2011 ASSEMBLY BILL 58

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

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

Analysis by the Legislative Reference Bureau
PUBLIC SECTOR RETIREMENT SYSTEMS
Currently, employer and employee required contributions, and the earnings on these contributions, fund the cost of providing retirement annuities to all public employees who are covered under the Wisconsin Retirement System (WRS). Employer required and employee required contribution rates are set on an annual
basis. This bill provides that the employee required contribution rate for general participating employees and for elected and executive participating employees must equal one-half of all actuarially required contributions, as determined by the Employee Trust Funds Board. For protective occupation employees, the bill provides that the employee required contribution rate must equal the percentage of earnings paid by general participating employees.

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

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

PUBLIC SECTOR GROUP INSURANCE

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

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

For the remainder of 2011, however, beginning in April 2011, the bill provides that state employees, as well as employees of public authorities created by the state, who work more than 1,565 hours a year shall pay $84 a month for individual coverage and $208 a month for family coverage for health care coverage under any plan offered in the tier with the lowest employee premium cost; $122 a month for individual coverage and $307 a month for family coverage for health care coverage under any plan offered in the tier with the next lowest employee premium cost; and $226 a month for individual coverage and $567 a month for family coverage for health care
coverage under any plan offered in the tier with the highest employee premium cost. University of Wisconsin (UW) System graduate assistants and teaching assistants must pay half of these amounts. Employees who work less than 1,566 hours a year are required to pay the same amount for health care coverage during 2011 that they were required to pay before the bill’s effective date.

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

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

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

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

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

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

**STATE GOVERNMENT**

**State finance**

This bill increases the amount of state public debt that may be contracted to refund any unpaid indebtedness used to finance tax–supported or self–amortizing
facilities from $309,000,000 to $474,000,000. Such refunded debt must be contracted before July 1, 2011.

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

HEALTH AND HUMAN SERVICES

MEDICAL ASSISTANCE

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

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

PUBLIC ASSISTANCE

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

This bill will be referred to the Joint Survey Committee on Retirement Systems for a detailed analysis, which will be printed as an appendix to this bill.
For further information see the state fiscal estimate, which will be printed as an appendix to this bill.

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

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

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

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

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

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

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

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

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

40.03 (6) (j) May contract with the department of health services and may contract with 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, as well as for any other consulting services related to plans offered by the group insurance board.

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 12. 40.05 (1) (a) 4. of the statutes is amended to read:
40.05 (1) (a) 4. For each participating employee whose formula rate is determined under s. 40.23 (2m) (e) 4., 8% of each payment of earnings the percentage of earnings paid by a participating employee under subd. 1.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 21. 40.52 (3) of the statutes is amended to read:
40.52 (3) The group insurance board, after consulting with the board of regents of the University of Wisconsin System, shall establish the terms of a health insurance plan for graduate assistants, for teaching assistants, and for employees-in-training designated by the board of regents, who are employed on at least a one-third full-time basis and for teachers who are employed on at least a one-third full-time basis by the University of Wisconsin System with an expected duration of employment of at least 6 months but less than one year. Annually, the director of the office of state employment relations shall establish the amount that the employer is required to pay in premium costs under this subsection.

Section 22. 49.175 (1) (zh) of the statutes is amended to read:

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

Section 23. 59.875 of the statutes is created to read:

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

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

Section 24. 62.623 of the statutes is created to read:
62.623 Payment of contributions in an employee retirement system of a 1st class city. Beginning on the effective date of this section .... [LRB inserts date], in any employee retirement system of a 1st class city, except as otherwise provided in a collective bargaining agreement entered into under subch. IV of ch. 111, employees shall pay all employee required contributions for funding benefits under the retirement system. The employer may not pay on behalf of an employee any of the employee’s share of the required contributions.

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

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

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

71.05 (6) (b) 47. An amount equal to the increase in the number of full-time equivalent employees employed by the taxpayer in this state during the taxable year, multiplied by $4,000 for a business with gross receipts of no greater than $5,000,000 in the taxable year or $2,000 for a business with gross receipts greater than $5,000,000 in the taxable year. For purposes of this subdivision, the increase in the number of full-time equivalent employees employed by the taxpayer in this state during the taxable year is determined by subtracting from the number of full-time equivalent employees employed by the taxpayer in this state during the taxable year, as determined by computing the average employee count from the taxpayer’s
quarterly unemployment insurance reports or other information as required by the department for the taxable year, the number of full-time equivalent employees employed by the taxpayer in this state during the immediately preceding taxable year, as determined by computing the average employee count from the taxpayer’s quarterly unemployment insurance reports or other information as required by the department for the immediately preceding taxable year. No person may claim a deduction under this subdivision if the person may claim a credit deduction under this subchapter based on the person relocating the person’s business from another state to this state and in an amount equal to the person’s tax liability. The department shall promulgate rules to administer this subdivision.

