, prohibit the group insurance board from modifying the standard  
8 plan to establish a more cost effective benefit plan design or providing optional  
9 insurance coverages as alternatives to the standard insurance coverage when any  
10 excess of required premium over the premium for the standard coverage is paid by  
11 the employee, prohibit the group insurance board from encouraging participation in  
12 wellness or disease management programs, or prohibit the group insurance board  
13 from providing other plans as authorized under par. (b).

14           **SECTION 77.** 40.03 (6) (j) of the statutes is amended to read:

15           40.03 (6) (j) May contract with the department of health services and may  
16 contract with other public or private entities for data collection and analysis services  
17 related to health maintenance organizations and insurance companies that provide  
18 health insurance to state employees, as well as for any other consulting services  
19 related to plans offered by the group insurance board.

20           **SECTION 78.** 40.04 (2) (a) of the statutes is amended to read:

21           40.04 (2) (a) An administrative account shall be maintained within the fund  
22 from which administrative costs of the department shall be paid, except charges for  
23 services performed by the investment board, costs of medical and vocational  
24 evaluations used in determinations of eligibility for benefits under ss. 40.61, 40.63

1 and 40.65 and costs of contracting for insurance data collection and analysis services  
2 and other consulting services under s. 40.03 (6) (j).

3 **SECTION 79.** 40.04 (2) (e) of the statutes is amended to read:

4 40.04 (2) (e) The costs of contracting for insurance data collection and analysis  
5 services and other consulting services under s. 40.03 (6) (j) shall be paid from the  
6 appropriation under s. 20.515 (1) (ut).

7 **SECTION 80.** 40.05 (1) (a) (intro.) of the statutes is amended to read:

8 40.05 (1) (a) (intro.) ~~Except as provided in Subject to par. (b) and sub. (2n):~~

9 **SECTION 81.** 40.05 (1) (a) 1. of the statutes is amended to read:

10 40.05 (1) (a) 1. For each participating employee not otherwise specified, ~~5% of~~  
11 ~~each payment of earnings~~ an amount equal to one-half of all actuarially required  
12 contributions, as approved by the board under s. 40.03 (1) (e).

13 **SECTION 82.** 40.05 (1) (a) 2. of the statutes is amended to read:

14 40.05 (1) (a) 2. For each participating employee whose formula rate is  
15 determined under s. 40.23 (2m) (e) 2., ~~5.5% of each payment of earnings~~ an amount  
16 equal to one-half of all actuarially required contributions, as approved by the board  
17 under s. 40.03 (1) (e).

18 **SECTION 83.** 40.05 (1) (a) 3. of the statutes is amended to read:

19 40.05 (1) (a) 3. For each participating employee whose formula rate is  
20 determined under s. 40.23 (2m) (e) 3., ~~6% of each payment of earnings~~ the percentage  
21 of earnings paid by a participating employee under subd. 1.

22 **SECTION 84.** 40.05 (1) (a) 4. of the statutes is amended to read:

23 40.05 (1) (a) 4. For each participating employee whose formula rate is  
24 determined under s. 40.23 (2m) (e) 4., ~~8% of each payment of earnings~~ the percentage  
25 of earnings paid by a participating employee under subd. 1.

1           **SECTION 85.** 40.05 (1) (b) of the statutes is repealed and recreated to read:

2           40.05 (1) (b) Except as otherwise provided in a collective bargaining agreement  
3 entered into under subch. IV or V of ch. 111, an employer may not pay, on behalf of  
4 a participating employee, any of the contributions required by par. (a).

5           **SECTION 86.** 40.05 (2m) of the statutes is repealed.

6           **SECTION 87.** 40.05 (2n) of the statutes is repealed.

