




State of Wisconsin


LEGISLATIVE REFERENCE BUREAU


RESEARCH APPENDIX - **PLEASE DO NOT REMOVE FROM DRAFTING FILE**


Date Transfer Requested: 01/06/2015 (Per: CMH & MPG)


Compile Draft – Appendix D


Appendix A  The 2015 drafting file for LRB-0797


Appendix B  The 2015 drafting file for LRB-0799

Appendix C  The 2015 drafting file for LRB-0800

Appendix D  The 2015 drafting file for LRB-0852

Appendix E  The 2015 drafting file for LRB-0872

Appendix F  The 2015 drafting file for LRB-0906

Appendix G  The 2015 drafting file for LRB-0941

has been copied/added to the drafting file for

2015 LRB-0807

2015 DRAFTING REQUEST

Bill

Received: **12/10/2014** Received By: **rchampag**
Wanted: **Today** Same as LRB:
For: **Legislative Reference Bureau** By/Representing: **RAC**
May Contact: Drafter: **rchampag**
Subject: **State Govt - miscellaneous** Addl. Drafters:
Extra Copies:

Submit via email: **YES**
Requester's email: **rick.champagne@legis.wisconsin.gov**
Carbon copy (CC) to: **aaron.gary@legis.wisconsin.gov**
Tamara.Dodge@legis.wisconsin.gov
Michael.Gallagher@legis.wisconsin.gov
Pam.Kahler@legis.wisconsin.gov
Robin.Kite@legis.wisconsin.gov
Gordon.Malaise@legis.wisconsin.gov
Fern.Knepp@legis.wisconsin.gov
Cathlene.Hanaman@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

Nonstat, s. 20.923, and ch. 230 language for transfer provisions to DFIIPS underlying draft for compile for budget BB0259

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/P1	rchampag 12/13/2014	wjackson 12/13/2014		_____	mbarman 12/15/2014		

FE Sent For:

<END>

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/P1	rchampag 12/13/2014	wjackson 12/13/2014		_____	wjackson 12/13/2014		

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Fern.Knepp@legis.wisconsin.gov
Cathlene.Hanaman@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

↑ S. 20.923↑
Nonstat and ch 230 language for transfer provisions to DFIIPS underlying draft for compile for budget BB0259 ✓

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/P1	rchampag	/P1 WJ 12/13	/P1 WJ 12/13	<u>WJ</u> <u>eev</u>	WJ 12/13		

FE Sent For:

<END>

Champagne, Rick

From: Gallagher, Michael
Sent: Friday, December 12, 2014 11:12 AM
To: Champagne, Rick; Dodge, Tamara; Gary, Aaron; Kahler, Pam; Kite, Robin; Knepp, Fern; Malaise, Gordon
Cc: Hanaman, Cathlene; Duchek, Michael; Jackson, Wendy
Subject: FW: DFIIPS Draft

Below is Andy's follow-up e-mail about the stuff I e-mailed to you yesterday afternoon. The only new thing is a transfer of IT employees from OCI and DFI to DOA to take care of DFIIPS IT needs (DSPS's IT is already done by DOA). Rick, Andy will follow-up with the number of FTE's being transferred and with a general description of IT related equipment, etc. Do you already have boilerplate for the transfer of IT functions? Andy's bullet points also reference the transfer of OCI and WC administrative law judges to DFIIPS—not sure if this will require any additional language in the employees transfer language. I suppose it depends on whether those positions are classified or unclassified.

Michael Gallagher
Legislative Attorney
Wisconsin Legislative Reference Bureau
(608) 267-7511

From: Potts, Andrew R - DOA [mailto:Andrew.Potts@wisconsin.gov]
Sent: Friday, December 12, 2014 10:49 AM
To: Gallagher, Michael
Subject: DFIIPS Draft

Here's what I have, so far, for inclusion in the DFIIPS draft:

- ✓ • Combine OCI, DFI and DSPS as DFIIPS.
- ✓ • Workers Comp from DWD to DFIIPS.
- ✓ • Office of Business Development plus SBRRB to DFIIPS (DFIIPS Sec'y Office) 2.0 FTE
 - MWBE (Supplier Diversity) to DFIIPS Division of Professional and Business Svcs 3.0 FTE
- ✓ • IT to DOA
- ✓ • OCI and WC ALJs to DOA
- ✓ • EAB to DFIIPS Division of Administrative Services
 - Tanning Beds, Body Piercers and Tattoo Artists from DHS to DFIIPS
- ✓ • CBRF/Hospice Plan Review to DHS (eliminate DSPS/DFIIPS review authority)
 - POWTS admin to DNR, grants eliminated
- ✓ • Directive that the new Secretary submit a reorganization plan to the DOA Secretary at a date TBD.
 - Transfer of assets, personnel etc. boilerplate.

Let me know if there's something we discussed that isn't on the list.

