

STATE OF WISCONSIN
Assembly Journal
Ninety-First Regular Session

TUESDAY, June 7, 1994

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

ADMINISTRATIVE RULES

Read and referred:

Assembly Clearinghouse Rule 92-78

Relating to the endangered resources small grants program.

Submitted by Department of Natural Resources.

To committee on Natural Resources.

Referred on June 6, 1994.

Assembly Clearinghouse Rule 94-10

Relating to volatile organic compound emissions from molded wood parts and products and wood door coating.

Submitted by Department of Natural Resources.

To committee on Environmental Resources.

Referred on June 6, 1994.

Assembly Clearinghouse Rule 94-11

Relating to revisions of the rules regulating the remediation of contaminated water and soil.

Submitted by Department of Natural Resources.

To committee on Environmental Resources.

Referred on June 6, 1994.

Assembly Clearinghouse Rule 94-56

Relating to accreditation of educational programs for physician's assistants.

Submitted by Department of Regulation and Licensing.

To committee on Health.

Referred on June 6, 1994.

COMMUNICATIONS

State of Wisconsin
Revisor of Statutes Bureau
Madison

June 1, 1994

Honorable Donald J. Schneider
Honorable Thomas T. Melvin

Dear Sirs:

The following rules have been published:

Clearinghouse Rule 93-103 effective 6-1-94
Clearinghouse Rule 93-131 effective 6-1-94
Clearinghouse Rule 93-133 effective 6-1-94
Clearinghouse Rule 93-135 effective 6-1-94

Clearinghouse Rule 93-143 effective 6-1-94
Clearinghouse Rule 93-148 effective 6-1-94
Clearinghouse Rule 93-150 effective 6-1-94
Clearinghouse Rule 93-153 effective 6-1-94
Clearinghouse Rule 93-154 effective 6-1-94
Clearinghouse Rule 93-162 effective 6-1-94
Clearinghouse Rule 93-167 effective 6-1-94
Clearinghouse Rule 93-179 effective 6-1-94
Clearinghouse Rule 93-183 effective 6-1-94
Clearinghouse Rule 93-195 effective 6-1-94
Clearinghouse Rule 93-197 effective 6-1-94
Clearinghouse Rule 93-200 effective 6-1-94
Clearinghouse Rule 93-205 effective 6-1-94
Clearinghouse Rule 93-226 effective 6-1-94
Clearinghouse Rule 93-234 effective 6-1-94
Clearinghouse Rule 93-237 effective 6-1-94
Clearinghouse Rule 94-1 effective 6-1-94
Clearinghouse Rule 94-2 effective 6-1-94
Clearinghouse Rule 94-6 effective 6-1-94
Clearinghouse Rule 94-9 effective 6-1-94

Sincerely,
GARY L. POULSON
Deputy Revisor

State of Wisconsin
Department of State
Madison

To Whom It May Concern:

Acts, joint resolutions and resolutions, deposited in this office, have been numbered and published as follows:

Resolution No.	Enrolled No.	Publication date
Assembly Jt. Res. 44	-----24	----- Not published
Assembly Jt. Res. 142	-----25	----- Not published
Assembly Jt. Res. 66	-----26	----- Not published

Sincerely,
DOUGLAS La FOLLETTE
Secretary of State

June 2, 1994

Rep. Walter Kunicki, Speaker
Room 212 North, State Capitol
P.O. Box 8952
Madison, WI 53708

Dear Mr. Speaker,

Last month Mercy Hospital of Janesville announced the construction of a major multi-specialty clinic adjacent to

Beloit Hospital and Clinic. Both the Janesville and Beloit communities are united in their opposition to this unnecessary and unwarranted expansion of redundant health services.

On the issues of health care cost containment and state regulatory authority, I have appointed a Subcommittee on Health Care Cost Containment. Members of the subcommittee are:

Rep. Judy Robson
Rep. Frank Urban
Rep. Rebecca Young
Rep. Gregg Underheim
Rep. Peter Bock

In the next month I anticipate the sub-committee will hold hearings in the Janesville-Beloit area and in Waukesha.

