



STATE OF WISCONSIN
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CORRESPONDENCE MEMORANDUM

DATE: August 2, 2012
TO: Group Insurance Board
FROM: David H. Nispel, General Counsel
Steve Hurley, Director, Office of Policy, Privacy and Compliance
SUBJECT: Status of Proposed Administrative Rules

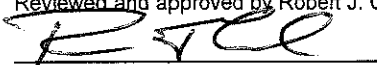
This memo is for informational purposes only. No Board action is required.

This memorandum lists administrative rules staff are working on and the status of those rules. Once a rule is in final draft form, it is brought to the Group Insurance Board (Board) for approval.

We have added to this memorandum a new section that will provide updates on the administrative rulemaking process. In 2011 and 2012, legislation was enacted and executive orders were issued that significantly changed the process. This new section, which will appear as the final section of each edition of the memorandum, will feature one or more of the changes to the rulemaking process. This particular memorandum will provide an overview of those changes and highlight the change involving the scope statement for an administrative rule.

Currently, there are four rules of interest to the Board:

- I. **Status:** Published in the Wisconsin Administrative Register on July 31, 2012, and effective on August 1, 2012
 - CR 11-044, Appeal procedures rule relating to updating ETF Chapter 11 to improve and clarify the process for members, the Administrative Law Judge, the Boards that decide appeals, Employee Trust Funds (ETF), and others involved in the appeals process. (Approved by the Board on November 8, 2011)
 - CR 11-040, Technical rule relating to making technical updates and corrections to existing ETF rules. (Approved by Board on August 23, 2011)

Reviewed and approved by Robert J. Conlin, Secretary

Signature Date 8/14/12

Board	Mtg Date	Item #
GIB	8.28.12	8C

II. Status: Proposed rule submitted to the Wisconsin Legislative Council—ETF staff continues to work on rule

- CR 11-045, Internal Revenue Code (IRC) compliance rule relating to clarifying how ETF administers provisions of the IRC, including §§ 415 (b), 415 (c) and 401 (a) (17) as provided in § 40.03 (2) (t), Wis. Stats.

III. Status: Scope Statement Submitted to the Legislative Reference Bureau (July 31, 2012)

- Technical rule relating to making technical updates on existing ETF rules and making other minor substantive changes, including allowing employers more flexibility in the deadlines for submitting monthly reports to ETF and changing an existing rule regarding local public employers health insurance to comply with 2011 Wisconsin Act 133.

IV. Updates on Administrative Rule Process

- **Generally:** Major changes to the administrative rulemaking process were made by 2011 Wisconsin Act 21 and 2011 Wisconsin Act 32. Those changes relate to agency rulemaking authority, approval by the Governor of scope statements and final draft rules, treatment of emergency rules, preparation of economic impact analyses, referral of rules to the Joint Committee for Review of Administrative Rules (JCRAR), and detailed rule promulgation instructions to agencies.

Executive Order #50 (Guidelines for Promulgation of Administrative Rules) sets forth additional requirements and provides rule promulgation instructions to agencies. The Order also establishes an Office of Regulatory Compliance in the Governor's office.

- **Scope Statements:** The new rule process requires that the scope statement for each proposed rule must be submitted to the Governor for approval. Agencies are advised to use a template created by the Department of Administration. Each scope statement must provide a detailed description of the proposed rule, a description of existing policies relevant to the rule, an explanation of statutory authority for the rule, an estimate of the amount of time that will be spent developing the rule, a list of entities that may be affected by the rule, a summary and comparison with any federal regulations, and the anticipated economic effect of implementing the rule.

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On June 20, 2012, ETF sent a scope statement regarding the 2012 Technical Rule to the Governor for his approval. ETF received a letter of approval from the Governor on July 30. The scope statement will be published by the Legislative Reference Bureau in the near future.

We will be available at the Board meeting to answer any questions you may have.