7           **SECTION 88.** 40.05 (4) (a) 2. of the statutes is amended to read:

8           40.05 (4) (a) 2. For an insured employee who is an eligible employee under s.  
9 40.02 (25) (a) 2. or (b) 1m. or 2c., the employer shall pay required employer  
10 contributions toward the health insurance premium of the insured employee  
11 beginning on the date on which the employee becomes insured. For an insured state  
12 employee who is currently employed, but who is not ~~a limited term appointment~~  
13 ~~under s. 230.26 or an eligible employee under s. 40.02 (25) (a) 2. or (b) 1m. or 2c., the~~  
14 ~~employer shall pay required employer contributions toward the health insurance~~  
15 ~~premium of the insured employee beginning on the first day of the 3rd month~~  
16 ~~beginning after the date on which the employee begins employment with the state,~~  
17 ~~not including any leave of absence. For an insured employee who has a limited term~~  
18 ~~appointment under s. 230.26, the employer shall pay required employer~~  
19 ~~contributions toward the health insurance premium of the insured employee~~  
20 ~~beginning on the first day of the 7th month beginning after the date on which the~~  
21 ~~employee first becomes a participating employee.~~

22           **SECTION 89.** 40.05 (4) (ag) of the statutes is repealed and recreated to read:

23           40.05 (4) (ag) Except as otherwise provided in a collective bargaining  
24 agreement under subch. V of ch. 111, the employer shall pay for its currently  
25 employed insured employees:

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

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

10           **SECTION 90.** 40.05 (4) (ar) of the statutes is repealed.

11           **SECTION 91.** 40.05 (4) (b) of the statutes is amended to read:

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

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

20 **SECTION 92.** 40.05 (4) (bw) of the statutes is amended to read:

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

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

7 **SECTION 93.** 40.05 (4) (c) of the statutes is amended to read:

8 40.05 (4) (c) The employer shall contribute toward the payment of premiums  
9 for the plan established under s. 40.52 (3) ~~not more than the percentage of premium~~  
10 ~~paid by the employer for health insurance coverage under par. (ag) 2~~ the amount  
11 established under s. 40.52 (3).

12 **SECTION 94.** 40.05 (4g) (a) 4. of the statutes is amended to read:

13 40.05 (4g) (a) 4. Has received a military leave of absence under s. 230.32 (3) (a)  
14 or 230.35 (3), under a collective bargaining agreement under subch. V ~~or VI~~ of ch. 111  
15 or under rules promulgated by the director of the office of state employment relations  
16 or is eligible for reemployment with the state under s. 321.64 after completion of his  
17 or her service in the U.S. armed forces.

18 **SECTION 95.** 40.05 (5) (intro.) of the statutes is amended to read:

19 40.05 (5) INCOME CONTINUATION INSURANCE PREMIUMS. (intro.) For the income  
20 continuation insurance provided under subch. V the employee shall pay the amount  
21 remaining after the employer has contributed the following or, if different, the  
22 amount determined under a collective bargaining agreement under subch. I, V, ~~or VI~~  
23 of ch. 111 or s. 230.12 or 233.10:

24 **SECTION 96.** 40.05 (5) (b) 4. of the statutes is amended to read:



1           40.05 (5) (b) 4. The accrual and crediting of sick leave shall be determined in  
2 accordance with ss. 13.121 (4), 36.30, 230.35 (2), 233.10 and 757.02 (5) and subch. I,  
3 V, ~~or VI~~ of ch. 111.

4           **SECTION 97.** 40.05 (6) (a) of the statutes is amended to read:

5           40.05 (6) (a) Except as otherwise provided in accordance with a collective  
6 bargaining agreement under subch. I, V, ~~or VI~~ of ch. 111 or s. 230.12 or 233.10, each  
7 insured employee under the age of 70 and annuitant under the age of 65 shall pay  
8 for group life insurance coverage a sum, approved by the group insurance board,  
9 which shall not exceed 60 cents monthly for each \$1,000 of group life insurance,  
10 based upon the last amount of insurance in force during the month for which  
11 earnings are paid. The equivalent premium may be fixed by the group insurance  
12 board if the annual compensation is paid in other than 12 monthly installments.

13           **SECTION 98.** 40.22 (2) (n) of the statutes is created to read:

14           40.22 (2) (n) The employee is appointed to a limited term appointment under  
15 s. 230.26.

16           **SECTION 99.** 40.23 (2m) (e) 2. of the statutes is amended to read:

17           40.23 (2m) (e) 2. For each participant for creditable service as an elected official  
18 or as an executive participating employee that is performed before January 1, 2000,  
19 2.165%; for such creditable service that is performed on or after January 1, 2000, but  
20 before the effective date of this subdivision .... [LRB inserts date], 2%; and for such  
21 creditable service that is performed on or after the effective date of this subdivision  
22 .... [LRB inserts date], 1.6%.

