

1993-94 SESSION
COMMITTEE HEARING
RECORDS

Committee Name:

Joint Committee on
Finance (JC-Fi)

Sample:

Record of Comm. Proceedings ... RCP

- 05hrAC-EdR_RCP_pt01a
- 05hrAC-EdR_RCP_pt01b
- 05hrAC-EdR_RCP_pt02

➤ Appointments ... Appt

➤ **

➤ Clearinghouse Rules ... CRule

➤ **

➤ Committee Hearings ... CH

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➤ Committee Reports ... CR

➤ **

➤ Executive Sessions ... ES

➤ **

➤ Hearing Records ... HR

➤ **

➤ Miscellaneous ... Misc

➤ 93hrJC-Fi_Misc_pt27b

➤ Record of Comm. Proceedings ... RCP

➤ **



January 27, 1993

The Honorable Gary R. George, Co-Chair
The Honorable Barbara Linton, Co-Chair
Members of the Joint Committee on Finance
113 South, State Capitol
Madison, Wisconsin 53702

Dear Senator George, Representative Linton, and Members:

In accordance with sec. 16.531(3), Stats., we are submitting this report on the completed calendar quarter ended December 31, 1992, with an assessment of the condition of the General Fund for the period January 1, 1993 to June 30, 1993.

The cash position of the General Fund at December 31 was \$393.0 million, which is higher than the \$321.3 million projected in our report to you on December 11, 1992. This difference is primarily due to higher than expected General Fund receipts, including a \$24 million favorable timing difference in federal receipts that occurred during December, 1992. This \$24 million will reverse during January, 1993. The cash activity for the quarter was as follows:

General Fund Cash Activity
for the Quarter Ended December 31, 1992
(\$ in millions)

Month	Beginning Balance	Receipts	Disbursements
October	\$740.9	\$ 905.9	\$ 711.2
November	935.6	995.8	1,453.1
December	478.3	1,030.4	1,115.7
January	393.0		

At no time during the quarter was it necessary to exercise the authority under sec. 16.53(10)(a) Stats., pertaining to the delay of payments. However, at various times during the quarter it was necessary to exercise the reallocation authority under sec. 20.002(11)(a) Stats., for the Environmental Clean-up Fund, the Mediation Fund, and the Elderly Property Tax Deferral Fund.

The following cash forecasts are based on the Budget Adjustment Bill, and the Legislative Fiscal Bureau's January, 1992 revenue estimates. They also include the receipt of the \$450 million from the issuance of the 1992 Operating Notes and the impoundment transfer payments scheduled to be made on February 16, March 15, April 15, and May 17, 1993. The current forecasts are as follows:

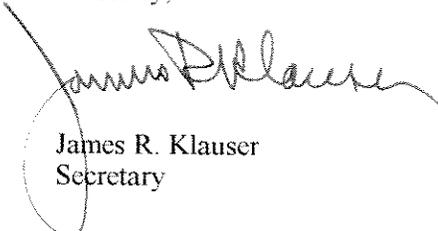
The Honorable Gary R. George
The Honorable Barbara Linton
Members of the Joint Committee on Finance
January 27, 1993
Page two

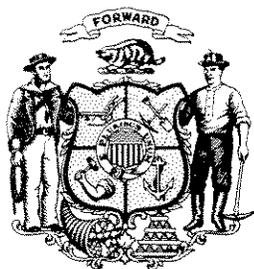
General Fund Cash Forecast
January 1993 - June 1993
(\$ in Millions)

Month	Beginning Balance	Receipts	Disbursements
January	\$393.0	\$1,349.0	\$ 770.4
February	971.6	877.3	973.6
March	875.3	985.1	1,500.6
April	359.8	1,187.6	985.5
May	561.9	1,030.6	904.9
June	687.6	1,105.3	1,525.2
July	267.7		

With the proceeds of the 1992 Operating Notes, the General Fund will show a positive balance throughout the six-month period, with the possible exception of the period between June 21st and June 23rd. During this period, it may become necessary to exercise the authority granted under sec. 20.002(11)(a) Stats., pertaining to interfund borrowing. However, at no time during the six-month period will it be necessary to exercise the authority granted under sec. 16.53(10)(a) Stats., pertaining to the delay of payments.

Sincerely,


James R. Klauser
Secretary



STATE OF WISCONSIN INVESTMENT BOARD

MAILING ADDRESS:
P.O. BOX 7842
MADISON, WI 53707

121 EAST WILSON ST.
MADISON, WI 53702
(608) 266-2381

January 31, 1993

Senator Gary R. George, Co-Chair
Joint Committee on Finance
Room 115 South, State Capitol
Madison, WI 53702

Representative Barbara Linton, Co-Chair
Joint Committee on Finance
Room 127 South, State Capitol
Madison, WI 53702

Dear Representative Linton and Senator George:

In accordance with s. 25.17(17) of the Wisconsin Statutes, I am submitting to the Joint Committee on Finance the State of Wisconsin Investment Board's annual report on credits, or "soft dollars," generated with security brokerage firms and the use of those credits to acquire investment research services as allowed by the Securities and Exchange Commission. This report covers commissions and research credits and expenditures for calendar year 1992.

Background

Whenever shares of stocks are bought or sold, a commission is paid to the brokerage firm handling the transaction. A portion of the commission represents the cost of the trading function, such as executing the trade, clearing, settling and custody. The remainder is the broker's profit and an amount to cover the cost of investment research provided to clients. If the brokerage firm does not have its own research staff, it may offer to pay independent research vendors for services provided to the investment manager. Credits made available to clients in this manner are termed "third-party" research credits. Research provided by the brokerage firm through its own staff or through exclusive arrangements between the broker and researcher are termed "directed research."

Soft dollar research services and practices evolved prior to 1975, when commission

rates were fixed by rule. Since many stock trading functions are fairly generic, brokers competed for trading business with the research services and credits they offered. In an industry that relies heavily on the production and availability of information, soft dollar research grew to be a major service provided by brokers. At the same time, since commission rates were fixed, investment managers relying on soft dollar research did not encounter any fiduciary conflicts with the practice.