Andrew R. Potts
Executive Budget and Policy Analyst
Wisconsin Department of Administration
State Budget Office
(608) 267-0370

Champagne, Rick

From: Gallagher, Michael
Sent: Thursday, December 11, 2014 4:06 PM
To: Champagne, Rick; Dodge, Tamara; Gary, Aaron; Kahler, Pam; Kite, Robin; Knepp, Fern; Malaise, Gordon
Cc: Hanaman, Cathlene; Duchek, Michael; Jackson, Wendy
Subject: DFIIPS

I talked with Andy this morning. I've been waiting on an e-mail from him confirming some of this stuff, but I'll go ahead and share now and forward his e-mail when I get it. What he gave me all sounds pretty certain, but I seem to recall some French about things being certain, not French as in "!@#%," but French as in some hoity-toity clever phrase. Anyway, here it is:

1. First, here's what's in (there are a couple of potential pieces still in the air, which I won't mention now):

- a. Worker's comp. is in. I believe Gordon already handed his LRB draft into editing. Yes!
- b. The office of business development, the small business regulatory review board, and the minority, etc., business certification programs currently in DOA are in. This is traditionally linked with economic development, and I will take care of this piece.
- c. The educational approval board, currently in ch. 38, tech. colleges, will go to DFIIPS. This is new. Apparently, the thinking is that all this board does is approve in-state schools for barbering and cosmetology, and perhaps a couple of other professions, and it should be linked with the professional regulation functions of DFIIPS. Either Aaron or I can take care of this.
- d. The regulation of tanning beds and tattooists and body piercers will go from DHS (under current law) to DFIIPS. Tami is on this.
- e. The regulation of private on-site wastewater treatment systems will go to DFIIPS, but the related grant program will be repealed. This is buildings and safety. Robin and I will include this piece in our LRB draft. Robin, I already drafted the elimination of the grant program as a separate budget draft.
- f. There are some building plan reviews, for certain medical facilities, that are currently done by both DHS and DSPS, apparently. The requirement of a review by DSPS will be repealed and not transferred to DFIIPS. That will go in the LRB draft Robin and I are working on.
- g. As a nonstat, they want to require the secretary of DFIIPS to submit a reorganization plan to the secretary of DOA. Rick, can you include that as a part of your draft?
- h. The serial comma is in. Yes!

2. Effective date.

- a. If a stand-alone bill, which seems to me to be the most likely scenario at this point, the effective date will be July 1, 2015 or the day after the effective date of the budget, whichever is later. This would be ideal.
- b. If in the budget, they want the effective date to be July 1, 2015 or other general effective date for the budget. This makes our budget draft easier, but is it workable in reality? I really think we're looking at a special session bill to get this done, but they want us to draft

Champagne, Rick

From: Gallagher, Michael
Sent: Tuesday, December 09, 2014 1:47 PM
To: Champagne, Rick
Subject: FW: Some enabling legislation

On the employee transfers, Andy forwarded this e-mail from Caitlin to me. The quoted language is the boilerplate.

From: Potts, Andrew R - DOA [mailto:Andrew.Potts@wisconsin.gov]
Sent: Tuesday, December 09, 2014 9:33 AM
To: Gallagher, Michael
Subject: FW: Some enabling legislation

Here's what Caitlin found.

From: Frederick, Caitlin - DOA
Sent: Friday, December 05, 2014 10:10 AM
To: Potts, Andrew R - DOA
Subject: Some enabling legislation

We need something like this for DFIPS (obviously not pertaining to DNR, and broader to cover the other agencies and their respective statutes). The question to ask is whether under (b) the employees in question can be narrowed to classified, to specifically exclude the ESG staff. Because of the language identifying the DOA secretary as making the determination on primary duties, it enables some choosing of staff, but not wholesale layoff and rehire.

If the LRB would find it easier to meet with us on the subject (the draft as a whole), I would be open to that.

(a) *Assets and liabilities.* The assets and liabilities of the department of safety and professional services that the secretary of administration determines to be primarily related to activities under sections 101.143, 101.1435, and 101.144, 2011 stats., become the assets and liabilities of the department of natural resources on the effective date of this paragraph.

(b) *Employee transfer.* All incumbent employees who hold positions in the department of safety and professional services performing duties that the secretary of administration determines to be primarily related to sections 101.143, 101.1435, and 101.144, 2011 stats., and the full-time equivalent positions held by those employees, are transferred to the department of natural resources on the effective date of this paragraph.

(c) *Employee status.* Employees transferred under paragraph (b) have all the rights and the same status under subchapter V of chapter 111 and chapter 230 of the statutes in the department of natural resources that they enjoyed in the department of safety and professional services immediately before the transfer. Notwithstanding section 230.28 (4) of the statutes, no employee so transferred

it as a budget draft anyway. We may end up having to stick delayed effective dates in at a later point if this ends up really going in the budget.

I have to go now, but I'll send another e-mail in the morning with some housekeeping.

Thanks.

Mike G.

Champagne, Rick

From: Gallagher, Michael
Sent: Friday, December 12, 2014 11:41 AM
To: Champagne, Rick; Dodge, Tamara; Gary, Aaron; Kahler, Pam; Kite, Robin; Knepp, Fern; Malaise, Gordon
Cc: Hanaman, Cathlene; Duchek, Michael; Jackson, Wendy
Subject: More DFIIPS housekeeping

Here is some additional housekeeping.

I will create a D-Note for you to check out and in as needed to include any comments or questions.

Also, I am creating (actually, renumbering 20.165 (1) (a)) a general program operations appropriation to go under 20.142 (1) (a). Pam is renumbering / creating appropriations under sub. (1) for gifts and grants and federal moneys, both for the purposes for which received. If you have similar appropriations, you'll have to determine whether to repeal or to amend (or perhaps renumber only) for a specific purpose. And your treatment might be slightly different from what's in Caitlin's spreadsheet.

