



# STATE OF WISCONSIN

# Senate Journal

## Ninety–Seventh Regular Session

10:00 A.M.

THURSDAY, December 8, 2005

The Senate met.

The Senate was called to order by Chief Clerk Marchant pursuant to Senate Rule 5 (4)(b).

The Chair, with unanimous consent, asked that the proper entries be made in the Journal.

### CHIEF CLERK'S ENTRIES

The Chief Clerk makes the following entries dated Wednesday, December 7, 2005.

Read and referred:

#### **Senate Joint Resolution 55**

Relating to: the life and public service of Dr. H. Rupert Theobald.

By Senators Risser, Hansen, Breske, Coggs, Miller, Grothman, Darling, Ellis, Lazich, Roessler, Olsen and Lassa; cosponsored by Representatives Gard, Black, Cullen, Gronemus, Molepske, Kreuser, Schneider, Berceau, Grigsby, Gunderson, Pocan, Young, Boyle, Ainsworth, Albers, Ballweg, Bies, Freese, Hahn, Jeskewitz, Hines, Huebsch, Hundertmark, Jensen, Kerkman, Kessler, Krawczyk, Kreibich, Lehman, LeMahieu, McCormick, Montgomery, Musser, Nass, Ott, Owens, Sheridan, Stone, Townsend, Travis, Turner, Underheim, Vos and M. Williams.

To committee on **Senate Organization**.

Read first time and referred:

#### **Senate Bill 468**

Relating to: administration of elections, making an appropriation, and providing a penalty.

By Senators Coggs, Carpenter and Erpenbach; cosponsored by Representatives Cullen, Fields, Young, Grigsby, Lehman, Richards, Colon, Zepnick and Sinicki.

To committee on **Labor and Election Process Reform**.

#### **Senate Bill 469**

Relating to: the conveyance of certain submerged lands to Brown County.

By Senator Hansen; cosponsored by Representatives Krawczyk, McCormick and Van Roy.

To committee on **Natural Resources and Transportation**.

The joint committee on **Finance** reports and recommends:

#### **Senate Bill 352**

Relating to: creating the Wisconsin Aerospace Authority to develop and operate spaceports and related facilities and

services and other aerospace facilities and services and providing the authority with the power of condemnation, authorizing municipalities to develop and operate spaceports, and making an appropriation.

Adoption of Senate Amendment 1.

Ayes, 15 – Senators S. Fitzgerald, Lazich, Darling, Cowles, Leibham, Olsen, Decker and Taylor. Representatives Kaufert, Ward, Jensen, Stone, Rhoades, Meyer and Pocan.

Noes, 0 – None.

Adoption of Senate Amendment 3.

Ayes, 15 – Senators S. Fitzgerald, Lazich, Darling, Cowles, Leibham, Olsen, Decker and Taylor. Representatives Kaufert, Ward, Jensen, Stone, Rhoades, Meyer and Pocan.

Noes, 0 – None.

Introduction and adoption of Senate Amendment 4.

Ayes, 15 – Senators S. Fitzgerald, Lazich, Darling, Cowles, Leibham, Olsen, Decker and Taylor. Representatives Kaufert, Ward, Jensen, Stone, Rhoades, Meyer and Pocan.

Noes, 0 – None.

Introduction and adoption of Senate Amendment 5.

Ayes, 14 – Senators S. Fitzgerald, Lazich, Darling, Cowles, Leibham, Olsen and Taylor. Representatives Kaufert, Ward, Jensen, Stone, Rhoades, Meyer and Pocan.

Noes, 1 – Senator Decker.

Introduction and adoption of Senate Amendment 6.

Ayes, 15 – Senators S. Fitzgerald, Lazich, Darling, Cowles, Leibham, Olsen, Decker and Taylor. Representatives Kaufert, Ward, Jensen, Stone, Rhoades, Meyer and Pocan.

Noes, 0 – None.

Introduction and adoption of Senate Amendment 7.