Legal Basis for "Soft Dollar" Transactions. The Securities Acts Amendments of 1975 to the Securities Exchange Act replaced fixed commission rates with negotiated rates, effective May 1, 1975. The Amendments also created the Section 28(e) safe harbor provisions regarding the use of "soft dollars" by investment managers. In effect, Section 28(e) defines allowable uses of soft dollars. If a person with "investment discretion" is in compliance with these provisions, he or she is protected against claims that receiving research services through the payment of brokerage commissions violates fiduciary responsibility. The person must determine that the "bundled" price of the services received is reasonable in relation to the value of the brokerage and research services received, either in terms of the particular transaction or the manager's overall responsibilities with respect to the accounts over which he or she exercises investment discretion.

Rulings and interpretations by the SEC provide the framework for applying Section 28(e). SEC determinations have covered diverse topics, such as the standards to be used to judge reasonableness of price, the relations between brokers and third-party vendors, and the definition of allowable research equipment and supplies.

Investment Considerations of Soft Dollar Transactions. In making all investment decisions, including choice of broker to execute a trade, the State of Wisconsin Investment Board's fiduciary responsibility to the Trust Funds it manages is the first consideration. Because of this, the role of research considerations in executing trades differs substantially across the various investment categories. For transactions involving stocks of large companies listed on the major exchanges, the availability of shares and the "generic" nature of the trades means that any given trade can probably be executed through many brokers in a highly competitive arena. The choice of broker for a particular trade, therefore, can give substantial weight to the quality and quantity of research available through that broker.

When small company stocks are traded, execution requirements are much more exacting. Since the availability of shares of small companies may be limited and since there is much greater potential for the trading activity itself to influence a stock's market price, the ability and efficiency of the broker to execute the trade controls the choice of broker to handle a specific transaction.

A roughly comparable "soft dollar research" practice exists in trading public bonds. Large institutional investors receive research services directly from brokers or may, in

certain situations involving new bond issues, be able to direct a portion of the "selling concession" to brokerage firms who can provide desired third-party research services. A key difference exists, however, in that a "commission" is an amount paid on top of the selling price of a share of stock and represents a payment by the investor for both the transaction and research services. The "selling concession" received by a bond broker is taken from the proceeds of the bond issue. It is, therefore, paid by the borrower rather than the bond purchaser. The price paid by the bond buyer (SWIB) is the same, regardless of the soft dollar research arrangements offered by the broker.

State of Wisconsin Investment Board Commissions and Research Credits for 1992

Stocks

Table I, attached, lists the 122 brokerage firms through which SWIB transacted domestic stock trades during calendar year 1992. Transactions for the portfolios of both the Value and Growth Equities divisions are included. Together, these portfolios held assets of \$13.0 billion on December 31, 1992. Commissions totalled \$25.0 million. The level of commissions fluctuates each year based on trading activity, which in turn is driven by broader investing decisions.

The reported commissions exclude fees totalling \$14.1 million paid by SWIB to purchase new issues of stock since these represent a service distinct from secondary market trading. No research credits are generated by these fees. In addition to the amounts shown in Table I, \$1.7 million in commissions was paid on staff-managed international stock portfolios. No soft dollar research arrangements existed for these international commissions.

Directed Research Credits. Table I also shows that the value of "directed" research services provided for the equity divisions totalled \$13.3 million in 1992. This amount is an estimate of the value of the research provided relative to the value of trading services received. Since these services are bundled into a single commission, actual prices do not exist for the separate services. Rather, an assessment has been made of the costs of executing a trade versus the "value-added" research services provided. In the case of small company stocks in particular, these value-added services include functions available only through selected brokers, such as assistance in locating stocks for a prospective buyer and in matching buyers and sellers. The estimated value of these services has been incorporated in the definition of "directed research." The percentage of commissions credited for research ranged from 50% to 90%, depending on the firm. [The table shows 0% for firms that provide trading services only.]

As used in this report, "directed research" also includes research services provided to SWIB under contractual relationships between the broker and the research provider. In

general, these research services are "exclusive" in that they are only available through one or, at most, a handful of brokers. Direct billing for the service does not pass through SWIB and, typically, the payments made by the broker to the research vendor are not reported to SWIB.

"Third Party" Research Credits and Expenditures. "Third party" research credits are provided by brokers who agree to designate a negotiated percentage of their commissions to provide eligible independent research products to SWIB. The defining characteristic of this category is that the service is not a product of the brokerage firm and that no exclusive contractual relationship exists between the broker and research vendor. In 1992, standing arrangements existed with eight equity brokers for a broad range of research products. A total of \$665,500 in credits was earned on stock transactions in this manner.

Third-party equity research credit expenditures in 1992 totalled \$745,867. Balances carried forward from 1991 were used to pay for a portion of these expenditures.

Expenditures of third-party equity research credits fell into the following categories:

<u>Research Service</u>	<u>Amount</u>	<u>Percent</u>
Electronic Data Services/Equipment	\$337,168	45.2%
Investment Publications	194,616	26.1%
Professional Services	132,416	17.8%
Research Conference Registrations	42,812	5.7%
Institutional Memberships	31,624	4.2%
Books & Miscellaneous Items	<u>7,231</u>	<u>1.0%</u>
	\$745,867	100.0%

Electronic data services comprised about 45% of the total. Included in this category are the on-line services which provide current market data and prices to the securities analysts and traders, on-line performance monitoring services and electronic information and news retrieval. The category also includes computer equipment needed to receive and distribute these information services to investment staff within the agency.

Professional services, at 17.8% of the total, included customized equity research and market forecasting, performance measurement services and asset allocation services, which provide advice and evaluation of the mix of assets allotted to the available investment classes.

Investment publications, totalling 26.1%, include printed investment materials and periodicals ranging from daily newspapers and trade publications to highly specialized financial analyses and reports.

The category of institutional memberships includes payments for SWIB's participation in organizations such as the Council of Institutional Investors and the Security Traders Association.

SEC rules allow use of third-party soft dollar credits for registration fees at professional conferences. Travel and other expenses are not allowed. Conferences funded in this manner provide training opportunities in industry and company analysis, investment analysis tools and techniques and portfolio and asset allocation strategies. The category of books includes a wide range of financial and legal reference materials and textbooks.

Public Bonds

As noted, the public bonds area has research credit arrangements somewhat comparable to that found in the stock market. Table II presents the list of brokerage firms designated by SWIB for selling concessions in new bond issues in 1992. In total, \$1,825,904 in selling concessions were involved. Directed research (provided by the broker's inhouse staff or through exclusive arrangements between the vendor and broker) credits are estimated at \$686,314. The total of third-party research credits earned was \$326,298.