For example, I have a general program operations appropriation under 20.165 (1) (g) under current law that I renumber to 20.142 (7) (g) and amend slightly to specify that it is for general program operations related to the DFIIPS professional licensing functions. Caitlin suggests, with a "?", moving that appropriation to 20.142 (1), but I believe what I've done is the correct treatment. (Under current law, DSPS has a completely generic general program operations appropriation under 20.165 (1) (a), which, as I mentioned, I renumber to 20.142 (1) (a) in the draft. 20.165 (1) (g) is primarily for the professional licensing functions of DSPS.)

For appropriations you repeal, you'll want to include a balance transfer provision in the back of the bill to send the balance to the appropriate DFIIPS appropriation.

Michael Gallagher
Legislative Attorney
Wisconsin Legislative Reference Bureau
(608) 267-7511

Champagne, Rick

From: Gallagher, Michael
Sent: Friday, December 12, 2014 9:09 AM
To: Champagne, Rick; Dodge, Tamara; Gary, Aaron; Kahler, Pam; Kite, Robin; Knepp, Fern; Malaise, Gordon
Cc: Hanaman, Cathlene; Duchek, Michael; Jackson, Wendy
Subject: DFIIIPS housekeeping

Good morning everyone. Here is the housekeeping e-mail I promised. I only have a few points, which I've already discussed with most folks.

1. We are doing this as a budget draft first, so your LRB draft should conform to budget drafting conventions. At this point, the general effective date of the budget applies (see my earlier e-mail), so you don't need to include a delayed effective date unless one is otherwise required for a specific provision in your draft.
2. Let's do an analysis. For the most part, the analysis should be fairly straight forward—identify agency, briefly summarize its functions, and state that it is being eliminated and its duties and powers being transferred to the new agency.
3. Let's all aim for Wednesday as the "drop dead" date for getting our individual LRB drafts into editing, and please send me an e-mail with the LRB number when you do get your draft to editing. Wednesday doesn't leave as much time as we might like for editing a draft like this, so, the earlier the better. Monday or Tuesday would be great! Mark your draft for Friday, AM, at the latest. If you get it in before Wednesday, mark it for Thursday. Okay Wendy?
4. We will compile and reconcile on Friday afternoon and get the initial draft out on the following Monday (if not on Friday). If need be, Rick and I, and perhaps one or two others, will come in over the weekend to complete reconciliation and tie up any loose ends.
5. Let's have a meeting on Tuesday morning to regroup. In the meantime, **vivre la vie au maximum!**

Please let me know if you have any questions, and I will let you know if I have any answers.

Thanks.

Mike

Champagne, Rick

From: Potts, Andrew R - DOA <Andrew.Potts@wisconsin.gov>
Sent: Tuesday, December 09, 2014 3:29 PM
To: Champagne, Rick
Subject: DFIIIPS ESG

Hi Rick,

Here's where we're at with the unclassified/ESG count for DFIIIPS. There are 17 unclassified positions in the proposed DFIIIPS, as identified below.

ESG 7
Secretary

ESG 6
Deputy Secretary
Administrator, Division of Insurance
Administrator, Division of Financial Institutions

ESG 5
Assistant Deputy Secretary
Chief Legal Council

ESG 3
Legislative Liaison
Co-Director Office of Business Development
Co-Director Office of Business Development
Administrator, Division of Administrative Services
Administrator, Division of Legal Services and Compliance
Administrator, Division of Professional and Business Services
Administrator, Division of Industry Services
Executive Director within the Division of Administrative Services
Executive Director within the Division of Administrative Services
Executive Director within the Division of Administrative Services

ESG 2
Director of Communications/PIO

Let me know if you have any questions.

Thanks,

Andy

Andrew R. Potts
Executive Budget and Policy Analyst
Wisconsin Department of Administration
State Budget Office
(608) 267-0370

who has attained permanent status in class is required to serve a probationary period.

(d) *Tangible personal property.* On the effective date of this paragraph, all tangible personal property, including records, of the department of safety and professional services that the secretary of administration determines to be primarily related to activities under sections 101.143, 101.1435, and 101.144, 2011 stats., is transferred to the department of natural resources. (e) *Contracts.* All contracts that were entered into by the department of safety and professional services that the secretary of administration determines to be primarily related to sections 101.143, 101.1435, and 101.144, 2011 stats., and that are in effect on the effective date of this paragraph remain in effect and are transferred to the department of natural resources. The department of natural resources shall carry out any obligations under such a contract until the contract is modified or rescinded by the department of natural resources to the extent allowed under the contract.

(f) *Rules and orders.* All rules promulgated, and all orders issued, by the department of safety and professional services that the secretary of administration determines to be primarily related to sections 101.143, 101.1435, and 101.144, 2011 stats., and that are in effect on the effective date of this paragraph, shall remain in effect until their specified expiration date or until amended or repealed by the department of natural resources.

(g) *Pending matters.* Any matter pending with the department of safety and professional services on the effective date of this paragraph that the secretary of administration determines to be related to section 101.143, 101.1435, or 101.144, 2011 stats., is transferred to the department of natural resources, and all materials submitted to or actions taken by the department of safety and professional services with respect to the pending matter are considered as having been submitted to or taken by the department of natural resources.