23           **SECTION 100.** 40.32 (1) of the statutes is amended to read:

24           40.32 (1) The sum of all contributions allocated to a participant's account under  
25 each defined contribution plan sponsored by the employer, including all employer

**SECTION 100**

1 contributions and picked-up contributions credited with interest at the effective rate  
2 under ss. 40.04 (4) (a) and (5) (b) and 40.05 (2) (g) and all employee contributions  
3 made under ss. 40.02 (17) and 40.05 (1) ~~and (2m)~~, may not in any calendar year  
4 exceed the maximum contribution limitation established under section 415 (c) of the  
5 Internal Revenue Code.

6 **SECTION 101.** 40.51 (7) of the statutes is amended to read:

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

18 **SECTION 102.** 40.52 (3) of the statutes is amended to read:

19 40.52 (3) The group insurance board, after consulting with the board of regents  
20 of the University of Wisconsin System, shall establish the terms of a health insurance  
21 plan for graduate assistants, for teaching assistants, and for employees-in-training  
22 designated by the board of regents, who are employed on at least a one-third  
23 full-time basis and for teachers who are employed on at least a one-third full-time  
24 basis by the University of Wisconsin System with an expected duration of  
25 employment of at least 6 months but less than one year. Annually, the director of the

1 office of state employment relations shall establish the amount that the employer is  
2 required to pay in premium costs under this subsection.

3 **SECTION 103.** 40.62 (2) of the statutes is amended to read:

4 40.62 (2) Sick leave accumulation shall be determined in accordance with rules  
5 of the department, any collective bargaining agreement under subch. I, V, ~~or VI~~ of  
6 ch. 111, and ss. 13.121 (4), 36.30, 49.825 (4) (d), 49.826 (4) (d), 230.35 (2), 233.10,  
7 757.02 (5) and 978.12 (3).

8 **SECTION 104.** 40.80 (3) of the statutes is amended to read:

9 40.80 (3) Any action taken under this section shall apply to employees covered  
10 by a collective bargaining agreement under subch. V ~~or VI~~ of ch. 111.

11 **SECTION 105.** 40.81 (3) of the statutes is amended to read:

12 40.81 (3) Any action taken under this section shall apply to employees covered  
13 by a collective bargaining agreement under subch. IV, or V, ~~or VI~~ of ch. 111.

14 **SECTION 106.** 40.95 (1) (a) 2. of the statutes is amended to read:

15 40.95 (1) (a) 2. The employee has his or her compensation established in a  
16 collective bargaining agreement under subch. V ~~or VI~~ of ch. 111.

17 **SECTION 107.** 46.284 (4) (m) of the statutes is repealed.

18 **SECTION 108.** 46.2895 (8) (a) 1. of the statutes is amended to read:

19 46.2895 (8) (a) 1. If the long-term care district offers employment to any  
20 individual who was previously employed by a county, which participated in creating  
21 the district and at the time of the offer had not withdrawn or been removed from the  
22 district under sub. (14), and who while employed by the county performed duties  
23 relating to the same or a substantially similar function for which the individual is  
24 offered employment by the district and whose wages, ~~hours and conditions of~~  
25 ~~employment~~ were established in a collective bargaining agreement with the county

1 under subch. IV of ch. 111 that is in effect on the date that the individual commences  
2 employment with the district, with respect to that individual, abide by the terms of  
3 the collective bargaining agreement concerning the individual's wages and, if  
4 applicable, ~~vacation allowance, sick leave accumulation, sick leave bank, holiday~~  
5 ~~allowance, funeral leave allowance, personal day allowance, or paid time off~~  
6 ~~allowance~~ until the time of the expiration of that collective bargaining agreement or  
7 adoption of a collective bargaining agreement with the district under subch. IV of ch.  
8 111 covering the individual as an employee of the district, whichever occurs first.

9 **SECTION 109.** 46.2898 of the statutes is repealed.

10 **SECTION 110.** 46.48 (9m) of the statutes is repealed.