The third-party research credits were expended as follows:

<u>Research Service</u>	<u>Amount</u>	<u>Percent</u>
Electronic Data Services	\$150,224	63.5%
Investment Publications	86,300	36.5%
Books	68	<.1%
	<u>\$236,592</u>	<u>100.0%</u>

Investment Board Procedures Governing the Use of Soft Dollar Credits

The primary policy concern about the generation and use of soft dollar research credits is that dependence upon these credits to pay for services will lead to choosing brokers offering the credits rather than choosing the broker who can provide the best execution of the trade. To guard against abuse of these credit arrangements, the Investment Board has adopted procedures to limit and monitor their use.

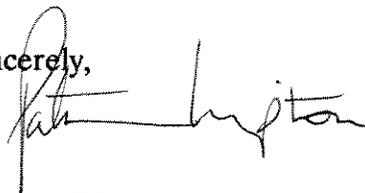
In particular, the Board has determined that commissions which generate third-party research credits shall, on an agency-wide basis, not exceed 12% of total commissions. For 1992, commission payments applied toward third-party research credits were about 10% of total commissions.

Senator Gary R. George
Representative Barbara Linton
January 31, 1993 Page 6

To allow the agency time to adjust its budgeted soft dollar expenditures to changes in asset allocations, market conditions or commission practices which may significantly limit the continued generation of soft dollar credits, a reserve equal to at least six months budgeted expenditures for third-party services is to be maintained. This time period was chosen as a reasonable amount of time to adjust expenditure patterns. The agency's balances with the brokers with standing nonexclusive research credits met the six-month reserve requirement as of December 31, 1992. The agency reduced its business to third-party brokers during the second half of 1992 to bring its accumulated balance down to the six-month required reserve level.

I hope you will find this information responsive to the statutory request you initiated in 1989 Wisconsin Act 31. Please feel free to contact me with any questions you might have about this report or other Investment Board matters.

Sincerely,

A handwritten signature in cursive script, appearing to read "Patricia Lipton".

Patricia Lipton
Executive Director

cc: Members, Joint Committee on Finance
Robert W. Lang, Legislative Fiscal Bureau

PL/tlp

MJ:c\C92SOFT\$.REP

TABLE I

STATE OF WISCONSIN INVESTMENT BOARD

1992 COMMISSIONS AND RESEARCH CREDITS FOR
VALUE & GROWTH EQUITIES

BROKER	RESEARCH CREDITS EARNED		
	TOTAL COMMISSIONS*	DIRECTED RESEARCH	THIRD PARTY
Abraham & Sons, Inc.	\$7,165	\$3,583	\$0
Adams Harkness & Hill, Inc.	101,190	91,071	0
Amivest Corp	6,813	3,407	0
Anantha Raman & Company	74,853	55,556	0
Autranet, Inc.	25,626	0	15,074
Baird (Robert W.) & Co., Inc.	301,830	203,129	0
Barrington Research Assoc.	8,098	4,049	0
Beal (M.R.) & Company	91,424	45,712	0
Bear, Stearns & Co., Inc.	808,117	455,293	0
Bernstein (Sanford C.) & Co., Inc.	185,267	92,634	0
Blair (William) & Company	110,796	76,507	0
Bradford (J.C.) & Co.	64,073	57,666	0
Brandt (Robert) & Co. **	125,545	0	0
Brenner Securities	15,096	7,548	0
Bridge Trading Company	230,114	184,091	0
Brooks Securities, Inc.	6,000	3,000	0
Brown Brothers Harriman & Co.	140,312	70,156	0
Brown (Alex.) & Sons	625,598	365,800	0
Buckingham Research Group, Inc.	4,914	2,457	0
Burns Fry Limited	94,878	47,439	0
Cantor Fitzgerald & Co., Inc.	571,286	0	76,192
Capital Institutional Services Inc.	4,500	2,250	0
Chapman Co. (The)	124,589	91,340	0
Chicago Corporation (The)	69,392	62,453	0
Citation	247,846	0	145,792
Cleary, Gull, Reiland, McDevitt & Collopy	214,494	150,146	0
County Nat West Securities	96,067	48,034	0
Cowen & Co.	231,331	132,527	0
Dain Bosworth, Inc.	270,441	200,410	0
Daniels & Bell, Inc.	96,721	87,049	0
Dean Witter Reynolds, Inc.	271,256	140,610	0
Dillon, Read & Co.	115,005	67,743	0
Dominion Securities	53,538	26,769	0
Donaldson Lufkin & Jenrette	771,876	434,251	0
Duff & Phelps/SK Int'l	79,642	0	46,848
Edwards, A.G.	34,317	24,069	0
First Albany	2,850	2,565	0

TABLE I

STATE OF WISCONSIN INVESTMENT BOARD

1992 COMMISSIONS AND RESEARCH CREDITS FOR
VALUE & GROWTH EQUITIES

BROKER	TOTAL COMMISSIONS*	RESEARCH CREDITS EARNED	
		DIRECTED RESEARCH	THIRD PARTY
First Boston Corporation	826,493	450,066	0
First Manhattan Co.	157,262	87,191	0
First Marathon	81,750	40,875	0
Fleming Jardine	4,638	2,319	0
Fox-Pitt, Kelton, Inc.	48,459	24,229	0
Furman Selz, Inc.	99,741	57,900	0
Goldman, Sachs & Co.	1,029,740	594,528	0
Goldman Sachs Int'l	5,950	2,975	0
Gordon, Haskett & Co./Indata	34,128	24,189	0
Grigsby Brandford	14,508	7,254	0
Guzman & Co.	30,438	0	17,905
Hambrecht & Quist, Inc.	405,831	241,986	0
Hamilton Investments Inc.	38,872	34,985	0
HCM Investments	69,961	58,925	0
Herrick	4,800	2,400	0
Herzog, Heine, Guduld, Inc. **	223,636	0	0
Himmelheber Investment Research Co.	6,714	3,357	0
Ingalls & Snyder	35,486	17,743	0
Instinet **	409,617	0	0
Interstate/Johnson Lane Corp.	34,900	31,410	0
Investment Technology Group **	1,288	0	0
ISI Group	43,778	21,889	0
Jefferies & Company, Inc.	755,370	0	213,229
Jones & Associates, Inc. **	271,033	0	0
Josephthal, Lyon & Ross	15,414	7,707	0
Kemper Financial Services	282,496	185,335	0
Kidder, Peabody & Co., Inc.	952,629	540,114	0
Lan Dolt Securities	18,300	9,150	0
Lawrence (C.J.) Inc.	349,953	225,366	0
Lazard (W.R.) & Laidlaw	64,156	54,548	0
Legg Mason Wood Walker, Inc.	5,684	2,842	0
Lehman Brothers	1,311,316	753,841	0
LRH Associates, Inc.	11,250	6,615	0
Luther, Smith & Small	120,720	84,838	0
Mabon Securities Corp.	105,031	73,867	0
Martin Simpson	6,000	3,000	0
McDonald & Company Securities	36,843	29,474	0