Champagne, Rick

From: Knepp, Fern
Sent: Friday, December 12, 2014 5:13 PM
To: Champagne, Rick
Subject: DFIIPS - nonstats

As we discussed:

- ✓ DFI becomes part of DFIIPS
- ✓ Division of Banking (statutory division of DFI) is repealed and all of its functions go to DFIIPS (which will presumably administratively create a division of banking)
- ✓ Division of Securities (statutory division of DFI) is repealed and all of its functions go to DFIIPS (which will presumably administratively create a division of banking)
- ✓ Office of Credit Unions (Office attached to DFI) stays the Office of Credit Unions but is attached to DFIIPS.



State of Wisconsin
2015 - 2016 LEGISLATURE



LRB-0852/P1

RAC:.....

WJ WJ

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

Do Not Gen

1 AN ACT ~~...~~ relating to: transfer of certain functions to ^{the} department of financial
2 institutions, Insurance, and professional standards and other state agencies.

Analysis by the Legislative Reference Bureau

I have not included an analysis for this draft, as the nonstatutory provisions included in this draft simply execute the transfer provisions incorporated into the statutes in the other drafts. I have used this analysis instead of a D-Note to talk to all of you. The provisions in the draft address the following issues:

1. Fern and Aaron: I drafted a general transfer of DFI stuff to DFIIPS, but with a carve out of IT staff and property to DOA. This should take care of DFI transfer (including Banking and Securities). There is no need to deal with Office of Credit Unions, since it is ^{an} s. 15.03 entity and just needs to be attached to DFIIPS in statutes. Fern; I'm still not sure how to deal with the issue you raised on Friday re: DFI obligations under various legal documents. My sense is that DFIIPS would simply assume DFI's place without statutory or nonstatutory text. Aaron and you can talk this through.

2. Pam and Tami: I drafted a general transfer of OCI stuff to DFIIPS, but with ^a carve out of IT and ALJ staff and property to DOA. I did not treat ALJ stuff as applying to pending matters, assets, liabilities, rules, etc. These are all just transferred to DFIIPS.

3. Aaron and Mark: I did not do anything with respect to the Educational Approval Board, since it is ^{an} s. 15.03 entity and just needs to be attached to DFIIPS in statutes.

4. Mike: I did not do anything with respect to the Office of Business Development, since it is a ^{gan} s. 15.03 entity and just needs to be attached to DFIIPS in statutes. Same thing goes with Small Business Regulatory Review Board.

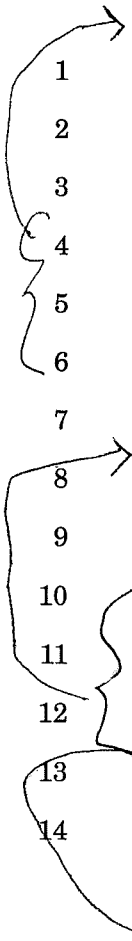
5. Mike and Robin: I did not draft anything with respect to the transfer of private on-site wastewater treatment systems to DFIIPS. I was not sure how to refer to this function so as to use transfer template.

6. Section 9152 contains a nonstatutory provision that requires DFIIPS to submit an organization plant to DOA that includes an FTE count. Upon approval of plan, FTE count is adjusted. ^{plan}

7. I drafted provisions in ss. 20.923 (4) (f) and 230.08 (2) (e) to deal with unclassified DFIIPS count. Please note that the new unclassified division administrator count ^{ca} under s. 230.08 (2) (e) 4g. includes other managerial positions specified in Andy's email.

8. Mike: Did not do anything with MWBE transfer because I didn't know what it was!

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



1 SECTION 1. 20.923 (4) (f) 3f. of the statutes is repealed.

2 SECTION 2. 20.923 (4) (f) 7v. of the statutes is repealed.

3 SECTION 3. 20.923 (4) (f) 8m. of the statutes is repealed.

4 SECTION 4. 20.923 (4) (f) 3d. of the statutes is created to read:

5 20.923 (4) (f) 3d. Financial institutions, insurance, and professional standards
6 secretary. ^{department of}

7 SECTION 5. 230.08 (2) (e) 4f. of the statutes is repealed.

8 SECTION 6. 230.08 (2) (e) 8h. of the statutes is repealed.

9 SECTION 7. 230.08 (2) (e) 11m. of the statutes is repealed.

10 SECTION 8. 230.08 (2) (e) 4g. of the statutes is created to read:

11 230.08 (2) (e) 4g. Financial institutions, insurance, and professional standards

12 ^o-14.

13 SECTION 9114. Nonstatutory provisions; Financial Institutions.

14 (1) ELIMINATION OF THE DEPARTMENT OF FINANCIAL INSTITUTIONS.

#RP; ~~DOA~~ 230.08 (2)(L) 5.

#RP; 230.08 (2)(v).

1 (a) *Assets and liabilities.* On the effective date of this paragraph, the assets and
2 liabilities of the department of financial institutions become the assets and liabilities
3 of the department of financial institutions, insurance, and professional standards.

4 create A.R. B (b) *Positions and employees.* On the effective date of this paragraph, all
5 positions and all incumbent employees in the classified service of the state civil
6 service holding those positions in the department of financial institutions, other than
7 employees performing information technology functions, as determined by the
8 secretary of administration, are transferred to the department of financial
9 institutions, insurance, and professional standards. Employees performing
10 information technology functions are transferred to the department of
11 administration.

12 use A.R. B (c) *Employee status.* Employees transferred under paragraph (b) have all the
13 rights and the same status under subchapter V of chapter 111 and chapter 230 of the
14 statutes in the department of financial institutions, insurance, and professional
15 standards or department of administration, whichever is appropriate, that they
16 enjoyed in the department of financial institutions immediately before the transfer.
17 Notwithstanding section 230.28 (4) of the statutes, no employee so transferred who
18 has attained permanent status in class is required to serve a probationary period.

