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(FORM UPDATED: 08/11/2010)

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

### 2013-14

(session year)

### Assembly

(Assembly, Senate or Joint)

### Committee on Workforce Development...

#### 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: Stefanie Rose (LRB) (October 2014)

## Assembly

### Record of Committee Proceedings

#### **Committee on Workforce Development**

##### **Assembly Bill 712**

Relating to: exempting employers from keeping records of the hours of employment of an employee who is exempt from the overtime pay requirement and who is not compensated on an hourly rate basis.

By Representatives Born, Ballweg, Bies, Brooks, Jacque, Jagler, Kestell, Knodl, Kulp, T. Larson, LeMahieu, Marklein, Murtha and Thiesfeldt; cosponsored by Senators Farrow, S. Fitzgerald and Grothman.

January 31, 2014      Referred to Committee on Workforce Development

February 04, 2014      **Public Hearing Held**

Present:    (13)    Representative Loudenbeck; Representatives Pridemore, Bernier, Kuglitsch, Born, Weatherston, Kulp, Ringhand, Billings, Barnes, Kolste, Shankland and Wachs.

Absent:     (3)     Representatives Petryk, Knodl and Severson.

Excused:   (0)     None.

##### Appearances For

- Representative Mark Born - 39th Assembly District
- Chris Reader - WMC

##### Appearances Against

- None.

##### Appearances for Information Only

- Joe Handrick - DWD

##### Registrations For

- Kyle O'Brien - WI Hospital Association
- Sen. Paul Farrow - 33rd Senate District

##### Registrations Against

- None.

##### Registrations for Information Only

- None.

February 06, 2014      **Executive Session Held**

Present: (14) Representative Loudenbeck; Representatives  
Petryk, Pridemore, Knodl, Kuglitsch, Born,  
Weatherston, Kulp, Ringhand, Billings, Barnes,  
Kolste, Shankland and Wachs.  
Absent: (2) Representatives Bernier and Severson.  
Excused: (0) None.

Moved by Representative Knodl, seconded by Representative  
Kuglitsch that **Assembly Bill 712** be recommended for passage.

Ayes: (14) Representative Loudenbeck; Representatives  
Petryk, Pridemore, Knodl, Kuglitsch, Born,  
Weatherston, Kulp, Ringhand, Billings,  
Barnes, Kolste, Shankland and Wachs.

Noes: (0) None.

Absent: (2) Representatives Bernier and Severson.

PASSAGE RECOMMENDED, Ayes 14, Noes 0

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Lonna Morouney  
Committee Clerk

## Vote Record Committee on Workforce Development

Date: 2-6-14

Moved by: Knodl

Seconded by: Kuglitsch

AB 712 SB \_\_\_\_\_ Clearinghouse Rule \_\_\_\_\_  
 AJR \_\_\_\_\_ SJR \_\_\_\_\_ Appointment \_\_\_\_\_  
 AR \_\_\_\_\_ SR \_\_\_\_\_ Other \_\_\_\_\_

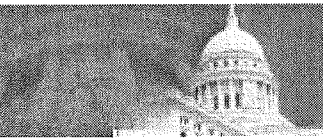
A/S Amdt \_\_\_\_\_  
 A/S Amdt \_\_\_\_\_ to A/S Amdt \_\_\_\_\_  
 A/S Sub Amdt \_\_\_\_\_  
 A/S Amdt \_\_\_\_\_ to A/S Sub Amdt \_\_\_\_\_  
 A/S Amdt \_\_\_\_\_  
 A/S Amdt \_\_\_\_\_ to A/S Amdt \_\_\_\_\_ to A/S Sub Amdt \_\_\_\_\_

Be recommended for:  
 Passage     Adoption     Confirmation     Concurrence     Indefinite Postponement  
 Introduction     Rejection     Tabling     Nonconcurrence