Sincerely,
JUDY ROBSON
Chair, Committee on Health

EXECUTIVE COMMUNICATIONS

State of Wisconsin
Office of the Governor
Madison

May 9, 1994

To the Honorable the Assembly:

Section 119.80(2) of the statutes, as amended by 1993 Act 16, requires the submission of the attached joint expenditure proposal to the appropriate standing committees and the co-chairs of the Joint Committee on Finance. This proposal is for the expenditure of funds in the appropriation under ss. 20.255(2)(ec) during the 1994-95 school year.

This report was initially submitted on December 17, 1993 to you and the co-chairs of the Joint Committee on Finance. However, it was not received by the appropriate standing committees. The Joint Committee on Finance acted on the report at its April 14 meeting under s. 13.10. At that time, the committee adopted a motion to approve the report, contingent upon receiving no objections from the standing committees. We are resubmitting the report to you for distribution to the appropriate standing committees of the Legislature under s. 13.172(3). Statutes also require that standing committees to submit comments, if any, to the co-chairs of the Joint Committee on Finance within 30 days of receiving the report. If necessary, the Joint Committee on Finance will reconsider the report at its June meeting under s. 13.10.

The appropriation under ss. 20.255(2)(ec), Aid to Milwaukee Public Schools, was established in 1993 Act 16 at \$8 million for fiscal year 1994-95. The funds are to be used to correct the academic deficiencies of educationally and economically disadvantaged pupils

and to achieve a more effective and responsive educational program in the Milwaukee public school district.

Approval of this plan by the Joint Committee on Finance is required prior to the distribution of any funds in this appropriation under s. 20.255(2)(ec) by the Department of Public Instruction. Approval will not affect the amount or distribution of any other school aid appropriation.

The spending plan we are submitting is identical to the plan approved for the 1993-94 school year under section 119.80(1). The appropriation under s. 20.255(2)(ec) was also \$8 million in 1993-94.

In its original proposal for the 1994-95 school year, the Milwaukee public school district requested an increase of \$620,000 (7.75%) in 1994-95 to reflect salary increases since 1992-93. We recommend that funding be maintained at the 1993-94 level. There have been no changes in the conditions affecting this appropriation since the Legislature approved the \$8 million funding level in 1993 Act 16. However, this program will be reviewed during the 1995-97 budget deliberations.

Sincerely,
TOMMY G. THOMPSON
Governor
JOHN T. BENSON
State Superintendent

COMMUNICATIONS

State of Wisconsin
Council on Physical Disabilities
Madison

May 9, 1994

To the Honorable the Legislature:

As required by s. 46.29(f), attached is a copy of the third annual report from the Council on Physical Disabilities for the period July, 1992 through June, 1993. If you have questions about the Council or its activities, please contact me (715) 392-9118.

Sincerely,
JACKIE STENBERG
Chair, Council on
Physical Disabilities

State of Wisconsin
Department of Health and Social Services
Madison

May 19, 1994

To the Honorable the Assembly:

In accordance with sec. 1.11(2)(j) Wis. stats., the Department of Health and Social Services reports that it

has not conducted any Environmental Impact Statements during the reporting period July 1, 1992, through June 30, 1993. During this time period, the Department has conducted two Environmental Assessments associated with facilities projects at our institutions, but neither of these required continuation into a full Environmental Impact Statement process.

The following Environmental Assessments were completed.

Ethan Allen School Construction of a new 30-bed security cottage within the secure perimeter of the institution, as authorized in the 1991-93 biennial budget.

SPRITE Campus Construction of a new 12-bed residential cottage at the SPRITE campus in Fitchburg, WI., as approved by the State Building Commission in February, 1992.

Sincerely,
GERALD WHITBURN
Secretary, DHSS

State of Wisconsin
Department of Natural Resources
Madison

May 25, 1994

SUBJECT: 1992 Act 269 Report on Black Hawk Education Center

To the Honorable the Legislature:

Section 9142 (9m) of 1992 Wisconsin Act 269 requires the Department of Natural Resources to submit a report regarding the feasibility of a Visitor's Center, Interpretive Center, walking trails and other educational options on the property known as the Black Hawk Unit of the Lower Wisconsin State Riverway.

Please find attached a copy of the final report. If you have questions or require additional follow-up, I will be happy to assist you.