TABLE I

STATE OF WISCONSIN INVESTMENT BOARD

1992 COMMISSIONS AND RESEARCH CREDITS FOR
VALUE & GROWTH EQUITIES

BROKER	RESEARCH CREDITS EARNED		
	TOTAL COMMISSIONS*	DIRECTED RESEARCH	THIRD PARTY
Merrill Lynch, Pierce, Fenner & Smith	1,399,903	805,902	0
Montgomery Securities	691,161	390,220	0
Morgan Keegan & Co., Inc.	18,216	16,394	0
Morgan Stanley & Co., Inc.	1,045,131	614,467	0
Morgan (J.P.) Securities	63,096	31,548	0
Needham & Company, Inc.	117,417	93,934	0
Nesbitt Thomson	8,907	4,454	0
Neuberger & Berman	100,802	50,401	0
Niehoff & Co. **	38,160	0	0
Oppenheimer & Co., Inc.	499,458	282,007	0
O'Neil (William) & Co.	108,060	54,030	0
PaineWebber, Inc.	1,117,440	642,478	0
Paulsen, Dowling	21,532	10,766	0
Piper, Jaffrey & Hopwood, Inc.	387,492	230,059	0
Prudential Securities, Inc.	874,545	484,124	0
Pryor, Govan, Counts & Co., Inc.	139,718	93,810	0
Raymond James & Co.	110,841	87,142	0
Robertson, Stephens & Company	179,186	143,348	0
Robinson-Humphrey Company, Inc	220,621	153,690	0
Rochdale Securities Corp.	15,924	9,363	0
Roulston & Co., Inc.	74,707	37,354	0
S K International	200,700	0	121,636
Salomon Brothers Inc.	512,254	282,613	0
San Juan Asset Management	86,460	43,230	0
ScotiaMcLeod	59,311	29,656	0
Seaport Securities Corp.	16,345	16,345	0
Securities Corporation of Iowa	3,938	1,969	0
Shearson Lehman Hutton	58,782	35,622	0
Smith Barney, Harris Upham & Co., Inc.	912,813	517,195	0
Soundview Financial Group, Inc.	132,593	73,303	0
Standard & Poors Securities, Inc.	4,430	4,430	0
Stechler (Joseph) & Company, Inc.	40,058	20,029	0
Steiner Diamond Institutional Svcs **	10,150	0	0
Studness Inc.	6,000	3,000	0
Sturdivant & Co., Inc.	131,111	93,952	0
Tucker, Anthony Incorporated	87,771	70,217	0
UBS Securities, Inc.	141,089	70,545	0

TABLE I

STATE OF WISCONSIN INVESTMENT BOARD

1992 COMMISSIONS AND RESEARCH CREDITS FOR
VALUE & GROWTH EQUITIES

BROKER	<u>RESEARCH CREDITS EARNED</u>		
	TOTAL COMMISSIONS*	DIRECTED RESEARCH	THIRD PARTY
Union Heritage	4,200	2,100	0
Vantage Securities	6,300	3,150	0
Vector Securities International, Inc.	60,203	54,183	0
Volpe, Welty & Company	20,806	14,535	0
Warburg (S.G.) & Co., Inc.	68,445	34,223	0
Washington Analysis/County Natwest	6,600	3,300	0
Weeden & Co. **	278,157	278,157	0
Wertheim Schroder & Co., Inc.	427,631	240,826	0
Wessels, Arnold & Henderson	176,741	141,392	0
Wheat, First Securities, Inc.	71,028	56,822	0
Wisconsin Discount Securities Corp.	57,937	4,463	28,831
TOTAL	\$25,011,207	\$13,250,976	\$665,507

* Excludes fees paid for syndicate (new stock offers)

** Trading Services Only

TABLE II

STATE OF WISCONSIN INVESTMENT BOARD

**1992 SELLING CONCESSIONS AND RESEARCH CREDITS FOR
PUBLIC BONDS**

BROKER	TOTAL SELLING CONCESSIONS	RESEARCH CREDITS EARNED	
		DIRECTED RESEARCH	THIRD PARTY
Boston Institutional Services, Inc.	\$16,406	\$0	\$9,651
Capital Institutional Services	94,600	0	66,220
Donaldson, Lufkin, Jenrette	5,000	2,500	0
Deutsche Bank	9,000	4,500	0
First Boston Corp.	241,750	120,875	0
Goldman Sachs	147,700	73,850	0
Josephthal, Lyon & Ross	14,500	7,250	0
Kidder Peabody	51,000	25,500	0
Ladenberg Thalmann	9,000	4,500	0
Lawrence, C.J.	17,500	8,750	0
Lazard (W.R.) & Laidlaw	49,500	33,000	0
Lehman Bros	67,000	33,500	0
Merrill Lynch, Pierce, Fenner & Smith	294,435	119,926	59,435
Morgan, J.P.	32,500	16,250	0
Morgan Stanley	195,150	97,575	0
PaineWebber	20,250	10,125	0
Redwood Securities	2,500	1,250	0
Salomon Brothers	229,925	114,963	0
Smith Barney, Harris Upham & Co., Inc.	24,000	12,000	0
Standard & Poors Securities, Inc.	67,000	0	33,500
Wilshire Associates	229,125	0	152,750
Wisconsin Discount Securities Corp.	8,063	0	4,743
TOTAL	\$1,825,904	\$686,314	\$326,298



The University of Wisconsin System

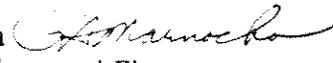
Vice President for Business and Finance

1752 Van Hise Hall
1220 Linden Drive
Madison, Wisconsin 53706
(608) 262-1311 FAX (608) 262-3985

DATE: January 28, 1993

TO: James Klauser, Secretary
Department of Administration

Senator Gary George
Representative Barbara Linton
Co-Chairs, Joint Committee on Finance

FROM: Raymond A. Marnocha 
Vice President for Business and Finance

RE: QUARTERLY POSITION REPORT, s. 16.505(2m)
(October 1, 1992 - January 1, 1993)

Under the provisions of s. 16.505(2m), the University of Wisconsin System (UWS) is reporting a net increase of 88.86 full-time equivalent (FTE) positions supported by nonfederal gifts and grants, and a net increase of 43.93 FTE positions supported by federal contracts. The changes to authorization levels reflect adding new awards and deleting terminated awards.