11 **SECTION 111.** 49.175 (1) (zh) of the statutes is amended to read:

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

16 **SECTION 112.** 49.45 (2m) of the statutes is created to read:

17 49.45 (2m) AUTHORIZATION FOR MODIFICATIONS TO PROGRAMS; STUDY. (a) In this  
18 subsection, "Medical Assistance program" includes any program operated under this  
19 subchapter, demonstration program operated under 42 USC 1315, and program  
20 operated under a waiver of federal law relating to medical assistance that is granted  
21 by the federal department of health and human services.

22 (b) The department shall study potential changes to the Medical Assistance  
23 state plan and to waivers of federal law relating to medical assistance obtained from  
24 the federal department of health and human services for all of the following  
25 purposes:

1           1. Increasing the cost effectiveness and efficiency of care and the care delivery  
2 system for Medical Assistance programs.

3           2. Limiting switching from private health insurance to Medical Assistance  
4 programs.

5           3. Ensuring the long-term viability and sustainability of Medical Assistance  
6 programs.

7           4. Advancing the accuracy and reliability of eligibility for Medical Assistance  
8 programs and claims determinations and payments.

9           5. Improving the health status of individuals who receive benefits under a  
10 Medical Assistance program.

11          6. Aligning Medical Assistance program benefit recipient and service provider  
12 incentives with health care outcomes.

13          7. Supporting responsibility and choice of medical assistance recipients.

14          (c) Subject to par. (d), if the department determines, as a result of the study  
15 under par. (b), that revision of existing statutes or rules would be necessary to  
16 advance a purpose described in par. (b) 1. to 7., the department may promulgate rules  
17 that do any of the following related to Medical Assistance programs:

18           1. Require cost sharing from program benefit recipients up to the maximum  
19 allowed by federal law or a waiver of federal law.

20           2. Authorize providers to deny care or services if a program benefit recipient  
21 is unable to share costs, to the extent allowed by federal law or waiver.

22           3. Modify existing benefits or establish various benefit packages and offer  
23 different packages to different groups of recipients.

24           4. Revise provider reimbursement models for particular services.

25           5. Mandate that program benefit recipients enroll in managed care.

1           6. Restrict or eliminate presumptive eligibility.

2           7. To the extent permitted by federal law, impose restrictions on providing  
3 benefits to individuals who are not citizens of the United States.

4           8. Set standards for establishing and verifying eligibility requirements.

5           9. Develop standards and methodologies to assure accurate eligibility  
6 determinations and redetermine continuing eligibility.

7           10. Reduce income levels for purposes of determining eligibility to the extent  
8 allowed by federal law or waiver and subject to the limitations under par. (e) 2.

9           (d) Before promulgating a rule under par. (c), the department shall submit to  
10 the joint committee on finance the proposed rule and any plan that the department  
11 develops as a result of the study under par. (b). If the cochairpersons of the committee  
12 do not notify the department within 14 working days after the date of the  
13 department's submittal that the committee has scheduled a meeting for the purpose  
14 of reviewing the proposed rule or plan, the proposed rule may be promulgated and  
15 any plan may be implemented as proposed by the department. If, within 14 working  
16 days after the date of the department's submittal, the cochairpersons of the  
17 committee notify the department that the committee has scheduled a meeting for the  
18 purpose of reviewing the proposed rule or plan, the proposed rule may be  
19 promulgated, and the plan may be implemented only upon approval of the  
20 committee.

21           (e) 1. The department shall submit an amendment to the state Medical  
22 Assistance plan or request a waiver of federal laws related to medical assistance, if  
23 necessary, to the extent necessary to implement any rule promulgated under par. (c).  
24 If the federal department of health and human services does not allow the

1 amendment or does not grant the waiver, the department may not put the rule into  
2 effect or implement the action described in the rule.

3 2. The department shall request a waiver from the secretary of the federal  
4 department of health and human services to permit the department to have in effect  
5 eligibility standards, methodologies, and procedures under the state Medical  
6 Assistance plan or waivers of federal laws related to medical assistance that are more  
7 restrictive than those in place on March 23, 2010. If the waiver request does not  
8 receive federal approval before December 31, 2011, the department shall reduce  
9 income levels on July 1, 2012, for the purposes of determining eligibility to 133  
10 percent of the federal poverty line for adults who are not pregnant and not disabled,  
11 to the extent permitted under 42 USC 1396a (gg), if the department follows the  
12 procedures under 42 USC 1396a (gg) (3).