19 (d) *Tangible personal property.* On the effective date of this paragraph, all
20 tangible personal property, including records, of the department of financial
21 institutions, other than property related to information technology functions, as
22 determined by the secretary of administration, is transferred to the department of
23 financial institutions, insurance, and professional standards. Property related to
24 information technology functions is transferred to the department of administration.

1 (e) *Pending matters.* Any matter pending with the department of financial
2 institutions on the effective date of this paragraph is transferred to the department
3 of financial institutions, insurance, and professional standards. All materials
4 submitted to or actions taken by the department of financial institutions are
5 considered as having been submitted to or taken by the department of financial
6 institutions, insurance, and professional standards.

7 (f) *Contracts.* All contracts entered into by the department of financial
8 institutions in effect on the effective date of this paragraph remain in effect and are
9 transferred to the department of financial institutions, insurance, and professional
10 standards. The department of financial institutions, insurance, and professional
11 standards shall carry out any obligations under those contracts unless modified or
12 rescinded by that department to the extent allowed under the contract.

13 (g) *Rules and orders.* All rules promulgated by the department of financial
14 institutions in effect on the effective date of this paragraph remain in effect until
15 their specified expiration dates or until amended or repealed by the department of
16 financial institutions, insurance, and professional standards. All orders issued by
17 the department of financial institutions in effect on the effective date of this
18 paragraph remain in effect until their specified expiration dates or until modified or
19 rescinded by the department of financial institutions, insurance, and professional
20 standards.

21 ↓
SECTION 9122. Nonstatutory provisions; Insurance.

22 (1) ELIMINATION OF THE OFFICE OF THE COMMISSIONER OF INSURANCE.

23 (a) *Assets and liabilities.* On the effective date of this paragraph, the assets and
24 liabilities of the office of the commissioner of insurance become the assets and

1 liabilities of the department of financial institutions, insurance, and professional
2 standards.

3 *Create A.R. #*

3 (b) *Positions and employees.* On the effective date of this paragraph, all
4 positions and all incumbent employees in the classified service of the state civil
5 service holding those positions in the office of the commissioner of insurance, other
6 than employees performing information technology and adjudicatory functions, as
7 determined by the secretary of administration, are transferred to the department of
8 financial institutions, insurance, and professional standards. Employees
9 performing information technology functions are transferred to the department of
10 administration[^] and employees performing adjudicatory functions are transferred to
11 the division of hearings and appeals in the department of administration.

Use A.R. #

12 (c) *Employee status.* Employees transferred under paragraph (b) have all the
13 rights and the same status under subchapter V of chapter 111 and chapter 230 of the
14 statutes in the department of financial institutions, insurance, and professional
15 standards or department of administration, whichever is appropriate, that they
16 enjoyed in the office of the commissioner of insurance immediately before the
17 transfer. Notwithstanding section 230.28 (4) of the statutes, no employee so
18 transferred who has attained permanent status in class is required to serve a
19 probationary period.

20 (d) *Tangible personal property.* On the effective date of this paragraph, all
21 tangible personal property, including records, of the office of the commissioner of
22 insurance, other than property related to information technology and adjudicatory
23 functions, as determined by the secretary of administration, is transferred to the
24 department of financial institutions, insurance, and professional standards.

1 Property related to information technology functions is transferred to the
 2 department of administration ^{and property related to adjudicatory functions} is transferred to the division of hearings and

3 (e) *Pending matters.* Any matter pending with the office of the commissioner ^{appeals}
 4 of insurance on the effective date of this paragraph is transferred to the department ⁱⁿ
 5 of financial institutions, insurance, and professional standards. All materials ^{the}
 6 submitted to or actions taken by the office of the commissioner of insurance are ^{depart-}
 7 considered as having been submitted to or taken by the department of financial ^{ment}
 8 institutions, insurance, and professional standards. ^{of}

9 (f) *Contracts.* All contracts entered into by the office of the commissioner of
 10 insurance in effect on the effective date of this paragraph remain in effect and are
 11 transferred to the department of financial institutions, insurance, and professional
 12 standards. The department of financial institutions, insurance, and professional
 13 standards shall carry out any obligations under those contracts unless modified or
 14 rescinded by that department to the extent allowed under the contract.

15 (g) *Rules and orders.* All rules promulgated by the office of the commissioner
 16 of insurance in effect on the effective date of this paragraph remain in effect until
 17 their specified expiration dates or until amended or repealed by the department of
 18 financial institutions, insurance, and professional standards. All orders issued by
 19 the office of the commissioner of insurance in effect on the effective date of this
 20 paragraph remain in effect until their specified expiration dates or until modified or
 21 rescinded by the department of financial institutions, insurance, and professional
 22 standards.

23 **SECTION 9138. Nonstatutory provisions; Safety and Professional**
 24 **Services.**

25 (1) ELIMINATION OF THE DEPARTMENT OF SAFETY AND PROFESSIONAL SERVICES.

1 (a) *Assets and liabilities.* On the effective date of this paragraph, the assets and
2 liabilities of the department of safety and professional services become the assets
3 and liabilities of the department of financial institutions, insurance, and
4 professional standards.