	Gifts and Grants	Federal Contracts	Total
10/1/92 Authorization	1,675.85	2,958.91	4,634.76
Total Change	88.86	43.93	132.79
1/1/93 Authorization	1,764.71	3,002.84	4767.55

Enclosed are schedules that show authorization changes by institution as well as select award information. All positions added to staff new awards, or deleted from terminated awards are separately identified.

Enclosures

cc: President Lyall
Vice Presidents
Martin Olle
David Suchman
Legislative Reference Bureau
Deborah Durcan
Tom Sonnleitner
Kent Hill
Floyd Rohde

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University of Wisconsin System
 Quarterly Position Report - Gifts, Grants and Contracts
 s.16.505(2m), Wisconsin Statutes

Period Covered: October 1, 1992 - January 1, 1993

	GIFTS AND GRANTS			FEDERAL CONTRACTS		
	OCTOBER 1, 1992	JANUARY 1, 1993	FTE CHANGE	OCTOBER 1, 1992	JANUARY 1, 1993	FTE CHANGE
MADISON	1,408.15	1,481.62	73.47	2,475.26	2,507.37	32.11
MILWAUKEE	48.10	56.60	8.50	99.24	100.66	1.42
EAU CLAIRE	8.79	8.84	0.05	18.26	19.25	0.99
GREEN BAY	5.67	5.44	-0.23	12.26	14.22	1.96
LA CROSSE	10.08	10.58	0.50	13.83	14.12	0.29
OSHKOSH	10.42	11.57	1.15	45.31	47.93	2.62
PARKSIDE	6.62	7.42	0.80	12.61	8.00	-4.61
PLATTEVILLE	0.17	0.17	0.00	7.94	8.10	0.16
RIVER FALLS	0.09	0.34	0.25	12.12	12.26	0.14
STEVENS POINT	17.22	16.43	-0.79	14.20	15.61	1.41
STOUT	9.67	10.11	0.44	42.45	42.73	0.28
SUPERIOR	3.72	3.05	-0.67	22.63	28.25	5.62
WHITEWATER	1.57	1.57	0.00	9.60	12.60	3.00
UNIVERSITY CENTERS	1.00	1.00	0.00	15.77	16.27	0.50
UNIVERSITY EXTENSION	144.58	149.97	5.39	156.68	154.72	-1.96
SYSTEM ADMINISTRATION	0.00	0.00	0.00	0.00	0.00	0.00
SYSTEMWIDE	0.00	0.00	0.00	0.75	0.75	0.00
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TOTAL	1,675.85	1,764.71	88.86	2,958.91	3,002.84	43.93

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MADISON	ICI Pharmaceuticals	Does Ranging: 6 Weeks Therapy with Oral ICI 204,219 in Bronchial Asthma	1.00	133-T661	48,672	07/01/92-Open Award
	Wisconsin Beef Council	Development of a Method for Rapid Assessment of Beef Color Stability	1.00	133-T676	15,000	03/01/92-02/28/93
	National Multiple Sclerosis Society	Physiology and Molecular Biology of Ion Channels and Glutamate Receptors in Gila	1.25	133-T696	138,297	04/01/92-03/31/95
	Markey (Lucille P.) Charitable Trust	Molecular Basis of Virus Structure, Replication, Morphogenesis, Host Interaction and Pathogenicity	1.75	133-T700	179,080	02/15/92-02/14/97
	Whitaker Foundation	Cell and Platelet Adhesion to Segmented Polyurethane Elastomers	1.00	133-T741	59,958	04/01/92-03/31/93
	Purdue Frederick Company	The Effect of Uniphyl Tablets 400MG on Immediate and Late Asthmatic Reaction Induced by Ragweed Antigen	1.00	133-T785	40,000	02/25/92-Open Award
	Spencer Foundation	Curriculum Reform, Standards, and Inequality in Scottish Secondary Education, 1980-1988	1.00	133-T969	48,500	05/01/92-08/31/93
	Multiple Donors	Forage Production Research	1.50	133-T973	58,925	04/27/92-Open Award
	Wisconsin High School Forensic Association	Support of Wisconsin High School Forensic Association	2.90	133-U071	126,856	07/01/92-06/30/93
	Knoll Pharmaceuticals	Double-blind, Randomized, Placebo Controlled Study to Evaluate the Safety and Efficacy of Oral Trandolapril	1.70	133-U105	53,490	05/13/92-Open Award
	American Diabetes Association	New Therapies to Inhibit Diabetic Retinal Disease	0.25	133-U123	40,000	07/01/92-06/30/93
	American Heart Association	Enhancement of Fibronectin Binding to Adherent Cells by Lipoproteins	1.00	133-U131	30,000	07/01/92-06/30/93
	American Heart Association	Regulation of Heart Rate Variability in Hypoxic Fetuses	1.00	133-U132	30,000	07/01/92-Open Award
	American Heart Association	The Mechanism of Adenosine Mediated Protection During Myocardial Ischemia	1.00	133-U134	28,433	07/01/92-06/30/93