13 (f) Using the procedure under s. 227.24, the department may promulgate a rule  
14 under par. (c) as an emergency rule. Notwithstanding s. 227.24 (1) (a) and (3), the  
15 department is not required to provide evidence that promulgating a rule under par.  
16 (c) as an emergency rule is necessary for the preservation of the public peace, health,  
17 safety, or welfare and is not required to provide a finding of emergency for a rule  
18 promulgated under par. (c). Notwithstanding s. 227.24 (1) (c) and (2), an emergency  
19 rule promulgated under this paragraph remains in effect until whichever of the  
20 following occurs first:

- 21 1. The effective date of the repeal of the emergency rule.
- 22 2. The date on which the permanent rule promulgated under par. (c) takes  
23 effect.

24 **SECTION 113.** 49.45 (3) (n) of the statutes is created to read:

**SECTION 113**

1           49.45 (3) (n) This subsection does not apply if the department promulgates a  
2 rule under sub. (2m) (c) 4., to the extent that the rule conflicts with this subsection.

3           **SECTION 114.** 49.45 (6m) (n) of the statutes is created to read:

4           49.45 (6m) (n) This subsection does not apply if the department promulgates  
5 a rule under sub. (2m) (c) 4., to the extent that the rule conflicts with this subsection.

6           **SECTION 115.** 49.45 (8) (b) of the statutes is amended to read:

7           49.45 (8) (b) Reimbursement Unless otherwise provided by the department by  
8 rule promulgated under sub. (2m) (c), reimbursement under s. 20.435 (4) (b), (o), and  
9 (w) for home health services provided by a certified home health agency or  
10 independent nurse shall be made at the home health agency's or nurse's usual and  
11 customary fee per patient care visit, subject to a maximum allowable fee per patient  
12 care visit that is established under par. (c).

13           **SECTION 116.** 49.45 (8) (c) of the statutes is amended to read:

14           49.45 (8) (c) The department shall establish a maximum statewide allowable  
15 fee per patient care visit, for each type of visit with respect to provider, that may be  
16 no greater than the cost per patient care visit, as determined by the department from  
17 cost reports of home health agencies, adjusted for costs related to case management,  
18 care coordination, travel, record keeping and supervision, unless otherwise provided  
19 by the department by rule promulgated under sub. (2m) (c).

20           **SECTION 117.** 49.45 (8r) of the statutes is amended to read:

21           49.45 (8r) PAYMENT FOR CERTAIN OBSTETRIC AND GYNECOLOGICAL CARE. The Unless  
22 otherwise provided by the department by rule promulgated under sub. (2m) (c), the  
23 rate of payment for obstetric and gynecological care provided in primary care  
24 shortage areas, as defined in s. 36.60 (1) (cm), or provided to recipients of medical  
25 assistance who reside in primary care shortage areas, that is equal to 125% of the



1 rates paid under this section to primary care physicians in primary care shortage  
2 areas, shall be paid to all certified primary care providers who provide obstetric or  
3 gynecological care to those recipients.

4 **SECTION 118.** 49.45 (8v) of the statutes is amended to read:

5 49.45 (8v) INCENTIVE-BASED PHARMACY PAYMENT SYSTEM. The department shall  
6 establish a system of payment to pharmacies for legend and over-the-counter drugs  
7 provided to recipients of medical assistance that has financial incentives for  
8 pharmacists who perform services that result in savings to the medical assistance  
9 program. Under this system, the department shall establish a schedule of fees that  
10 is designed to ensure that any incentive payments made are equal to or less than the  
11 documented savings unless otherwise provided by the department by rule  
12 promulgated under sub. (2m) (c). The department may discontinue the system  
13 established under this subsection if the department determines, after performance  
14 of a study, that payments to pharmacists under the system exceed the documented  
15 savings under the system.

