

Eighty-Ninth Regular Session

WEDNESDAY, November 21, 1990

The chief clerk makes the following entries under the above date.

PETITIONS AND COMMUNICATIONS

State of Wisconsin

Department of Administration and

November 6, 1990

To the Honorable the Legislature:

Enclosed is the report for fiscal year 1989-90 on the number, value and nature of contractual service procurements. The report is required by s. 16.705(8).

This report follows closely the format of the previous years' reports. The staff of the Department of Administration's State Bureau of Procurement are available to provide any further explanation or assistance.

Sincerely,
JAMES R. KLAUSER
Secretary

State of Wisconsin
Legislative Audit Bureau

November 20, 1990

To the Honorable the Legislature:

We have completed an audit of the financial statements of the State Life Insurance Fund, as required by s. 13.94, Wis. Stats. The audit covered the period January 1, 1988, through December 31, 1989. Our report contains the financial statements and the related auditor's reports as required by "Government Auditing Standards."

The State Life Insurance Fund, which was created in 1911 to provide low-cost life insurance policies to Wisconsin residents, is administered by the Office of the Commissioner of Insurance. We are able to provide an unqualified independent auditor's report on the financial statements and noted no instances of material noncompliance with statutory provisions.

The Fund, which is self-funded through premiums and investments, appears to be a financially sound insurance program. The Fund realized net gains of approximately \$4 million before dividends to policyholders in both years audited and had investments and cash of over \$45 million as of December 31, 1989. The Commissioner increased the dividend rate to reduce surplus, which was in excess of \$6 million at the end of 1989, to the suggested statutory parameters.

While the Fund's financial status is favorable, we share staff concerns with the reliability and effectiveness of the Fund's computerized life insurance system. The obsolescence of the programming language and structure of the system, which was installed in 1978, has made the system difficult to use and maintain. Consequently, processing errors are occurring and enhancements which could save time and money are not made. We concur

with staff that the system needs to be replaced in the near future.

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

Sincerely,
DALE CATTANACH
State Auditor

EXECUTIVE COMMUNICATIONS

State of Wisconsin
Office of the Governor

November 15, 1990

To the Honorable, the Senate:

Pursuant to section 161.565, Stats., as created by 1989 Wisconsin Act 122, we are pleased to submit a joint report on drug enforcement.

The report describes the activities in this state during the previous year to enforce the laws regulating controlled substances. In addition, the report contains recommendations for improving the effectiveness of enforcement activities and other efforts to combat the abuse of controlled substances.

As you can see by the information contained herein, we are beginning to turn the tide in the war on drugs. Once the various law enforcement and education and prevention tools authorized by Acts 121 and 122 are fully implemented, we believe the incidence of drug abuse in Wisconsin will begin to decline and the number of arrests and conviction of those determined to manufacture, sell, possess or abuse controlled substances will increase.

We are confident that with the continued commitment of the legislature to provide the resources and the laws necessary, Wisconsin can win the war on drugs.

Respectfully,
TOMMY G. THOMPSON
Governor

DONALD J. HANAWAY
Attorney General

SENATE CLEARINGHOUSE ORDERS

The committee on Education, Economic Development, Financial Institutions and Fiscal Policies reports and recommends:

Senate Clearinghouse Rule 90-129

Relating to school district standards.

No action taken.

Senate Clearinghouse Rule 90-156

Relating to alcohol and other drug abuse programs.

JOURNAL OF THE SENATE [November 21, 1990]

No action taken.

No action taken.

Senate Clearinghouse Rule 90-164

Barbara Ulichny
Chair

Relating to the volume cap on private activity bonds.