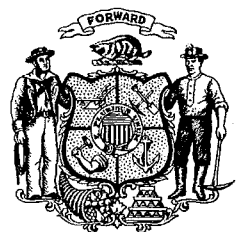
<u>Committee Member</u>	<u>Aye</u>	<u>No</u>	<u>Absent</u>	<u>Not Voting</u>
Representative Amy Loudenberg, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Warren Petryk, Vice Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Don Pridemore	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Daniel Knodl	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Kathleen Bernier	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Representative Mike Kuglitsch	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Erik Severson	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Representative Mark Born	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Thomas Weatherston	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Bob Kulp	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Janis Ringhand	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Jill Billings	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Mandela Barnes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Debra Kolste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Katrina Shankland	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Dana Wachs	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

14 present  
14 <sup>0</sup> <sub>NO</sub>

Motion Carried     Motion Failed



WISCONSIN STATE LEGISLATURE



**Morouney, Lonna**

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**From:** Rep.Born  
**Sent:** Wednesday, January 29, 2014 2:15 PM  
**To:** \*Legislative All Assembly; \*Legislative All Senate  
**Subject:** Short Deadline - Co-sponsorship of LRB 4101/1 - re: record keeping for employees exempted from overtime requirements  
**Attachments:** 13-4101\_1.pdf  
**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

**MEMORANDUM**

**To:** Legislative Colleagues

**From:** Rep. Born, Rep. Ballweg, Sen. Farrow and Sen. Fitzgerald

**Date:** January 29, 2014

**Re:** Co-sponsorship of LRB 4101/1 – **relating to:** *exempting employers from keeping records of the hours of employment of an employee who is exempt from the overtime pay requirement and who is not compensated on an hourly basis.*

**\*Short deadline:\*** Friday, January 31<sup>st</sup> at noon

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We are introducing LRB 4101/1 based on constituent concerns and recommendations brought forward by DWD during the Right the Rules process in the Committee on Workforce Development.

The rules relating to hours of work and overtime are covered within DWD 274 of the administrative code. Current rules dictate: 1) employers are generally required to pay employees 1.5 times their regular rate for hours worked in excess of 40 hours per week; 2) certain employees are exempted from these overtime rules; and, 3) employers are required to keep records of the hours worked and wages of its employees, including exempt employees.

LRB 4101/1 would amend statute to provide that employers no longer need to keep records of the hours worked by an exempt employee. This change would align Wisconsin code with federal law. Additionally, this bill would help businesses and employees simplify record keeping.

To co-sponsor LRB 4101/1, please contact Rep. Born's office at 6-2540 or Sen. Farrow's office at 6-9174 by **Friday, January 31<sup>st</sup> at noon**. Co-sponsors will be added to both versions of the bill unless otherwise requested.

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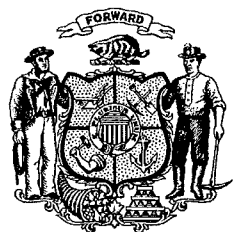
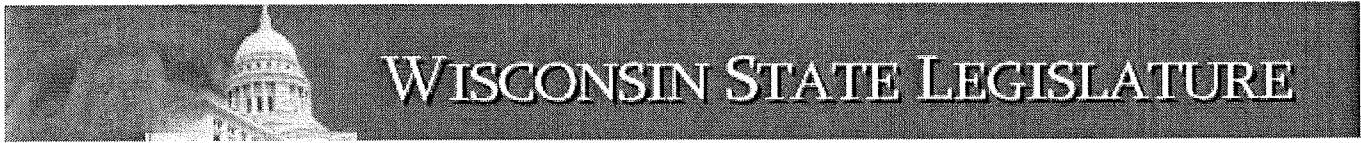
***Analysis by the Legislative Reference Bureau***

*Under current administrative rules promulgated by the Department of Workforce Development, employers are generally required to pay employees 1.5 times their regular rates of pay for all hours worked in excess of 40 hours per week (overtime pay). Those rules, however, exempt from the overtime pay requirement certain employees, including employees whose primary duty consists of administrative, executive, or professional work; outside salespersons; highly compensated employees; and computer professionals (exempt*

employees). Current law also requires an employer to keep records of the hours of employment and wages of its employees, including its exempt employees.