5 *Change A.R.Z.* (b) *Positions and employees.* On the effective date of this paragraph, all
6 positions and all incumbent employees in the classified service of the state civil
7 service holding those positions in the department of safety and professional services,
8 are transferred to the department of financial institutions, insurance, and
9 professional standards.

10 (c) *Employee status.* Employees transferred under paragraph (b) *Use A.R.Z.* have all the
11 rights and the same status under subchapter V of chapter 111 and chapter 230 of the
12 statutes in the department of financial institutions, insurance, and professional
13 standards that they enjoyed in the department of safety and professional services
14 immediately before the transfer. Notwithstanding section 230.28 (4) of the statutes,
15 no employee so transferred who has attained permanent status in class is required
16 to serve a probationary period.

17 (d) *Tangible personal property.* On the effective date of this paragraph, all
18 tangible personal property, including records, of the department of safety and
19 professional services is transferred to the department of financial institutions,
20 insurance, and professional standards.

21 (e) *Pending matters.* Any matter pending with the department of safety and
22 professional services on the effective date of this paragraph is transferred to the
23 department of financial institutions, insurance, and professional standards. All
24 materials submitted to or actions taken by the department of safety and professional

1 services are considered as having been submitted to or taken by the department of
2 financial institutions, insurance, and professional standards.

3 (f) *Contracts.* All contracts entered into by the department of safety and
4 professional services in effect on the effective date of this paragraph remain in effect
5 and are transferred to the department of financial institutions, insurance, and
6 professional standards. The department of financial institutions, insurance, and
7 professional standards shall carry out any obligations under those contracts unless
8 modified or rescinded by that department to the extent allowed under the contract.

9 (g) *Rules and orders.* All rules promulgated by the department of safety and
10 professional services in effect on the effective date of this paragraph remain in effect
11 until their specified expiration dates or until amended or repealed by the department
12 of financial institutions, insurance, and professional standards. All orders issued by
13 the office of the department of safety and professional services in effect on the
14 effective date of this paragraph remain in effect until their specified expiration dates
15 or until modified or rescinded by the department of financial institutions, insurance,
16 and professional standards.

17 **SECTION 9152. Nonstatutory provisions; Other.**

18 (1) SUBMISSION OF DEPARTMENT OF FINANCIAL INSTITUTIONS, INSURANCE, AND
19 PROFESSIONAL STANDARDS ORGANIZATION PLAN TO SECRETARY OF ADMINISTRATION.

20 *Create A.R. A*
21 (a) *Submission of organization plan.* Before September 1, 2015, the secretary
22 of the department of financial institutions, insurance, and professional standards
23 shall submit an organization plan to the secretary of administration for approval.
24 The plan shall specifically calculate the number of full-time equivalent positions,
25 and the appropriation accounts from which these positions are funded, that are
required to perform the functions of the department. The secretary of administration

1 shall review the plan and may adjust the number of full-time equivalent positions,
2 and the appropriation accounts from which these positions are funded.

3 (b) *Adjustment of authorized full-time equivalent positions.* Upon approval of
4 the plan by the secretary of administration under paragraph (a), ^{Use A.R.A.} the authorized
5 full-time equivalent positions for the department of financial institutions,
6 insurance, and professional standards shall be adjusted to reflect the number in the
7 approved plan.

8

(END)



State of Wisconsin
2015 - 2016 LEGISLATURE



LRB-0852/P1
RAC:wlj:wj

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

1 **AN ACT** ...; **relating to:** transfer of certain functions to the Department of
2 Financial Institutions, Insurance, and Professional Standards and other state
3 agencies.

Analysis by the Legislative Reference Bureau

I have not included an analysis for this draft, as the nonstatutory provisions included in this draft simply execute the transfer provisions incorporated into the statutes in the other drafts. I have used this analysis instead of a D-Note to talk to all of you. The provisions in the draft address the following issues:

1. Fern and Aaron: I drafted a general transfer of DFI stuff to DFIIPS, but with a carve out of IT staff and property to DOA. This should take care of DFI transfer (including Banking and Securities). There is no need to deal with Office of Credit Unions, since it is an s. 15.03 entity and just needs to be attached to DFIIPS in statutes. Fern: I'm still not sure how to deal with the issue you raised on Friday re: DFI obligations under various legal documents. My sense is that DFIIPS would simply assume DFI's place without statutory or nonstatutory text. Aaron and you can talk this through.

2. Pam and Tami: I drafted a general transfer of OCI stuff to DFIIPS, but with a carve out of IT and ALJ staff and property to DOA. I did not treat ALJ stuff as applying to pending matters, assets, liabilities, rules, etc. These are all just transferred to DFIIPS.

3. Aaron and Mark: I did not do anything with respect to the Educational Approval Board, since it is an s. 15.03 entity and just needs to be attached to DFIIPS in statutes.

4. Mike: I did not do anything with respect to the Office of Business Development, since it is a s. 15.03 entity and just needs to be attached to DFIIPS in statutes. Same thing goes with Small Business Regulatory Review Board.

5. Mike and Robin: I did not draft anything with respect to the transfer of private on-site wastewater treatment systems to DFIIPS. I was not sure how to refer to this function so as to use transfer template.

6. Section 9152 contains a nonstatutory provision that requires DFIIPS to submit an organization plan to DOA that includes an FTE count. Upon approval of plan, FTE count is adjusted.

7. I drafted provisions in ss. 20.923 (4) (f) and 230.08 (2) (e) to deal with unclassified DFIIPS count. Please note that the new unclassified division administrator count under s. 230.08 (2) (e) 4g. includes other managerial positions specified in Andy's e-mail.

