



# STATE OF WISCONSIN

# Senate Journal

## Ninety–Eighth Regular Session

4:00 P.M.

TUESDAY, September 4, 2007

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 August 31, 2007.

#### AMENDMENTS OFFERED

Senate amendment 3 to **Senate Bill 226** offered by Senator Breske.

### PETITIONS AND COMMUNICATIONS

#### State of Wisconsin Legislative Audit Bureau

August 29, 2007

The Honorable, the Legislature:

As requested by the Public Service Commission (PSC), we have completed a financial audit of the Universal Service Fund, which was established to ensure that all state residents receive essential telecommunications services and have access to advanced telecommunications capabilities. It is funded primarily through assessments on telecommunications providers, which totaled \$30.2 million in fiscal year (FY) 2005–06. Our audit report contains our unqualified opinion on the Universal Service Fund's financial statements for the fiscal years ending June 30, 2006 and 2005.

The largest program supported by the Universal Service Fund is the Educational Telecommunications Access Program, which is administered by the Department of Administration. This program subsidizes data lines and video links for eligible educational institutions. In FY 2005–06, expenditures for these activities totaled \$11.6 million, or 50.4 percent of the Universal Service Fund's total expenditures. In September 2006, the State completed the conversion to a new statewide data and video network for program participants, as well as for state government and other public sector users.

Eight of the 13 programs supported by the Universal Service Fund are operated by the PSC. The Legislature limits the amount the PSC can annually assess telecommunications providers for the PSC–operated programs to \$6.0 million. The limit and growth in expenditures from FY 2001–02 through FY

2004–05 have presented budgetary challenges for these programs. In response, the PSC has reduced benefits and limited expenditures to better match its spending authority.

During FY 2005–06, revenues exceeded expenditures by \$8.8 million for several of the programs funded through the Universal Service Fund, which increased the fund balance to \$15.8 million as of June 30, 2006. Most significantly, funding received for the Educational Telecommunications Access Program exceeded expenditures by \$6.6 million. We include a recommendation that the PSC work more closely with the Department of Administration and the University of Wisconsin System in establishing annual assessment levels.

We appreciate the courtesy and cooperation extended to us by staff at the PSC; the departments of Administration and Public Instruction; the University of Wisconsin System; and the Universal Service Fund's administrator, Wipfli LLP.

Respectfully submitted,

JANICE MUELLER  
State Auditor

#### State of Wisconsin Department of Administration

August 31, 2007

The Honorable, the Legislature:

This report is transmitted as required by s. 20.002(11)(f), Wisconsin Statutes, (for distribution to the appropriate standing committees under s. 13.172(3), Wisconsin Statutes) and confirms that the Department of Administration has found it necessary to exercise the "temporary reallocation of balances" authority provided by this section in order to meet payment responsibilities and cover resulting negative cash balances during the month of July 2007.

On July 2, 2007, the **Medical Assistance Trust Fund** cash balance closed at a negative \$27.2 million, its intramonth low. This negative balance continued through July 23, 2007, when the fund's cash balance closed at a positive \$211 thousand. The negative balance was due to the difference in the timing of revenues and expenditures.

On July 3, 2007, the **Dry Cleaner Environmental Response Fund** cash balance closed at a negative \$57 thousand. This negative balance continued intermittently through July 31, 2007, when the fund's cash balance closed at a negative \$30 thousand. The **Dry Cleaner Environmental Response Fund** cash balance reached its intramonth low of a negative \$91 thousand on July 19, 2007. The negative balance was due to the difference in the timing of revenues and expenditures.

On July 2, 2007, the **Wisconsin Health Education Loan Repayment Fund** cash balance closed at a negative \$2 thousand. This negative balance continued through July 31, 2007, when the fund's cash balance closed at a negative \$2

thousand. The negative balance was due to the difference in the timing of revenues and expenditures.

The Medical Assistance Trust Fund, Dry Cleaner Environmental Response Fund, and Wisconsin Health Education Loan Repayment Fund shortfalls were not in excess of the statutory interfund borrowing limitations and did not exceed the balances of the funds available for interfund borrowing.

The distribution of interest earnings to investment pool participants is based on the average daily balance in the pool and each fund's share. Therefore, the monthly calculation by the State Controller's Office will automatically reflect the use of these temporary reallocations of balance authority, and as a result, the funds requiring the use of the authority will effectively bear the interest cost.

Sincerely,  
MICHAEL L. MORGAN  
Secretary

Referred to joint committee on **Finance**.

**State of Wisconsin  
Department of Administration**

September 1, 2007

The Honorable, the Legislature:

Included with this correspondence, I am submitting the reports from the Department of Administration, Division of Gaming (Gaming), for the third and fourth quarters of fiscal year 2007 (January 1, 2007 through March 31, 2007 and April 1, 2007 through June 30, 2007, respectively). As required by s.562.02(1)(g), Wis. Stats., the attached materials contain pari-mutuel wagering and racing statistical information, as well as the revenues for the program areas of Racing, Charitable Gaming, Bingo and Indian Gaming. Geneva Lakes Greyhound Track ceased operations on April 1, 2006 and therefore is no longer included in the Pari-Mutuel Wagering Statistics.

If you have any questions or comments regarding this report, please do not hesitate to contact Rachel Meek at (608) 270-2535.

Sincerely,  
ROBERT W. SLOEY  
Administrator

**State of Wisconsin  
Department of Health and Family Services**

September 1, 2007

The Honorable, The Senate:

Section 227.485(9) of the Wis. Stats. requires the Department to submit a report concerning decisions and resulting payments of attorney fees and related legal costs. Attorney fees and other legal costs are to be paid whenever the opposing party to an agency's Chapter 227 hearing prevails and it is determined the agency's position was not substantially

justified. The attached report reflects payments made during SFY2007.

In addition, under 814.245(10) of the Wis. Stats., the Department is required to report any awards granted to the Department regarding frivolous motions brought against this Department. In SFY 2007, no motions of opposing parties were found to be frivolous. Consequently, the Department has no awards to report.

With warm regards,  
KEVIN R. HAYDEN  
Secretary

Referred to committee on **Health and Human Services**.

**State of Wisconsin  
Ethics Board**

September 4, 2007

The Honorable, The Senate:

The following lobbyists have been authorized to act on behalf of the organizations set opposite their names.

For more detailed information about these lobbyists and organizations and a complete list of organizations and people authorized to lobby the 2007-2008 session of the legislature, visit the Ethics Board's web site at <http://ethics.state.wi.us/>

Handzel Jr, Henry	Nestle Waters North America
Jensen, Eric	Wisconsin Academy of Physician Assistants
Joranson, Eric	Murphy Oil USA Inc
Kuehn, Ronald W	Nestle Waters North America
Lamb, Jordan	Murphy Oil USA Inc
Lawson, Cedric	United Council of UW Students
Neale, Robert	International Code Council
Reaman, Darren	Custom Electronic Design and Installation Association
Wilson, John D	Wisconsin Center for Academically Talented Youth Inc.

Also available from the Wisconsin Ethics Board are reports identifying the amount and value of time state agencies have spent to affect legislative action and reports of expenditures for lobbying activities filed by organizations that employ lobbyists.

Sincerely,  
R. ROTH JUDD  
Executive Director

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**ADJOURNMENT**

Chief Clerk Marchant, with unanimous consent, asked that the Senate adjourn until Thursday, September 6, 2007.

Adjourned.

4:01 P.M.