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MADISON (continued)	American Heart Association	Delivery of Genes Encoding Angiogenic Proteins into Rat Heart Muscle	1.00	133-U135	30,000	07/01/92-06/30/93
	Epilepsy Foundation of America	Do Differences Exist Between the Effects of Seizures and Physiological Activity	1.00	133-U137	30,000	07/01/92-06/30/93
	Council for Tobacco Research	Functional Domains of Apolipoprotein-B	1.38	133-U141	76,329	07/01/92-06/30/93
	American Heart Association	Metabolic Behavior in Hibernating Hearts	0.60	133-U164	132,000	07/01/92-06/30/95
	Wisc Dept of Natural Resources	Opportunities for Establishing Wildlife Habitat with Agricultural Practices	1.00	133-U175	66,000	04/29/92-06/30/93
	Wisc Dept of Agriculture Trade and Consumer Protection	Dairy Cattle Response to Electrical Environment	0.50	133-U240	87,200	06/01/92-11/30/93
	American Cancer Society	Human Antineoplastic Lymphocytes: Activation and Tumor Recognition	0.70	133-U244	131,000	07/01/92-06/30/93
	American Federation for Aging Research	Immunologic Changes in the Aging Human Lung	0.80	133-U276	24,183	07/01/92-06/30/93
	Wisc Dept of Development	Development of Biocontrol F for Root Diseases of Alfalfa	1.85	133-U281	83,953	06/22/92-06/30/93
	Cystic Fibrosis Foundation	Respiratory Virus Infection and Airway Inflammation	0.35	133-U284	16,200	07/01/92-06/30/93
	Burroughs-Wellcome Fund	George Herbert Hitchings Award for Innovative Methods of Drug Design and Discovery	1.00	133-U290	350,000	08/01/92-08/31/97
	Wisc Dept of Natural Resources	Cooperative Fish, Forestry, Water and Wildlife Research	0.23	133-U320	20,578	07/01/92-06/30/93
	Multiple Donors	Induced Resistance and Biocontrol	1.00	133-U332	50,000	05/18/92-Open Award
	State Public Defender's Office	Legal Defense Project	1.50	133-U349	84,000	07/01/92-Open Award
	Wisconsin Environmental Education Board	Earthkeeping: School Restoration Projects	0.23	133-U359	11,500	07/01/92-06/30/93
	American Heart Association	Pathogenesis of Endocarditis: Adhesion of S. Aureus to Platelet Coated Surfaces and the Role of Plasma	0.33	133-U360	29,510	07/01/92-06/30/93

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MADISON (continued)	General Electric Medical Systems	Abdominal Imaging	0.53	133-U361	40,000	07/01/92-Open Award
	Wisc Dept of Natural Resources	Long Term Transformation and Fate of Nitrogen with Mound Type Soil Absorption Systems for Septic Tank Effluent	0.50	133-U365	24,363	07/01/92-06/30/93
	Madco Research, Inc.	An Open Label Pilot Pharmacokinetic Safety and Efficacy Study of Adenosine	0.50	133-U367	34,300	06/18/92-Open Award
	Merck Sharpe & Dohme Research Laboratories	A Double-blind, Placebo Controlled, Three Period Study to Investigate Bronchodilating Ability	1.00	133-U399	68,160	06/30/92-Open Award
	International Life Sciences Institute Nutrition Foundation	Use of Pulsed-field Gel Electrophoresis to Compare Strains of Listeria	1.00	133-U419	58,770	07/15/92-01/15/94
	Grant (William T) Foundation	Dynamics of Change in the Life Course of Single Mothers	1.50	133-U432	35,000	07/01/92-06/30/93
	Merck Sharpe & Dohme Research Laboratories	A Double-blind, Randomized, Stratified, Multi-center Study to Compare Four Oral Doses of MK-059	1.00	133-U471	53,481	06/15/92-Open Award
	American Malting	Characterization of Starch	0.60	133-U482	20,114	07/01/92-Open Award
	Wisconsin Soybean Marketing Board	Implementation of Reduced Tillage Soybeans in Southwestern Wisconsin	0.85	133-U488	9,300	09/01/92-Open Award
	Juvenile Diabetes Foundation	Study of Diabetic Neuropathy	1.00	133-U553	44,053	09/01/92-08/31/93
	March of Dimes Birth Defects Foundation	Disruption, Regulation and Expression of Drosophila Gaba Receptors	1.00	133-U561	30,000	09/01/92-08/31/93
	National Multiple Sclerosis Society	Astrocyte Biology in Transgenic Mice	1.50	133-U594	280,315	10/01/92-09/30/95
	National Livestock and Meat Board	Evaluation of Natural Antimicrobials and Delivery Systems for These Molecules for Safety Assurance	1.00	133-U595	25,000	07/01/92-06/30/93
	Scientific Protein Labs	Evaluation of Technology for Extraction and Purification of Phospholipids and Lysophospholipids	1.00	133-U598	50,000	08/01/92-Open Award
	Motorola, Inc.	X-ray Lithography Studies	0.79	133-U600	175,500	06/01/92-05/31/93

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MADISON (continued)	Biotronics Technologies Inc	Fiber Spectrometry for On-line Chemical Analysis of Nutrient Solutions	0.50	133-U608	33,300	04/01/92-Open Award
	Sage (Russell) Foundation	Human Capital in the U.S. Economy 1973-1990: The Level, Adequacy, Usage, and Disruption of Earnings Capacity	0.50	133-U614	11,912	09/01/92-08/31/93
	Motorola, Inc.	X-ray Lithography Studies	2.00	133-U618	539,000	06/01/92-05/31/93
	Radiation Measurements Inc	Development of Testing of a Plastic Scintillation Detector	1.10	133-U648	18,000	01/01/92-Open Award
	Regeneron Pharmaceuticals Inc	Data Management & Analysis	1.75	133-U658	200,000	09/15/92-Open Award
	Electric Power Research Institute	RP3412-1 Response to Refrigerant Issues	2.70	133-U675	90,000	05/01/92-04/30/93
	Abbott Laboratories	M92-762 A Double-blind, Placebo Controlled Study of the Safety and Efficacy of Sertindole in Schizophrenic Patients	0.50	133-U677	36,720	09/18/92-Open Award
	Bristol-Myers Squibb Company	Study of BMS 18231 in Ischemia and Infarction	1.00	133-U679	35,000	07/01/92-Open Award
	Yamaha Corp of America	Project 2000 - Teaching Music in the 21st Century	0.73	133-U699	26,000	08/24/92-Open Award
	Johnson (S.C.) and Son, Inc	Research on Surface Chemistry, Structure and Bonding of Nitric Oxide	0.61	133-U723	10,000	09/28/92-Open Award
	American Heart Association	Vasopressin V-2 Receptor Tone in Congestive Heart Failure	1.00	133-U729	30,000	07/01/92-06/30/93
	Lederle Laboratories Equipment Manufacturers Institute	Transdermal Patch Research Carrying Capacity of Milklines	3.68	133-U731	110,000	04/01/92-Open Award
	University of Wisconsin Foundation	The Center for the Study of the American Constitution: The Documentary History of the Ratification of the Constitution	0.50	133-U737	71,000	03/01/92-Open Award
			4.00	133-U744	35,000	11/01/92-Open Award

