

STATE OF WISCONSIN
Assembly Journal
Ninety-First Regular Session

WEDNESDAY, December 28, 1994

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

The following is a list of partial vetoes on special session Assembly bills in the possession of the Assembly at the end of the 1993-94 session and, therefore, the partial vetoes have failed to pass notwithstanding the objections of the governor pursuant to Joint Rule 82:

- Assembly Bill 3, May 1994 Special Session
- Assembly Bill 2, June 1994 Special Session

COMMITTEE REPORTS

The committee on Children and Human Services reports and recommends:

Assembly Clearinghouse Rule 94-94

Relating to eligibility and benefits under the aid to families with dependent children program.

Partial objection to proposed HSS 201.305(6)(3)b:

Ayes: (4) Noes: (2)

To Joint Committee for Review of Administrative Rules.

REBECCA YOUNG

Chairperson

The committee on Natural Resources reports and recommends:

Assembly Clearinghouse Rule 94-40

Relating to municipal ordinances regulating applications of pesticides to turf areas by persons other than commercial applicators.

Objection:

Ayes: (7) Noes: (3)

To Joint Committee for Review of Administrative Rules.

SPENCER BLACK

Chairperson

COMMUNICATIONS

State of Wisconsin
Claims Board
Madison

November 10, 1994

To the Honorable the Assembly:

Enclosed is the report of the State Claims Board covering the claims heard on October 27, 1994.

The amounts recommended for payment under \$4,000 on claims included in this report have, under the provisions of s. 16.007, Stats., been paid directly by the Board.

The Board is preparing the bill(s) on the recommended award(s) over \$4,000, if any and will submit such to the Joint Finance Committee for legislative introduction.

This report is for the information of the Legislature. The Board would appreciate your acceptance and spreading of it upon the Journal to inform the members of the Legislature.

Sincerely,
EDWARD D. MAIN
Secretary, Claims Board

State of Wisconsin
Legislative Audit Bureau
Madison

December 16, 1994

To the Honorable the Legislature:

As required by s. 13.94, Wis. Stats., we have completed a financial audit of the Patients Compensation Fund, which provides medical malpractice insurance coverage in excess of statutory minimums to Wisconsin's health care providers. The Fund is governed by a Board and administered by the Office of the Commissioner of Insurance. We are able to provide an unqualified auditor's report on the Fund's financial statements for the fiscal years ending June 30, 1994 and 1993.

A continuing concern facing the Fund is an accounting deficit, which was \$67.9 million as of June 30, 1994. The Fund's financial position has improved in recent years and does not pose an immediate concern. However, if cash flow problems develop in the long term, they will be more difficult to address than if steps are taken now to develop a strategy to further reduce the deficit.

In response to these financial concerns, the Board established a special committee to evaluate options for addressing the deficit. Three of the four options the committee recommended to the Board require legislative changes, including establishing a limit on non-economic damages, setting a statutory minimum level to the fee assessed health care providers and allowing the Fund to pay future medical expenses out on an as-incurred basis rather than as a lump-sum payment.

Another continuing concern is a potential conflict of interest that exists when the claims contractor purchases claim settlement annuities through its internal brokerage department. We do not believe the Board's plans to more closely monitor annuity purchases will eliminate the potential for the claims contractor to act in its own, rather than the Fund's, best interest and we again recommend that the claims contractor and its affiliates be prohibited from benefiting on annuity purchases for the Fund.

We appreciate the courtesy and cooperation extended to us by the staff of the Office of the Commissioner of Insurance and the contractors who help administer the Patients Compensation Fund program. The response from the Commissioner of Insurance is the appendix.

Respectfully submitted,
DALE CATTANACH
State Auditor

State of Wisconsin
Department of Natural Resources
Madison

December 21, 1994

SUBJECT: Clean Water Fund Biennial Finance
Plan for FY 1995-1997

To the Honorable the Assembly:

On September 30, 1994, the first version of the Clean Water Fund (CWF) Biennial Finance Plan, reflecting the Department of Natural Resources biennial budget proposal to the Governor, was submitted to your office. The plan included narrative on a shortfall in federal funding for program operations that is projected to develop during the 1995-97 biennium. The Natural Resources Board, in September, directed DNR staff to prepare additional information on options to address the funding shortfall and present options for consideration of the Board at their November, 1994 meeting.

On November 11, 1994, the Natural Resources Board approved the inclusion of a loan administration fee on federally funded loans in the Department's proposed 1995-97 biennial budget. This fee is intended to address a serious federal funding shortfall that is likely to occur in the 1995-97 biennium.

This fee is proposed as follows: The annual fee amount would be 0.2% of the outstanding balance of all federally

funded loans for the 1995-97 biennium. Under this proposal, interest amounts on federal loans would be decreased by the amount of the fee. In effect, this will allow the Clean Water Fund to use a portion of current repayments from federally funded loans to fund program operations. Thus, the total cost to municipalities of borrowing from the CWF would not increase. The fee is proposed to be implemented after the 1995-97 Biennial Budget is enacted on all existing and future recipients (including recipients receiving transition, post-transition and hardship loans) that have or will receive federal direct loan disbursements. It is estimated that the fee will generate \$910,000 in the 1995-97 biennium which represents less than 10% of all interest paid by recipients of federal loans.

Proceeds of the proposed fee would fund 7 existing FTE currently supported by the federal grant and provide administrative support for DNR Clean Water Fund staff. It is expected that legislation will be introduced before Congress in the next session that would effectively reduce Wisconsin's federal grant, producing a potential shortfall of \$894,000 for CWF administration during the next biennium.

The Natural Resources Board approved this fee as a short-term solution to address a shortfall expected to occur during the 1995-97 biennium. Projections of federal funding after the 1995-97 biennium indicate that the shortfall amounts may increase greatly. Implementation of a short-term fee would allow CWF staff to gather more background information on Congressional action on Clean Water Act re-authorization and related capitalization grant appropriations in future years. Implementation of a short-term fee will also allow CWF staff to consult with municipal officials and others regarding a long term funding solution.

If you have any other questions regarding the Biennial Finance Plan, please contact Paulette Harder at 266-0836.

Sincerely,
PAULETTE J. HARDER, Director
Office of Government Relations
DNR

December 19, 1994

Thomas T. Melvin
Assembly Chief Clerk
Suite 402, One East Main Street
P.O. Box 8952
Madison, WI 53708

Dear Chief Clerk Melvin:

On behalf of the Medical College of Wisconsin, it is my pleasure to submit the annual report on the activities of our Department of Family and Community Medicine.

JOURNAL OF THE ASSEMBLY [December 28, 1994]

This report has been prepared in accordance with the requirements of 1991 Wisconsin Act 39 and provides information about the items specified in the Act.

We believe that both the Medical College and the State have benefited greatly from this joint partnership for family medicine and we look forward to continuing our efforts to improve Wisconsin's health care system.

Please feel free to contact us if you or your staff have any questions or would like more information about our

family medicine program or other activities of the College.

Sincerely,

T. MICHAEL BOLGER, J.D.
President and CEO
Medical College of Wisconsin

JOHN E. MIDTLING, M.D., M.S.
Chairman, Department of
Family & Community Medicine