This bill provides that an employer is not required to keep a record of the hours of employment of an exempt employee who is not compensated on an hourly rate basis.

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# MARK BORN

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STATE REPRESENTATIVE • 39<sup>TH</sup> ASSEMBLY DISTRICT

## **Testimony on Assembly Bill 712**

*Committee on Workforce Development*

*February 4, 2014*

Madam Chair and committee members,

Thank you for giving me the opportunity to testify in favor of Assembly Bill 712. I brought this bill forward based on concerns held by a business in my district and recommendations by the Department of Workforce Development during the Right the Rules process.

The Department's rules relating to hours of work and overtime are covered within DWD 274 of the administrative code. Current rules dictate:

1. Employers are generally required to pay employees 1.5 times their regular rate for hours worked in excess of 40 hours per week;
2. Certain employees are exempted from these overtime rules;
3. Employers must keep records of the hours worked and wages of their employees, including exempt employees.

AB 712 would make a minor change to current protocol by stipulating that employers no longer need to record the hours worked by an exempt employee. This change would align Wisconsin code with federal law and simplify the record keeping process for businesses and their employees.

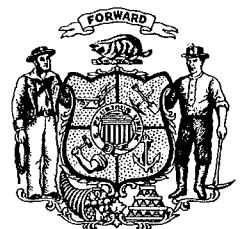
I am sure the record keeping concerns that were brought to my attention are not unique to just one business in my district. The way businesses function continues to evolve and it is important that we update our laws accordingly. This bill will help both employers and exempt employees stay focused on doing business, not managing records that DWD has deemed unnecessary.

Based on prior discussions in committee, I think this is an issue we are all familiar with. I ask you to support AB 712 and I will be happy to answer any questions.

Thank you.



# WISCONSIN STATE LEGISLATURE



# WMC

WISCONSIN MANUFACTURERS & COMMERCE

To: Members of the Assembly Committee on Workforce Development

From: Chris Reader, WMC Director of Health and Human Resources Policy

Date: February 4, 2014

Subject: **Support AB 712**

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Thank you, Chairwoman Loudenberg and committee members for holding this public hearing today.

My name is Chris Reader. I am the Director of Health and Human Resources Policy at Wisconsin Manufacturers and Commerce (WMC), the statewide chamber of commerce. We have over 3,500 member companies, who collectively employ over a half million Wisconsinites.

Assembly Bill 712 is a simple bill that fixes an area of Wisconsin employment law that simply doesn't make sense. Under DWD 272.11 and DWD 274.06, employers are required to keep records of when employees work – this includes beginning and end of work each day, as well as meal periods. The requirement to keep these records applies to workers who are paid hourly, and salaried workers who are exempt from overtime requirements.

In comparison, federal law requires that employers maintain the total hours worked per day and per week for non-exempt (hourly) employees ((29 C.F.R. § 516.2(a)(7)). It does not have similar requirements respecting exempt salaried employees.

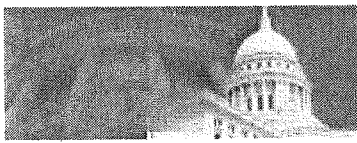
The record keeping requirements make sense for hourly employees, and are useful tools to ensure that minimum wage and overtime requirements are being met by employers. On the other hand, the requirement to maintain records for salaried employees does not serve a realistic purpose, as salaried and executive level employees don't work a regular schedule and are often considered on call at all hours. The reality is that such record keeping for exempt employees is almost impossible and rarely done accurately.

AB 712 addresses this simple issue by exempting employers from the time record keeping requirement for salaried employees. WMC supports this legislation, and I encourage this committee to move the issue forward to the full Assembly.

