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(FORM UPDATED: 08/11/2010)

## WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

### 2011-12

(session year)

### Senate

(Assembly, Senate or Joint)

### Committee on ... Labor, Public Safety, and Urban Affairs (SC-LPSUA)

### COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

### INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)  
(**ab** = Assembly Bill)                      (**ar** = Assembly Resolution)                      (**ajr** = Assembly Joint Resolution)  
(**sb** = Senate Bill)                              (**sr** = Senate Resolution)                              (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

\* Contents organized for archiving by: Mike Barman (LRB) (July/2012)



Present: (5) Senators Wanggaard, Grothman, Lazich, Wirch  
and King.

Absent: (0) None.

Excused: (0) None.

Moved by Senator Wirch, seconded by Senator King that **Senate  
Substitute Amendment 1** be recommended for adoption.

Ayes: (5) Senators Wanggaard, Grothman, Lazich,  
Wirch and King.

Noes: (0) None.

ADOPTION OF SENATE SUBSTITUTE AMENDMENT 1  
RECOMMENDED, Ayes 5, Noes 0

Moved by Senator Wirch, seconded by Senator King that **Senate  
Bill 153** be recommended for passage as amended.

Ayes: (5) Senators Wanggaard, Grothman, Lazich,  
Wirch and King.

Noes: (0) None.

PASSAGE AS AMENDED RECOMMENDED, Ayes 5, Noes 0

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Craig Summerfield  
Committee Clerk





# ROBIN J. VOS

STATE REPRESENTATIVE • RACINE COUNTY

**2011 Senate Bill 153**  
**Allowing Municipalities to Participate in the State Group Insurance Board**  
**Submitted Testimony of State Representative Robin Vos**  
**September 29, 2011**

Dear Chairman Wanggaard and members of Senate Labor, Public Safety and Urban Affairs Committee,

Please accept this as my written testimony in support of this provision to allow municipalities not currently participating in the Wisconsin Retirement System (WRS) to buy health insurance through the state's Group Insurance Board (GIB).

I am very much in support of this bill because I believe it is important to allow all municipalities, whether they participate in the Wisconsin Retirement System or not, to take advantage of all budget-reforming tools available to them. Allowing these municipalities greater purchasing power through a larger insurance pool is a common-sense measure that will save taxpayers money in the long-run.

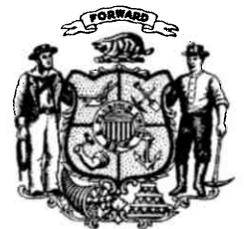
For instance, we know that the village of Sturtevant is one municipality that does not participate in the Wisconsin Retirement System. While we do not know exactly what the fiscal savings would be for them in the coming years, it's important to allow them this added flexibility.

As lawmakers, we are not always aware of all possible outcomes of our legislation. Had we known municipalities not participating in the WRS could not also be part of GIB, we may have addressed it earlier this year under Act 10. I'd like to commend the Village of Sturtevant for coming forward on this issue and partnering with Senator Wanggaard to develop innovative budget reforms in these very tough financial times.

Thank you for your consideration of this bill.



# WISCONSIN STATE LEGISLATURE



MUNICIPAL OFFICE  
2801 89<sup>th</sup> Street  
Sturtevant, WI 53177

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October 6, 2011

Senate Committee on Labor, Public Safety and Urban Affairs

Mr. Chairman and members of the committee,

I currently have the privilege of serving my third term as trustee for the Village of Sturtevant. During that time we have made efforts to be fiscally responsible in our decisions. One area that has been difficult to control is health insurance costs. When I was first elected we had 35 full time employees. During that time with a small amount of employees the rates we were given would vary widely. Also because the risk was spread over a small amount of people the rates would often be higher. Two years ago we switched to coverage with Central States which is tied to the Teamsters Union. We can only take part in this as long as we have a local Teamsters Union. With only four members in the local union it is not guaranteed that they will recertify. If this were to happen we would be forced to go back to the private market. However, we now have 17 fulltime employees which will likely cause much higher rates.

We are asking that you to approve SB 153. This will allow us to participate in the state insurance pool and allow us to find more affordable health coverage for our employees. Because Sturtevant does not participate in the Wisconsin Retirement System we are currently unable to participate. It would be too cost prohibitive to move our current DPW employees from their Teamsters pension plan. SB 153 will allow us and other smaller communities to find more stable and cost effective coverage.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in cursive script that reads "Chris Wright".

