



State of Wisconsin
2011 – 2012 LEGISLATURE

January 2011 Special Session



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**ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO ASSEMBLY BILL 11**

February 22, 2011 – Offered by Representatives GRIGSBY, MASON, SHILLING and
POCAN.

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

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

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

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

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

1 20.866 (2) (xf) *Building commission; refunding tax-supported and*
2 *self-amortizing general obligation debt incurred before July 1, 2011.* From the
3 capital improvement fund, a sum sufficient to refund the whole or any part of any
4 unpaid indebtedness used to finance tax-supported or self-amortizing facilities.
5 The state may contract public debt in an amount not to exceed \$309,000,000
6 \$474,000,000 for this purpose. Such indebtedness shall be construed to include any
7 premium and interest payable with respect thereto. Debt incurred by this paragraph
8 shall be incurred before July 1, 2011, and shall be repaid under the appropriations
9 providing for the retirement of public debt incurred for tax-supported and
10 self-amortizing facilities in proportional amounts to the purposes for which the debt
11 was refinanced.

12 **SECTION 3.** 40.03 (6) (c) of the statutes is amended to read:

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

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

1 40.03 **(6)** (j) May contract with the department of health services and may
2 contract with other public or private entities for data collection and analysis services
3 related to health maintenance organizations and insurance companies that provide
4 health insurance to state employees, as well as for any other consulting services
5 related to plans offered by the group insurance board.

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

7 40.04 **(2)** (a) An administrative account shall be maintained within the fund
8 from which administrative costs of the department shall be paid, except charges for
9 services performed by the investment board, costs of medical and vocational
10 evaluations used in determinations of eligibility for benefits under ss. 40.61, 40.63
11 and 40.65 and costs of contracting for insurance data collection and analysis services
12 and other consulting services under s. 40.03 (6) (j).

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

14 40.04 **(2)** (e) The costs of contracting for insurance data collection and analysis
15 services and other consulting services under s. 40.03 (6) (j) shall be paid from the
16 appropriation under s. 20.515 (1) (ut).

17 **SECTION 7.** 40.23 (2m) (e) 2. of the statutes is amended to read:

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

24 **SECTION 8.** 49.175 (1) (zh) of the statutes is amended to read:

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

5 **SECTION 9.** 71.05 (6) (b) 47. of the statutes, as created by 2011 Wisconsin Act
6 5, is amended to read:

7 71.05 (6) (b) 47. An amount equal to the increase in the number of full–time
8 equivalent employees employed by the taxpayer in this state during the taxable year,
9 multiplied by \$4,000 for a business with gross receipts of no greater than \$5,000,000
10 in the taxable year or \$2,000 for a business with gross receipts greater than
11 \$5,000,000 in the taxable year. For purposes of this subdivision, the increase in the
12 number of full–time equivalent employees employed by the taxpayer in this state
13 during the taxable year is determined by subtracting from the number of full–time
14 equivalent employees employed by the taxpayer in this state during the taxable year,
15 as determined by computing the average employee count from the taxpayer’s
16 quarterly unemployment insurance reports or other information as required by the
17 department for the taxable year, the number of full–time equivalent employees
18 employed by the taxpayer in this state during the immediately preceding taxable
19 year, as determined by computing the average employee count from the taxpayer’s
20 quarterly unemployment insurance reports or other information as required by the
21 department for the immediately preceding taxable year. No person may claim a
22 deduction under this subdivision if the person may claim a ~~credit~~ deduction under
23 this subchapter based on the person relocating the person’s business from another
24 state to this state and in an amount equal to the person’s tax liability. The
25 department shall promulgate rules to administer this subdivision.

1 **SECTION 10.** 2009 Wisconsin Act 28, section 9222 (1d) is repealed.

2 **SECTION 9101. Nonstatutory provisions; Administration.**

3 (1) TAX RECIPROCITY PAYMENTS, MINNESOTA. From the appropriation account
4 under section 20.855 (4) (c) of the statutes, the secretary of administration shall
5 make the payment due the state of Minnesota under the tax reciprocity agreement,
6 as it relates to taxable year 2009, plus interest, no later than June 30, 2011.

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

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

16 (2) AGREEMENTS TO MODIFY GROUP INSURANCE COVERAGE FOR STATE EMPLOYEES.
17 Section 40.03 (6) (c) of the statutes shall not apply to any agreements entered into
18 by the group insurance board to modify group insurance coverage for the 2012 and
19 2013 calendar years.

20 (3) REDUCTIONS IN HEALTH CARE PREMIUM COSTS FOR HEALTH CARE COVERAGE
21 DURING 2012 CALENDAR YEAR. The group insurance board shall design health care
22 coverage plans for the 2012 calendar year that, after adjusting for any inflationary
23 increase in health benefit costs, as determined by the group insurance board, reduces
24 the average premium cost of plans offered in the tier with the lowest employee
25 premium cost under section 40.51 (6) of the statutes by at least 5 percent from the

1 cost of such plans offered during the 2011 calendar year. The group insurance board
2 shall include copayments in the health care coverage plans for the 2012 calendar
3 year and may require health risk assessments for state employees and participation
4 in wellness or disease management programs.