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

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

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

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

111.998 (1) (d) Except as provided in sub. (2) (d) and (e) and ss. 40.02 (22) (e) and 40.23 (1) (f) 4., all laws governing the Wisconsin Retirement System under ch. 40 and all actions of the board that are authorized under any such law which apply to nonrepresented individuals employed by the state shall apply to similarly situated employees, unless otherwise specifically provided in a collective bargaining agreement that applies to those employees.
SECTION 30. 111.998 (2) (d) of the statutes is repealed.

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

SECTION 9115. Nonstatutory provisions; Employee Trust Funds.

(1) Allocation of certain excess reserves in the public employee trust fund to reduce employer health insurance costs during 2011. Notwithstanding any action of the group insurance board under section 40.03 (6) (d) of the statutes, from reserve accounts established under section 20.515 (1) (r) of the statutes for group health insurance and pharmacy benefits for state employees, the secretary of employee trust funds shall allocate an amount equal to $28,000,000 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.

(2) Agreements to modify group insurance coverage for state employees. Section 40.03 (6) (c) of the statutes shall not apply to any agreements entered into by the group insurance board to modify group insurance coverage for the 2012 and 2013 calendar years.

(3) Reductions in health care premium costs for health care coverage during 2012 calendar year. The group insurance board shall design health care coverage plans for the 2012 calendar year that, after adjusting for any inflationary increase in health benefit costs, as determined by the group insurance board, reduces the average premium cost of plans offered in the tier with the lowest employee premium cost under section 40.51 (6) of the statutes by at least 5 percent from the cost of such plans offered during the 2011 calendar year. The group insurance board shall 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.
(4) Audit of dependent eligibility under benefit programs. If the department of employee trust funds determines that an audit of benefit programs administered by the department is necessary for the purpose of verifying the eligibility of dependents covered under the benefit programs, the department shall submit a written request to the secretary of administration to expend an amount not exceeding $700,000 from the appropriation account under section 20.515 (1) (w) of the statutes for the 2011–12 fiscal year to fund the cost of the audit. If the secretary of administration approves the request, the department of employee trust funds may proceed with the audit.

(5) State employee health care coverage.

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

1. Employees covered under section 40.05 (4) (ag) 2. of the statutes, as affected by this act, 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 under section 40.51 (6) of the statutes; $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 under section 40.51 (6) of the statutes; 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 under section 40.51 (6) of the statutes.

2. Eligible employees covered under section 40.02 (25) (b) 2. of the statutes, as affected by this act, shall pay 50 percent of the amounts required for employees under subdivision 1.
3. Employees covered under section 40.05 (4) (ag) 1. of the statutes, as affected by this act, and craft employees, as defined in section 111.81 (4) of the statutes, and related nonrepresented employees shall pay the same amounts that they are required to pay on the day before the effective date of this subdivision.

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

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

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

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

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

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

(2) INCOME AUGMENTATION LAPSE.

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

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

SECTION 9211. Fiscal changes; Corrections.

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

(2) TRANSFERS.

(a) There is transferred from the appropriation account under section 20.410 (1) (f) of the statutes to the appropriation account under section 20.410 (1) (a) of the statutes $5,362,500 in the second fiscal year of the fiscal biennium in which this paragraph takes effect.
(b) There is transferred from the appropriation account under section 20.410 (1) (ab) of the statutes to the appropriation account under section 20.410 (1) (a) of the statutes $2,825,300 in the second fiscal year of the fiscal biennium in which this paragraph takes effect.

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

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

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

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

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

SECTION 9219. Fiscal changes; Governor.
(1) **Lapses to general fund relating to employer savings in fringe benefit costs during the 2009–11 fiscal biennium.** Notwithstanding section 20.001 (3) (a) to (c) of the statutes, before July 1, 2011, the governor shall take actions to ensure that from general purpose revenue appropriations to the office of the governor under section 20.525 of the statutes an amount equal to $37,500 is lapsed from sum certain appropriation accounts or is subtracted from the expenditure estimates for any other type of appropriations, or both.