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MADISON (continued)	Wisconsin Milk Marketing Board	Genetic Engineering and Gene Specific Selection of Dairy Cows: Production of Milk with Unique Protein Composition	2.50	133-U755	174,464	07/01/92-06/30/93
	University of Wisconsin Foundation	Gardner Marsh Hydrological Restoration	0.50	133-U757	25,000	10/01/92-Open Award
	Hoffmann-Laroche Inc	N3405H - A Comparison of Fleroxacin vs. Cefazidime in the Intravenous Therapy of Bacterial Infections	0.86	133-U766	15,701	10/08/92-Open Award
	Baxter Healthcare Corporation	Dianeal with 1.1% Amino Acids in Malnourished Continuous Ambulatory Peritoneal Dialysis	1.00	133-U775	17,100	09/01/92-Open Award
	Wisc Dept of Transportation	Analysis and Research Capabilities of the Division Planning and Budget	0.50	133-U787	11,714	09/23/92-06/30/93
	Madison, City of	Pilot Study of Madison Low Income Housing	0.50	133-U790	7,650	10/01/92-06/30/93
	Meriter Medical and Surgical Foundation	Fetal Hemoglobin and Sudden Infant Death Syndrome	0.50	133-U817	10,000	05/28/92-05/27/93
	Johnson (Robert Wood) Foundation	State Cancer Pain Initiative Resource Center	0.95	133-U819	445,000	12/01/92-11/30/95
	Multiple Donors	Wisconsin Project on Nuclear Arms Control	1.00	133-U870	45,000	12/01/92-Open Award
MADISON (Subtotal)			<u>73.47</u>			
MILWAUKEE	Wisconsin Department of Instruction	1992 Medal Program (Medicine, Engineering, Dentistry, Architecture Law	0.50	133-Q356	26,272	11/01/90-Open
	W.K. Kellogg Foundation	The Integration of Early Schooling into Communities of Support for Young Children's Development & Learning	0.76	133-U534	386,600	09/01/92-08/31/95

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MILWAUKEE (continued)	Joyce Foundation	A Collaborative Model for Restructuring Teacher Roles in Urban Professional Development Schools	0.25	133-Q832	297,733	05/31/90-07/31/93
	Wisconsin Electric Electric Power Research Institute	Durability of HVFA Concrete Solidification Processing of Metal Matrix- Flyash "Ashalloy" Particle Composites	0.24 0.93	133-U720 133-U280	25,000 246,593	08/27/92-Open 04/02/92-12/31/96
	Wisconsin Corn Growers Association	Alternative Fuels State Fleet Pilot Program: Ethanol Phas	0.24	133-U689	35,500	09/01/92-08/31/93
	Cray Research	Reducing Inter-Chip Temperature Differences in Computers Using Coolant Flow Modulation	0.45	133-T004	48,404	09/01/91-Open
	Milwaukee County Social Services	Neighborhood Based Services - Evaluation Year 4	1.83	133-T670	25,000	01/01/92-12/31/92
	UWM Foundation Universal Foods	The Jason Project An Investigation of the Effectiveness of Axtaxanthin as a Fish Flesh Color Enhancer	1.00 0.50	133-T013 133-Q004	148,682 84,931	01/01/92-06/30/93 10/01/92-08/01/93
	Wisc. Dept. of Natural Resources	Analysis Phytoplankton and Zooplankton Samples for Long Term Trend Lakes Research Consultation	0.65 0.20	133-Q767 133-U784	60,000 12,121	05/17/90-12/31/93 08/24/92-06/30/93
	Sinai Samaritan Medical Trinity Memorial Hospital Silver Spring Neighborhood Center	Nursing Research Project Applaud: An Intervention Program for Pregnant and Parenting Adolescents	0.15 0.80	133-U722 133-U761	20,199 34,003	08/24/92-08/23/93 07/01/92-Open
MILWAUKEE (Subtotal)			<u>8.50</u>			
EAU CLAIRE	St. Joseph Hosp. UWEC Found.	St. Joseph Hosp. Music Gifts	0.30 (0.25) <u>0.05</u>	133-02-658 133-02-694	112,634 7,000	07/01/92-06/30/93 07/01/91-06/30/92
GREEN BAY	University of Wisconsin Foundation	Center for the Performing Arts Director Account	(0.60)	133-N642	Open	Open

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GREEN BAY (continued)	Robert E. Lee and Associates	Endangered Species Survey	0.08	133-T732	8,000	02/92-09/92
	Oneida Tribe of Indians of Wisconsin	Economic Impact of Gaming Activity on Regional & State Economics	0.18	133-U508	12,000	12/92-03/93
	WI Dept. Natural Resources	Baseline Data Acquisition on State Natural Areas	0.11	133-U294	2,000	06/92-04/93
GREEN BAY (Subtotal)			<u>(0.23)</u>			
LA CROSSE	Various Individuals	Archaeology Center	0.50	133	35,000	07/92-06/93
LA CROSSE (Subtotal)			<u>0.50</u>			
OSHKOSH	President's East European Initiative Lectureship	Fulbright	1.00	133	22,500	09/01/92-05/31/93
OSHKOSH (Subtotal)	Various	Center for Economic Educ.	0.15	133	13,000	07/01/92-06/30/93
			<u>1.15</u>			
PARKSIDE	Multiple Donors	Regional Staff Development Center	0.80	133-M132	Open	Open
PARKSIDE (Subtotal)			<u>0.80</u>			
RIVER FALLS	UWRF Foundation	Administrative Support	0.25	133	2,652	10/01/92-12/31/92
RIVER FALLS (Subtotal)			<u>0.25</u>			
STEVENS POINT	DNR	Coop Fish Research Unit	(0.79)	133	40,000	07/01/92-06/30/93
STEVENS POINT (Subtotal)			<u>(0.79)</u>			
STOUT	SPG, Inc.	Waste Fiber Recycling	0.44	133	101,176	02/01/91-01/30/93
STOUT (Subtotal)			<u>0.44</u>			
SUPERIOR	Great Lakes Protection Fund	Fish Consumption	(0.30)	133	125,627	01/15/92-01/14/93
SUPERIOR (Subtotal)	Wisconsin DNR	St. Louis River RAP, Stage II	(0.37)	133	20,000	05/01/92-05/31/93
			<u>(0.67)</u>			