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

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

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

17 (2) EMPLOYEE SAVINGS FOR 2010–11 FISCAL YEAR. Before March 15, 2011, the
18 secretary of administration shall negotiate with representatives of employees in
19 collective bargaining units under subchapter V of chapter 111 of the statutes to
20 require employees to pay for the remainder of the 2010–11 fiscal year an additional
21 \$27,891,400 in either employee required contributions under the Wisconsin
22 retirement system or health insurance premiums, or both. The \$27,891,400 amount
23 shall be reduced by any additional amount that the secretary of administration
24 requires nonrepresented employees to pay for the remainder of the 2010–11 fiscal in

1 either employee required contributions under the Wisconsin retirement system or
2 health insurance premiums, or both.

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

4 (1) TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BLOCK GRANT FUNDS. In the
5 schedule under section 20.005 (3) of the statutes for the appropriation to the
6 department of children and families under section 20.437 (2) (md) of the statutes, as
7 affected by the acts of 2011, the dollar amount is increased by \$37,000,000 for the
8 second fiscal year of the fiscal biennium in which this subsection takes effect to
9 support an increase in the earned income tax credit.

10 (2) INCOME AUGMENTATION LAPSE.

11 (a) Notwithstanding section 20.001 (3) (c) of the statutes, there is lapsed to the
12 general fund from the appropriation account to the department of children and
13 families under section 20.437 (1) (kx) of the statutes, as affected by the acts of 2011,
14 \$2,011,200 in the second fiscal year of the fiscal biennium in which this subsection
15 takes effect.

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

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

20 (1) ADULT CORRECTIONAL SERVICES. In the schedule under section 20.005 (3) of
21 the statutes for the appropriation to the department of corrections under section
22 20.410 (1) (a) of the statutes, as affected by the acts of 2011, the dollar amount is
23 increased by \$19,537,900 for the second fiscal year of the fiscal biennium in which
24 this subsection takes effect to increase funding for the purpose for which the
25 appropriation is made.

1 (2) TRANSFERS.

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

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

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

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

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

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

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

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

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

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

14 (1) INCOME AUGMENTATION LAPSE.

15 (a) Notwithstanding section 20.001 (3) (c) of the statutes, there is lapsed to the
16 general fund from the appropriation account to the department of health services
17 under section 20.435 (8) (mb) of the statutes, as affected by the acts of 2011,
18 \$4,500,000 in the second fiscal year of the fiscal biennium in which this subsection
19 takes effect.

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

23 (2) COMMUNITY AIDS APPROPRIATION. In the schedule under section 20.005 (3) of
24 the statutes for the appropriation to the department of health services under section
25 20.435 (7) (b) of the statutes, as affected by the acts of 2011, the dollar amount is

1 decreased by \$3,100,000 for the second fiscal year of the fiscal biennium in which this
2 subsection takes effect for the purposes for which the appropriation is made.

3 (3) MEDICAL ASSISTANCE GENERAL PURPOSE REVENUE APPROPRIATION. In the
4 schedule under section 20.005 (3) of the statutes for the appropriation to the
5 department of health services under section 20.435 (4) (b) of the statutes, as affected
6 by the acts of 2011, the dollar amount is increased by \$127,200,000 for the second
7 fiscal year of the fiscal biennium in which this subsection takes effect for the
8 purposes for which the appropriation is made.

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

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

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

1 (7) MEDICAL ASSISTANCE PROGRAM BENEFITS APPROPRIATION INCREASE. In the
2 schedule under section 20.005 (3) of the statutes for the appropriation to the
3 department of health services under section 20.435 (4) (b) of the statutes, as affected
4 by the acts of 2011, the dollar amount is increased by \$6,800,000 for the second fiscal
5 year of the fiscal biennium in which this subsection takes effect to fund the
6 contribution for indigent health care in Milwaukee County.

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

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

17 (1) FEDERAL PROGRAM SUPPLEMENT. In the schedule under section 20.005 (3) of
18 the statutes for the appropriation to the joint committee on finance under section
19 20.865 (4) (m) of the statutes, as affected by the acts of 2011, the dollar amount is
20 decreased by \$37,000,000 for the second fiscal year of the fiscal biennium in which
21 this subsection takes effect for supplementing federal earned income tax credit
22 payments.

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

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

1 (a) Notwithstanding section 20.001 (3) (a) to (c) of the statutes, before July 1,
2 2011, the cochairpersons of the joint committee on legislative organization shall take
3 actions to ensure that from general purpose revenue appropriations to the
4 legislature under section 20.765 of the statutes an amount equal to \$717,700 is
5 lapsed from sum certain appropriation accounts or is subtracted from the
6 expenditure estimates for any other type of appropriations, or both.

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

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

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

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

17 (1) EARNED INCOME TAX CREDIT. In the schedule under section 20.005 (3) of the
18 statutes for the appropriation to the department of revenue under section 20.835 (2)
19 (kf) of the statutes, as affected by the acts of 2011, the dollar amount is increased by
20 \$37,000,000 for the second fiscal year of the fiscal biennium in which this subsection
21 takes effect for the purposes for which the appropriation is made.

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

23 (1) LAPSES TO GENERAL FUND RELATING TO EMPLOYER SAVINGS IN FRINGE BENEFIT
24 COSTS DURING THE 2009–11 FISCAL BIENNIUM. Notwithstanding section 20.001 (3) (a) to
25 (c) of the statutes, before July 1, 2011, the chief justice of the supreme court shall take

1 actions to ensure that from general purpose revenue appropriations to the judicial
2 branch of government under subchapter VII of chapter 20 of the statutes an amount
3 equal to \$1,153,400 is lapsed from sum certain appropriation accounts or is
4 subtracted from the expenditure estimates for any other type of appropriations, or
5 both.

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

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

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

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

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

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

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

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