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Phone (608) 258-3400 • Fax (608) 258-3413 • [www.wmc.org](http://www.wmc.org)

*Founded in 1911, Wisconsin Manufacturers & Commerce is the state's chamber of commerce and largest business trade association representing more than 3,500 employers of every size and from every sector of the economy.*



# WISCONSIN STATE LEGISLATURE



## Chair's Notes – Public Hearing

February 4, 2014

At the start:

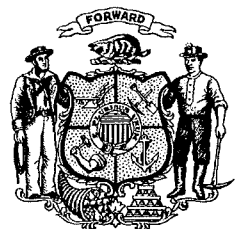
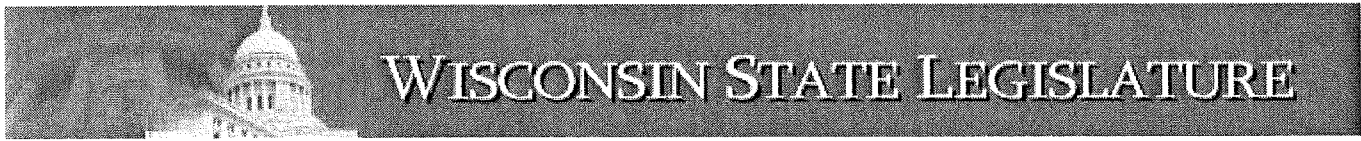
- *Strike the gavel.*
- The public hearing is called to order. ( remind everyone to silence their cell phones)
- The clerk will call the roll.
- Welcome to everyone who has come to testify.
- The committee will hear testimony on three Assembly Bills this afternoon: **Assembly Bills 712, 49, and \_\_\_\_** (insert bill no. for LRB 3988/2).
- Those wishing to speak may register with the Assembly Sergeant's staff. Members of the public may also register a position without speaking. Anyone with a special time constraint should note that when they register.
- *Announce the order for testimony on the bills.*

For each bill:

- *Call the first speaker.*
- *After each person testifies, thank the speaker, ask any questions you have, and ask the committee members whether they have any questions.*

At the end:

- I want to thank everyone who testified today.
- The hearing is adjourned.
- *Strike the gavel.*



**ASSEMBLY COMMITTEE ON WORKFORCE DEVELOPMENT**

**EXECUTIVE SESSION**

**FEBRUARY 6, 2014**

**I. CALL TO ORDER AND ROLL CALL**

A. Call the meeting of the Assembly Committee on Workforce Development to order:

1. Strike the gavel.
2. (If necessary, ask members and visitors to take their seats)
3. (If they are recording the meeting, mention Wisconsin Eye)
4. Request that cell phones be silenced.

B. Ask the clerk to call the roll.

**II. ORDERS OF BUSINESS**

A. The committee is meeting to take executive action on two bills. The first bill is **January 2014 Special Session Assembly Bill 2**, relating to “workforce training grants to technical colleges, workforce training grants for collaborative projects among school districts, technical colleges, and businesses, workforce training grants and services to enhance employment opportunities for persons with disabilities, and making an appropriation.”

1. Ask Legislative Council to summarize JR4 AB2.
2. Ask for a motion and second to *recommend passage of January 2014 Special Session Assembly Bill 2*.
3. Entertain discussion.
4. Ask the clerk to call the roll. Announce whether the motion is successful.

B. The second bill for executive action today is **Assembly Bill 712**, relating to “exempting employers from keeping records of the hours of employment of an employee who is exempt from the overtime pay requirement and who is not compensated on an hourly rate basis.”

1. Ask Legislative Council to summarize AB 712.
2. Ask for a motion and second to *recommend passage of Assembly Bill 712*.
3. Entertain discussion.
4. Ask the clerk to call the roll. Announce whether the motion is successful.

**III. ADJOURNMENT**

A. Declare the meeting adjourned, striking the gavel.