Chris Wright  
Trustee

Village of Sturtevant



# WISCONSIN STATE LEGISLATURE





Mark Janiuk  
Village Administrator  
262/884-2480  
[villageadmin@sturtevant-wi.gov](mailto:villageadmin@sturtevant-wi.gov)  
2801 89th Street  
Sturtevant, WI 53177

October 6, 2011

Re: Senate Bill 153

Senate Committee on Labor, Public Safety and Urban Affairs

This letter is a follow up to my verbal comments at the public hearing before the Senate Committee on Labor, Public Safety and Urban Affairs on September 29, 2011 concerning Senate Bill 153. At that hearing, I was asked by the committee to submit a written summary of my comments.

Sturtevant is a small village in southeastern Wisconsin. The Village has a population of 6,970. Sturtevant currently has 17 full time employees. Sturtevant does not participate in the Wisconsin Retirement System. Instead, its Department of Public Works employees, who are teamsters, participate in the Teamsters Central States Pension Program. All other full time employees receive payments to the Wisconsin Deferred Benefit Program which are paid by the Village.

Under present law, Sturtevant is not able to participate in the State of Wisconsin's Health Insurance Program because the Village is not part of the Wisconsin Retirement Program. Senate Bill 153 addresses this issue and would allow Sturtevant, as well as other municipalities in a similar position, to participate in the State of Wisconsin's Health Insurance Program. Sturtevant strongly supports the passage of Senate Bill 153.

In prior years, Sturtevant experienced vast swings in its costs for health insurance. The Village was only able to get one year contracts which were based on the loss experience of its small group of employees and their families in the immediate prior years. Rates often varied by 20% per year. The price quotes from the insurance companies would arrive in early November when the Village was at the end of its budget approval process which often led to unpleasant last minute adjustments in the village budget just before adoption.

In 2010, Sturtevant was able to enter into a three year contract with the Central States Health Insurance Program. This program provided the Village with stable competitive health insurance rates. Unfortunately, this offering is tied to the village employees who are teamsters. If the teamster local decertifies, the Village would lose this health insurance option. The Village can not predict what the local teamsters will do but the Village needs the option of the State Health Insurance Program. The State Health Insurance Program would offer Sturtevant, other the similarly situated municipalities, stable competitive health insurance coverage for its full time employees. The Village urges the committee to support this bill.

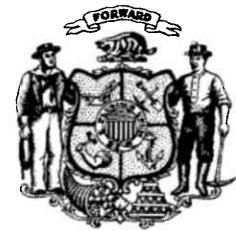
Sincerely,

A handwritten signature in cursive script that reads "Mark Janiuk". The signature is fluid and connected, with a prominent loop at the end of the last name.

Mark Janiuk



# WISCONSIN STATE LEGISLATURE





# Van H. Wanggaard

Wisconsin State Senator

Date?

## TESTIMONY OF SENATOR VAN WANGGAARD ON SB 153

Thank you, Mr. Chairman and committee members, for this hearing on Senate Bill 153, which permits governmental employers who do not participate in the Wisconsin Retirement System to be covered in the local government health insurance plan offered by the Group Insurance Board. I cosponsored this legislation with Representative Vos, and I am pleased to appear in support of this bill.

This bill originated from a challenge faced by the Village of Sturtevant in Racine County. Sturtevant village trustees have served as excellent stewards of taxpayer funds, and they have worked to hold down costs and maintain a balanced budget. However, Sturtevant does not participate in the Wisconsin Retirement System—it uses a third party to administer its pension plan. As a result, it is denied access to the health insurance plans offered by the Group Insurance Board.

Without enrolling in the Group Insurance Board, one of the tools that the Legislature has offered local governments to balance their budgets is of limited use. The Group Insurance Board, because of its much larger pool of participants, would likely lower the health insurance costs for Sturtevant's employees and lower costs for the village. Although there may have been some reason for requiring the Group Insurance Board to be tied to the Wisconsin Retirement System in the past, such reason seems lacking today. The change made in this bill enables local government officials to realize savings in health insurance costs regardless of their pension administrator. Since introducing this bill, I have learned that other communities, including the city and county of Milwaukee, face a similar situation and would be positively impacted by this legislation.

Let me be clear—allowing municipalities like Sturtevant to participate in the Group Insurance Board creates no additional expense for municipalities or the state. Instead, it allows fiscally responsible municipalities to save on health insurance costs by letting them participate in the much larger health insurance pool represented by the Group Insurance Board. It gives local governments another option for saving money, balancing their budgets, and maintaining essential services.

This is a simple bill. We are not making substantial changes to the policies of the Group Insurance Board, and we are not creating a new financial obligation for municipalities or for the state. We are simply giving local governments another option as they work to balance their budgets and provide taxpayers with the best value for municipal services.

I urge you to support SB 185, and I will be happy to answer any questions you have about this legislation. Thank you.

Serving Racine County - Senate District 21