Sincerely,
GEORGE E. MEYER
Secretary, DNR

DATE: May 26, 1994
TO: Thomas Melvin, Assembly Chief Clerk
FROM: Katharine C. Lyall
UW System President
RE: Wisconsin Environmental Policy Act

The University of Wisconsin System is pleased to provide you with a copy of our annual Wisconsin Environmental Policy Act (WEPA) report. In fulfillment of Section 1.11 (2)(j) Wisconsin Statutes, this document provides information on the numbers of environmental

assessments (EA's) and environmental impact statements (EIS'S) completed in the past two fiscal years.

This report addresses the activities of the University of Wisconsin System for the period from July 1, 1992 to June 30, 1994.

State of Wisconsin
Department of Administration
Madison

May 27, 1994

To the Honorable the Assembly:

I am pleased to provide you with a copy of the State of Wisconsin's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 1993. This report contains the "general purpose" or combined financial statements, and the combining financial statements for each fund type. As such, it represents a summary of all State transactions during the fiscal year.

The CAFR represents Wisconsin's commitment in providing high standards of financial management and reporting, and fiscal accountability of its resources based on nationally recognized standards. This report should provide you and other reader groups the information necessary to assess the State's financial position and results of operations. I hope you find the report informative and beneficial.

If you have specific questions regarding its contents or comments on its usefulness, please contact me at (608) 266-3628.

Sincerely,
WILLIAM J. RAFTERY, CPA
State Controller

DATE: May 31, 1994
TO: Thomas Melvin, Assembly Chief Clerk
FROM: Peter Gottlieb
State Archivist
RE: Electronic Information Project Final Report

Attached is the final report for the State Archives' Electronic Information Project. This document contains the findings of the project and recommendations for further action by the State Archives.

The Electronic Information Project (EIP) was a short term, focused project conducted by staff of the State Archives in response to the changing nature of public records creation, transfer, and use in Wisconsin state government. The project, which lasted from July 1993 to January 1994, was the first phase of the Information Archiving Project outlined in the State Information Technology Plan (October 1992) under which the State Archives would work with state agencies and the Public

Records and Forms Board to develop guidelines, processes, and procedures for the management and preservation of electronic records with long term value.

I would like to take this opportunity to thank each project participant for contributing to this project, as well as the various state agency groups and councils. Without the support of agency administrators, information technology professionals, and records and forms officers, this project could not have been accomplished.

To continue this work, the State Archives has requested and received funding to continue its efforts for another four years. We look forward to continued collaboration as we develop a plan to manage and preserve the State's electronic public records.

State of Wisconsin
Wisconsin Gaming Commission
Madison

June 1, 1994

To the Honorable the Legislature:

Introduction

Section 565.45, Wisconsin Statutes, requires the Wisconsin Gaming Commission to submit a report to the legislature regarding the impact on lottery operations of limiting expenses to 15% of revenues.

Defining the Expenditure Limitation for Lottery Operations

Section 25.75(3)(b), Wisconsin Statutes, requires that expenses for the operation and administration of the lottery do not exceed 15% of gross lottery revenues unless approved by the Joint Committee on Finance under s. 13.10. Gross lottery revenues include gross revenues from the sale of lottery tickets and retailer application fees under s. 565.10(8). Expenses include the following:

1. retailer compensation under s. 565.10(14);
2. payments to vendors under s. 565.25(2)(a) for on-line services;
3. operating expenses of the Wisconsin Gaming Commission under s. 20.197(1)(q).

The expenditure limit - specifically excludes the administrative expenses for the Wisconsin Department of Justice (DOJ). The state operations expenditures for lottery credit administration by the Wisconsin Department of Revenue (DOR) have been included in calculating the limit through the Gaming Commission's general program operations appropriation in FY93 and through a separate DOR appropriation in FY94.

Retailer Compensation and On-line Vendor Fees

Of the major expenses, two are directly calculated on sales revenue. Approximately one-third of the limit is used to pay retailers. The statutes set retailer

compensation at 5% of sales. Non-profit retailers are compensated at 30% of sales. When combined, the overall percentage is 5.2%.

On-line vendor fees are set by a contract with GTECH Corporation that runs through FY96. The formula uses weekly on-line sales and the number of installed retailer terminals to determine the payment. The payments as a percentage of sales are significantly higher at times when jackpots are large or sales are very low. The contract guarantees a minimum payment when weekly sales are below \$1.4 million; however, sales have always exceeded this level. The annual percentage has ranged from 3.5% to 4.6% of on-line sales and represented 1.4% to 1.7% of total sales.