Ayes, 15 – Senators S. Fitzgerald, Lazich, Darling, Cowles, Leibham, Olsen, Decker and Taylor. Representatives Kaufert, Ward, Jensen, Stone, Rhoades, Meyer and Pocan.

Noes, 0 – None.

Introduction and adoption of Senate Substitute Amendment 1.

Ayes, 13 – Senators S. Fitzgerald, Lazich, Darling, Leibham, Olsen and Taylor. Representatives Kaufert, Ward, Jensen, Stone, Rhoades, Meyer and Pocan.

Noes, 2 – Senators Cowles and Decker.

Passage as amended.

Ayes, 13 – Senators S. Fitzgerald, Lazich, Darling, Leibham, Olsen and Taylor. Representatives Kaufert, Ward, Jensen, Stone, Rhoades, Meyer and Pocan.

Noes, 2 – Senators Cowles and Decker.

SCOTT FITZGERALD  
Senate Chairperson

**State of Wisconsin  
Legislative Audit Bureau**

December 8, 2005

The Honorable, The Legislature:

We have completed an audit of the financial statements of the State Life Insurance Fund for the years ending December 31, 2004, 2003, and 2002, as required by s. 13.94 (1)(de), Wis. Stats. The Fund provides low-cost life insurance policies to Wisconsin residents, is self-funded through premiums and investment earnings, and is administered by the Office of the Commissioner of Insurance. As of December 31, 2004, it had 29,713 life insurance policies in effect, and \$223.5 million of life insurance in force. The Fund operates under specific statutory restrictions, including a prohibition on advertising and a limitation on coverage of \$10,000 to any insured person.

The Fund prepares its financial statements in accordance with insurance accounting practices prescribed by the Commissioner of Insurance. We found its financial statements to be fairly presented in accordance with these accounting practices.

State statutes require the Fund's net profits to be distributed annually as policy dividends, except that the Fund's surplus must be maintained at a level between 7.0 and 10.0 percent of assets, insofar as is feasible. However, the actual, audited surplus-to-assets ratio as of December 31, 2004, was only 2.7 percent, compared to 8.1 percent as of December 31, 2001. This decline occurred primarily because the Office of the Commissioner of Insurance did not take timely steps to lower the dividends paid to policyholders. However, significant financial reporting errors that were detected during our audit also reduced the Fund's surplus. The Office worked with its actuary to lower the level of policy dividends effective August 2005. Additional adjustments to policy dividends and other changes are anticipated in January 2006. The Office believes these actions will allow the surplus-to-assets ratio to reach the statutory guideline by the end of calendar year 2008.

The decline in the Fund's surplus-to-assets ratio and the financial reporting errors are discussed in detail in a separate management letter, dated December 8, 2005, which also presents several other areas of internal control, our recommendations for improvement, and the Office's responses.

We appreciate the courtesy and cooperation extended to us by the staff of the Office of the Commissioner of Insurance in completing our audit.

Sincerely,  
JANICE MUELLER  
State Auditor

**State of Wisconsin  
Controlled Substances Board**

December 9, 2005

The Honorable, The Senate:

Attached please find the State of Wisconsin Controlled Substances Board's annual report for 2005. The Controlled Substances Board is required to submit this report to you annually, pursuant to Wis. Stat. § 961.36 (3). It includes findings with respect to the Board's effect on the distribution and abuse of controlled substances, including recommendations for improving control and prevention of the diversion of controlled substances.

Sincerely,  
CYNTHIA BENNING  
Chair

Referred to the committee on **Judiciary, Corrections, and Privacy**.

Pursuant to Senate Rule 17 (5), Representative Shilling added as a cosponsor of **Senate Bill 440**.

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By Patrick E. Fuller, chief clerk.

Mr. President:

I am directed to inform you that the Assembly has concurred in:

**Senate Bill 132**  
**Senate Bill 171**  
**Senate Bill 180**

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Senate amendment 1 to **Senate Bill 375** offered by Senator Darling.

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**ADJOURNMENT**

The Chair, with unanimous consent, asked that the Senate adjourn until Tuesday, December 13, 2005 at 10:00 A.M.

10:01 A.M.