8. Mike: Did not do anything with MWBE transfer because I didn't know what it was!

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

- 1 **SECTION 1.** 20.923 (4) (f) 3d. of the statutes is created to read:
2 20.923 (4) (f) 3d. Financial institutions, insurance, and professional standards,
3 department of: secretary.
- 4 **SECTION 2.** 20.923 (4) (f) 3f. of the statutes is repealed.
- 5 **SECTION 3.** 20.923 (4) (f) 7v. of the statutes is repealed.
- 6 **SECTION 4.** 20.923 (4) (f) 8m. of the statutes is repealed.
- 7 **SECTION 5.** 20.923 (12) of the statutes is repealed.
- 8 **SECTION 6.** 230.08 (2) (e) 4f. of the statutes is repealed.
- 9 **SECTION 7.** 230.08 (2) (e) 4g. of the statutes is created to read:
10 230.08 (2) (e) 4g. Financial institutions, insurance, and professional standards
11 - 14.
- 12 **SECTION 8.** 230.08 (2) (e) 8h. of the statutes is repealed.
- 13 **SECTION 9.** 230.08 (2) (e) 11m. of the statutes is repealed.
- 14 **SECTION 10.** 230.08 (2) (L) 5. of the statutes is repealed.

1 **SECTION 11.** 230.08 (2) (v) of the statutes is repealed.

2 **SECTION 9114. Nonstatutory provisions; Financial Institutions.**

3 (1) ELIMINATION OF THE DEPARTMENT OF FINANCIAL INSTITUTIONS.

4 (a) *Assets and liabilities.* On the effective date of this paragraph, the assets and
5 liabilities of the department of financial institutions become the assets and liabilities
6 of the department of financial institutions, insurance, and professional standards.

7 (b) *Positions and employees.* On the effective date of this paragraph, all
8 positions and all incumbent employees in the classified service of the state civil
9 service holding those positions in the department of financial institutions, other than
10 employees performing information technology functions, as determined by the
11 secretary of administration, are transferred to the department of financial
12 institutions, insurance, and professional standards. Employees performing
13 information technology functions are transferred to the department of
14 administration.

15 (c) *Employee status.* Employees transferred under paragraph (b) have all the
16 rights and the same status under subchapter V of chapter 111 and chapter 230 of the
17 statutes in the department of financial institutions, insurance, and professional
18 standards or department of administration, whichever is appropriate, that they
19 enjoyed in the department of financial institutions immediately before the transfer.
20 Notwithstanding section 230.28 (4) of the statutes, no employee so transferred who
21 has attained permanent status in class is required to serve a probationary period.

22 (d) *Tangible personal property.* On the effective date of this paragraph, all
23 tangible personal property, including records, of the department of financial
24 institutions, other than property related to information technology functions, as
25 determined by the secretary of administration, is transferred to the department of

1 financial institutions, insurance, and professional standards. Property related to
2 information technology functions is transferred to the department of administration.

3 (e) *Pending matters.* Any matter pending with the department of financial
4 institutions on the effective date of this paragraph is transferred to the department
5 of financial institutions, insurance, and professional standards. All materials
6 submitted to or actions taken by the department of financial institutions are
7 considered as having been submitted to or taken by the department of financial
8 institutions, insurance, and professional standards.

9 (f) *Contracts.* All contracts entered into by the department of financial
10 institutions in effect on the effective date of this paragraph remain in effect and are
11 transferred to the department of financial institutions, insurance, and professional
12 standards. The department of financial institutions, insurance, and professional
13 standards shall carry out any obligations under those contracts unless modified or
14 rescinded by that department to the extent allowed under the contract.

15 (g) *Rules and orders.* All rules promulgated by the department of financial
16 institutions in effect on the effective date of this paragraph remain in effect until
17 their specified expiration dates or until amended or repealed by the department of
18 financial institutions, insurance, and professional standards. All orders issued by
19 the department of financial institutions in effect on the effective date of this
20 paragraph remain in effect until their specified expiration dates or until modified or
21 rescinded by the department of financial institutions, insurance, and professional
22 standards.

23 **SECTION 9122. Nonstatutory provisions; Insurance.**

24 (1) ELIMINATION OF THE OFFICE OF THE COMMISSIONER OF INSURANCE.

1 (a) *Assets and liabilities.* On the effective date of this paragraph, the assets and
2 liabilities of the office of the commissioner of insurance become the assets and
3 liabilities of the department of financial institutions, insurance, and professional
4 standards.

5 (b) *Positions and employees.* On the effective date of this paragraph, all
6 positions and all incumbent employees in the classified service of the state civil
7 service holding those positions in the office of the commissioner of insurance, other
8 than employees performing information technology and adjudicatory functions, as
9 determined by the secretary of administration, are transferred to the department of
10 financial institutions, insurance, and professional standards. Employees
11 performing information technology functions are transferred to the department of
12 administration, and employees performing adjudicatory functions are transferred to
13 the division of hearings and appeals in the department of administration.

14 (c) *Employee status.* Employees transferred under paragraph (b) have all the
15 rights and the same status under subchapter V of chapter 111 and chapter 230 of the
16 statutes in the department of financial institutions, insurance, and professional
17 standards or department of administration, whichever is appropriate, that they
18 enjoyed in the office of the commissioner of insurance immediately before the
19 transfer. Notwithstanding section 230.28 (4) of the statutes, no employee so
20 transferred who has attained permanent status in class is required to serve a
21 probationary period.