Lottery General Program Operations

General program operation expenses have ranged from 4.5% to 7% of gross lottery revenues. In FY93, personnel costs comprised approximately 20% of the Lottery's general program operations expenditures, while supplies and services comprised 78%. Product information, ticket printing and Department of Administration Bureau of Information and Telecommunications Management (BITM) on-line network charges make up three-fourths of supplies and services. While the Lottery has previously requested additional funding for product information, the budget has been frozen at \$4.6 million since FY91. Ticket printing has frequently exceeded its estimated budget because the estimates depend on the volume and type of ticket offered. The expenditure limit has not been the basis for limiting funding for this appropriation.

Expenses as a Percentage of Gross Lottery Revenues

The percentage of lottery administrative expenditures for FY89 through estimated FY94 are provided below. (Fiscal Year is listed first; followed by Gross Lottery Revenues; Total Administration Expenses; and Expenses as Percentage of Gross Lottery Revenues.)

FY89 - \$230,779,467 -	\$25,545,990 -	11.07%
FY90 - \$309,754,863 -	\$42,919,554 -	13.86%
FY91 - \$391,564,054 -	\$49,000,195 -	12.51%
FY92 - \$449,222,525 -	\$49,746,787 -	11.07%
FY93 - \$489,705,848 -	\$60,195,741 -	12.29%
FY94 - \$500,064,200 -	\$63,387,845 -	12.68% (est)

During the budget process, the Lottery's funding is set below the 15% limit. Actual expenditures have ranged from a low of 11.07% in FY89 and FY82 to a high of 13.86% in FY90. Wisconsin's administrative overhead is lower than many other states as seen in the attached chart.

While the Wisconsin Lottery has met the 15% limit without difficulty during its first few years, it also experienced significant revenue growth during that time. Gross lottery revenues increased at a rate of 12.5% during the 1991-93 biennium, but it is projected that

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revenue growth will be relatively flat during the current biennium.

Sincerely,
- JOHN M. TRIES
Chairman, Wisconsin
Gaming Commission

State of Wisconsin
Legislative Audit Bureau
Madison

June 2, 1994

To the Honorable the Legislature:

We have completed an evaluation of the Special Supplemental Food Program for Women, Infants and Children (WIC), as requested by the Joint Legislative Audit Committee. This federal program, which is administered by the Department of Health and Social Services, provides supplemental nutritious foods, such as milk and infant formula; nutrition education; and referrals to health care services at no cost to its low- and moderate-income participants. In Wisconsin, program participation has increased by 48.5 percent in the past five years, to 105,984 as of March 1994. An estimated two-thirds of the State's eligible population currently participates.

Over the past three federal fiscal years, the program did not spend \$6.1 million of \$133 million in available state and federal resources, thereby limiting the number of participants receiving supplemental food. Some causes of underspending, such as changes in food prices, are beyond the Department's direct control. However, to use available funds effectively, especially since federal funding is expected to increase rapidly, the Department will need to improve its financial management and program planning efforts.

There is growing concern that some grocers and pharmacies authorized to exchange WIC food drafts for

food are abusing the program by charging high prices or engaging in such fraudulent practices as exchanging food drafts for cash. The Department is developing plans to step-up enforcement action against these vendors. The Legislature could assist enforcement efforts by adopting several statutory changes, including creating criminal and civil penalties for WIC program fraud.

We appreciate the courtesy and cooperation extended to us by the Department, local WIC agencies, and officials of the Illinois Department of Public Health. The Department's response is Appendix II.

Respectfully submitted,
DALE CATTANACH
State Auditor

State of Wisconsin
Department of Development
Madison

June 7, 1994

To the Honorable the Assembly:

Under Section 1.11 (2) (j), Wisconsin Statutes, the Department of Development is required to provide an annual report to the Legislature on the number of major actions it conducted during the 1992-1993 Fiscal Year, and the number of environmental assessments and/or environmental impact statements that were prepared in accordance with those actions under s. 1.11 (2) (c), Stats.

I am respectfully submitting our report to the Legislature in the manner provided in section 13.172 (2), Wisconsin Statutes.

Thank you for your assistance in this manner.

Sincerely,
ROBERT N. TRUNZO
Secretary