16 **SECTION 119.** 49.45 (18) (ac) of the statutes is amended to read:

17 49.45 (18) (ac) Except as provided in pars. (am) to (d), and subject to par. (ag),  
18 any person eligible for medical assistance under s. 49.46, 49.468, or 49.47, or for the  
19 benefits under s. 49.46 (2) (a) and (b) under s. 49.471 shall pay up to the maximum  
20 amounts allowable under 42 CFR 447.53 to 447.58 for purchases of services provided  
21 under s. 49.46 (2). The service provider shall collect the specified or allowable  
22 copayment, coinsurance, or deductible, unless the service provider determines that  
23 the cost of collecting the copayment, coinsurance, or deductible exceeds the amount  
24 to be collected. The department shall reduce payments to each provider by the  
25 amount of the specified or allowable copayment, coinsurance, or deductible. No

**SECTION 119**

1 Unless otherwise provided by the department by rule promulgated under sub. (2m)  
2 (c), no provider may deny care or services because the recipient is unable to share  
3 costs, but an inability to share costs specified in this subsection does not relieve the  
4 recipient of liability for these costs.

5 **SECTION 120.** 49.45 (18) (ag) (intro.) of the statutes is amended to read:

6 49.45 (18) (ag) (intro.) Except as provided in pars. (am), (b), and (c), and subject  
7 to par. (d), a recipient specified in par. (ac) shall pay all of the following, unless  
8 otherwise provided by the department by rule promulgated under sub. (2m) (c):

9 **SECTION 121.** 49.45 (18) (b) (intro.) of the statutes is amended to read:

10 49.45 (18) (b) (intro.) The Unless otherwise provided by the department by rule  
11 promulgated under sub. (2m) (c), the following services are not subject to recipient  
12 cost sharing under this subsection:

13 **SECTION 122.** 49.45 (18) (d) of the statutes is amended to read:

14 49.45 (18) (d) No person who designates a pharmacy or pharmacist as his or  
15 her sole provider of prescription drugs and who so uses that pharmacy or pharmacist  
16 is liable under this subsection for more than \$12 per month for prescription drugs  
17 received, unless otherwise provided by the department by rule promulgated under  
18 sub. (2m) (c).

19 **SECTION 123.** 49.45 (23) (a) of the statutes is amended to read:

20 49.45 (23) (a) The department shall request a waiver from the secretary of the  
21 federal department of health and human services to permit the department to  
22 conduct a demonstration project to provide health care coverage for basic primary  
23 and preventive care to adults who are under the age of 65, who have family incomes  
24 not to exceed 200 percent of the poverty line, and who are not otherwise eligible for  
25 medical assistance under this subchapter, the Badger Care health care program

1 under s. 49.665, or Medicare under 42 USC 1395 et seq. If the department  
2 promulgates a rule under sub. (2m) (c) 10., this paragraph does not apply to the  
3 extent that it conflicts with the rule.

4 **SECTION 124.** 49.45 (23) (b) of the statutes is amended to read:

5 49.45 (23) (b) If the waiver is granted and in effect, the department may  
6 promulgate rules defining the health care benefit plan, including more specific  
7 eligibility requirements and cost-sharing requirements. ~~Cost~~ Unless otherwise  
8 provided by the department by rule promulgated under sub. (2m) (c), cost sharing  
9 may include an annual enrollment fee, which may not exceed \$75 per year.  
10 Notwithstanding s. 227.24 (3), the plan details under this subsection may be  
11 promulgated as an emergency rule under s. 227.24 without a finding of emergency.  
12 If the waiver is granted and in effect, the demonstration project under this subsection  
13 shall begin on January 1, 2009, or on the effective date of the waiver, whichever is  
14 later.

15 **SECTION 125.** 49.45 (24g) (c) of the statutes is amended to read:

16 49.45 (24g) (c) The department's proposal under par. (a) shall specify increases  
17 in reimbursement rates for providers that satisfy the conditions under par. (a) 1. or  
18 2., and shall provide for payment of a monthly per-patient care coordination fee to  
19 those providers. The department shall set the increases in reimbursement rates and  
20 the monthly per-patient care coordination fee so that together they provide  
21 sufficient incentive for providers to satisfy a condition under par. (a) 1. or 2. The  
22 proposal shall specify effective dates for the increases in reimbursement rates and  
23 the monthly per-patient care coordination fee that are no sooner than July 1, 2011.  
24 If the department promulgates a rule under sub. (2m) (c) 4., this paragraph does not  
25 apply to the extent that it conflicts with the rule.