22 (d) *Tangible personal property.* On the effective date of this paragraph, all
23 tangible personal property, including records, of the office of the commissioner of
24 insurance, other than property related to information technology and adjudicatory
25 functions, as determined by the secretary of administration, is transferred to the

1 department of financial institutions, insurance, and professional standards.
2 Property related to information technology functions is transferred to the
3 department of administration, and property relating to adjudicatory functions is
4 transferred to the division of hearings and appeals in the department of
5 administration.

6 (e) *Pending matters.* Any matter pending with the office of the commissioner
7 of insurance on the effective date of this paragraph is transferred to the department
8 of financial institutions, insurance, and professional standards. All materials
9 submitted to or actions taken by the office of the commissioner of insurance are
10 considered as having been submitted to or taken by the department of financial
11 institutions, insurance, and professional standards.

12 (f) *Contracts.* All contracts entered into by the office of the commissioner of
13 insurance in effect on the effective date of this paragraph remain in effect and are
14 transferred to the department of financial institutions, insurance, and professional
15 standards. The department of financial institutions, insurance, and professional
16 standards shall carry out any obligations under those contracts unless modified or
17 rescinded by that department to the extent allowed under the contract.

18 (g) *Rules and orders.* All rules promulgated by the office of the commissioner
19 of insurance in effect on the effective date of this paragraph remain in effect until
20 their specified expiration dates or until amended or repealed by the department of
21 financial institutions, insurance, and professional standards. All orders issued by
22 the office of the commissioner of insurance in effect on the effective date of this
23 paragraph remain in effect until their specified expiration dates or until modified or
24 rescinded by the department of financial institutions, insurance, and professional
25 standards.

1 **SECTION 9138. Nonstatutory provisions; Safety and Professional**
2 **Services.**

3 (1) ELIMINATION OF THE DEPARTMENT OF SAFETY AND PROFESSIONAL SERVICES.

4 (a) *Assets and liabilities.* On the effective date of this paragraph, the assets and
5 liabilities of the department of safety and professional services become the assets
6 and liabilities of the department of financial institutions, insurance, and
7 professional standards.

8 (b) *Positions and employees.* On the effective date of this paragraph, all
9 positions and all incumbent employees in the classified service of the state civil
10 service holding those positions in the department of safety and professional services
11 are transferred to the department of financial institutions, insurance, and
12 professional standards.

13 (c) *Employee status.* Employees transferred under paragraph (b) have all the
14 rights and the same status under subchapter V of chapter 111 and chapter 230 of the
15 statutes in the department of financial institutions, insurance, and professional
16 standards that they enjoyed in the department of safety and professional services
17 immediately before the transfer. Notwithstanding section 230.28 (4) of the statutes,
18 no employee so transferred who has attained permanent status in class is required
19 to serve a probationary period.

20 (d) *Tangible personal property.* On the effective date of this paragraph, all
21 tangible personal property, including records, of the department of safety and
22 professional services is transferred to the department of financial institutions,
23 insurance, and professional standards.

24 (e) *Pending matters.* Any matter pending with the department of safety and
25 professional services on the effective date of this paragraph is transferred to the

1 department of financial institutions, insurance, and professional standards. All
2 materials submitted to or actions taken by the department of safety and professional
3 services are considered as having been submitted to or taken by the department of
4 financial institutions, insurance, and professional standards.

5 (f) *Contracts.* All contracts entered into by the department of safety and
6 professional services in effect on the effective date of this paragraph remain in effect
7 and are transferred to the department of financial institutions, insurance, and
8 professional standards. The department of financial institutions, insurance, and
9 professional standards shall carry out any obligations under those contracts unless
10 modified or rescinded by that department to the extent allowed under the contract.

11 (g) *Rules and orders.* All rules promulgated by the department of safety and
12 professional services in effect on the effective date of this paragraph remain in effect
13 until their specified expiration dates or until amended or repealed by the department
14 of financial institutions, insurance, and professional standards. All orders issued by
15 the department of safety and professional services in effect on the effective date of
16 this paragraph remain in effect until their specified expiration dates or until
17 modified or rescinded by the department of financial institutions, insurance, and
18 professional standards.

19 **SECTION 9152. Nonstatutory provisions; Other.**

20 (1) SUBMISSION OF DEPARTMENT OF FINANCIAL INSTITUTIONS, INSURANCE, AND
21 PROFESSIONAL STANDARDS ORGANIZATION PLAN TO SECRETARY OF ADMINISTRATION.

22 (a) *Submission of organization plan.* Before September 1, 2015, the secretary
23 of financial institutions, insurance, and professional standards shall submit an
24 organization plan to the secretary of administration for approval. The plan shall
25 specifically calculate the number of full-time equivalent positions, and the

1 appropriation accounts from which these positions are funded, that are required to
2 perform the functions of the department. The secretary of administration shall
3 review the plan and may adjust the number of full-time equivalent positions, and
4 the appropriation accounts from which these positions are funded.

5 (b) *Adjustment of authorized full-time equivalent positions.* Upon approval of
6 the plan by the secretary of administration under paragraph (a), the authorized
7 full-time equivalent positions for the department of financial institutions,
8 insurance, and professional standards shall be adjusted to reflect the number in the
9 approved plan.

10

(END)