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

(1) **Income augmentation lapse.**

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

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

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

(3) **Medical Assistance general purpose revenue appropriation.** In the schedule under section 20.005 (3) of the statutes for the appropriation to the department of health services under section 20.435 (4) (b) of the statutes, as affected
by the acts of 2011, the dollar amount is increased by $127,200,000 for the second fiscal year of the fiscal biennium in which this subsection takes effect for the purposes for which the appropriation is made.

(4) **Medical Assistance Administration Appropriation.** In the schedule under section 20.005 (3) of the statutes for the appropriation to the department of health services under section 20.435 (4) (bm) of the statutes, as affected by the acts of 2011, the dollar amount is increased by $16,000,000 for the second fiscal year of the fiscal biennium in which this subsection takes effect for the purposes for which the appropriation is made.

(5) **Income Maintenance Appropriation.** In the schedule under section 20.005 (3) of the statutes for the appropriation to the department of health services under section 20.435 (4) (bn) of the statutes, as affected by the acts of 2011, the dollar amount is increased by $2,500,000 for the second fiscal year of the fiscal biennium in which this subsection takes effect for the purposes for which the appropriation is made.

(6) **Medical Assistance Trust Fund.** In the schedule under section 20.005 (3) of the statutes for the appropriation to the department of health services under section 20.435 (4) (w) of the statutes, as affected by the acts of 2011, the dollar amount is increased by $6,700,000 for the second fiscal year of the fiscal biennium in which this subsection takes effect for the purposes for which the appropriation is made.

(7) **Medical Assistance Program Benefits Appropriation Increase.** In the schedule under section 20.005 (3) of the statutes for the appropriation to the department of health services under section 20.435 (4) (b) of the statutes, as affected by the acts of 2011, the dollar amount is increased by $6,800,000 for the second fiscal
year of the fiscal biennium in which this subsection takes effect to fund the
collection for indigent health care in Milwaukee County.

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

SECTION 9227. Fiscal changes; Joint Committee on Finance.

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

SECTION 9230. Fiscal changes; Legislature.

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

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

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

SECTION 9236. Fiscal changes; Public Defender Board

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

SECTION 9241. Fiscal changes; Revenue.

(1) Earned income tax credit. In the schedule under section 20.005 (3) of the statutes for the appropriation to the department of revenue under section 20.835 (2) (kf) of the statutes, as affected by the acts of 2011, the dollar amount is increased by $37,000,000 for the second fiscal year of the fiscal biennium in which this subsection takes effect for the purposes for which the appropriation is made.

SECTION 9245. Fiscal changes; Supreme Court.

(1) Lapses to general fund relating to employer savings in fringe benefit costs during the 2009–11 fiscal biennium. Notwithstanding section 20.001 (3) (a) to (c) of the statutes, before July 1, 2011, the chief justice of the supreme court shall take actions to ensure that from general purpose revenue appropriations to the judicial branch of government under subchapter VII of chapter 20 of the statutes an amount equal to $1,153,400 is lapsed from sum certain appropriation accounts or is
subtracted from the expenditure estimates for any other type of appropriations, or
both.

SECTION 9255. Fiscal changes; Other.

(1) Lapses to General Fund relating to Employer Savings in Fringe Benefit
Costs during the 2009-11 Fiscal Biennium.

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

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

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

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

SECTION 9315. Initial applicability; Employee Trust Funds.

(1) Calculation of Annuities under the Wisconsin Retirement System.

(a) Except as provided in paragraph (b), for elected officials, as defined in
section 40.02 (24) of the statutes, who are participating employees in the Wisconsin
retirement system, the treatment of section 40.23 (2m) (e) 2. of the statutes first
applies to creditable service that is performed on the first day of a term of office that
begins after the effective date of this paragraph.

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

(2) Health care coverage premiums. The treatment of sections 40.02 (25) (b) 2., 40.05 (4) (ag) 1. and 2., (ar), and (c), 40.51 (7), and 40.52 (3) of the statutes and Section 9115 (5) of this act first apply to employees who are covered by a collective
bargaining agreement that contains provisions inconsistent with those sections on
the day on which the agreement expires or is terminated, extended, modified, or
renewed, whichever occurs first.

(3) Payment of employee required contributions. The treatment of sections
40.05 (1) (a) (intro.), 1., 2., 3., and 4., (2m), and (2n), 40.32 (1), 59.875, 62.623, 66.0518,
111.91 (1) (cm) and (2) (g), and 111.998 (1) (d) and (2) (d) of the statutes and Section
9115 (6) of this act first apply to employees who are covered by a collective bargaining
agreement that contains provisions inconsistent with those sections on the day on
which the agreement expires or is terminated, extended, modified, or renewed,
whichever occurs first.