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EXTENSION	Wisconsin Dept of Health and Human Services	Vital Statistics Project	1.00	133-U465	99,862	07/01/92-06/30/93
	Wisconsin Dept Natural Resources	NPS Pollution--Educ Material	0.10	133-U162	179,164	07/01/92-06/30/93
	Kellogg Foundation	Community LDR Development	0.66	133-L618	327,653	05/01/87-06/30/94
	Wisconsin County Government Contracts	Extension Agents	0.83	133-Various	--	07/01/92-06/30/93
	Dane County Regional Planning Commission	Hydrogeologic Studies	0.75	133-U636	23,000	09/01/92-12/31/92
	Wisconsin Dept Natural Resources	Expl/Prod Rules Oil/Gas Dev	0.30	133-U740	8,513	10/01/92-05/30/93
	Educational Communications Board	Program Production Services	1.00	133-U190	360,000	07/01/92-06/30/93
	Educational Communications Board	Public Radio Program Prod	1.00	133-U257	1,120,052	07/01/92-06/30/93
	Educational Communications Board	Instructional Radio Production	0.35	133-U711	24,200	07/01/92-06/30/93
	Friends of WHA-TV	Administrative Grant	(0.60)	133-U243	262,152	07/01/82-06/30/93
EXTENSION (Subtotal)			<u>5.39</u>			
GRAND TOTAL			<u>88.86</u>			

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MADISON	Comm, National Oceanic & Atmospheric Administration	Control of Growth, Sex and Reproduction in Great Lakes Cool-water Fish	2.58	144-CZ81	122,780	09/01/92-08/31/93
	Comm, National Oceanic & Atmospheric Administration	Ontogeny and Manipulation of the Physiological Stress Response System in Rainbow Trout	2.43	144-CZ82	140,452	009/01/92-08/31/93
	DHHS, PHS, National Institutes of Health	Analysis of Immune Responses to Human Lymphoma	1.30	144-DA93	111,056	08/01/92-07/31/93
	National Science Foundation	Studies of Fundamental Mechanisms of Film Growth Using Chemical Vapor	2.47	144-DB96	600,000	09/01/92-08/31/93
	National Science Foundation	Integrated Training in Plant Signal Using Arabidopsis Thaliana	2.00	144-DC57	402,402	09/01/92-08/31/93
	DHHS, PHS, National Institutes of Health	Bone and Lipid Effects of Tamoxifen After Four Years	2.45	144-DC77	144,142	09/01/92-08/31/93
	Agric, Cooperative State Research Service	Cloning Cyclodiene/Gaba Receptors from Agricultural Pests and Its Applications	1.50	144-DC90	120,000	09/15/92-09/30/94
	DOD, Air Force	Basic Studies of Plasma/Wave Interactions	2.27	144-DD45	155,165	10/01/92-09/30/93
	WI Dept of Transportation	Crash Outcome Data Evaluation Systems in Wisconsin	2.50	144-DD96	464,755	10/01/92-09/30/93
	Energy, Dept of	Organometallic Chemistry of Bimetallic Compounds	3.06	144-DF37	126,600	11/01/92-10/31/93
	DHHS, PHS, National Institutes of Health	In Vitro Studies of the Cochlear Nucleus	0.50	144-DF86	197,560	12/01/92-11/30/93
	DHHS, PHS, National Institutes of Health	T-Lymphocyte Hybrids and Lymphoblastoid Variants	2.78	144-DF87	322,040	12/01/92-11/30/93
	DHHS, PHS, National Institutes of Health	Mutational Analysis of E. Coli Core RNA Polymerase	2.92	144-DF97	247,421	12/01/92-11/30/93
	DHHS, PHS, National Institutes of Health	Electrotactile Display of Computer Graphics for the Blind	1.35	144-DG26	182,727	12/01/92-11/30/93

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MADISON (continued)	Energy, Dept of	Parameterization of GCM Subgrid Non-precipitating Cumulus and Stratocumulus Clouds	2.00	144-DG35	110,000	12/01/92-11/30/93
MADISON (Subtotal)			<u>32.11</u>			
MILWAUKEE	Department of Education	Interactive Geography Videodisc Project	0.30	144-CZ09	84,550	10/01/92-07/31/93
	Department of Education	National Resource Center and Foreign Language Area Studies Fellowship	0.12	144-CZ10	181,300	08/15/92-08/14/93
MILWAUKEE (Subtotal)	National Science Foundation	Research in Gravitation and Cosmology	1.00	144-CD77	355,176	07/01/91-12/31/93
			<u>1.42</u>			
EAU CLAIRE	Dept. of Ed	Special Svcs.	1.30	144-00-874	214,625	09/01/92-08/31/93
	Dept. of Ed	Special Svcs.	(0.90)	144-00-912	196,755	09/01/91-08/31/92
EAU CLAIRE (Subtotal)	HHS-NYSP	NYSP Winter 92	0.59	144-05-1835	40,000	10/01/92-05/31/93
			<u>0.99</u>			
GREEN BAY	Small Business Administration	Small Business Development Center	0.25	144-CQ24	68,193	01/92-12/92
	U.S. Department of Education	Upward Bound Program—Regional Center for Math and Science	0.01	144-CN39	195,081	11/91-10/92
	U.S. Department of Human Services	Child Welfare Training	(0.50)	144-CP20	111,539	09/91-09/92
	Advisory Services	Advisory Services	(0.05)	144-CZ93	24,297	09/92-08/93
	U.S. Department of Education	Upward Bound Program	1.13	144-CU83	207,156	06/92-05/93
	U.S. Department of Agriculture	Small Farm & Watershed Non-point Source Pollution Project	(0.33)	144-CS22	20,000	02/92-09/92
	U.S. Department of Education	Student Support Services Project	(0.38)	144-DB52	216,658	09/92-08/93
	U.S. Department of Education	Hmong/English Bilingual Adult Literacy Project	1.33	144-DF25	88,424	10/92-09/93

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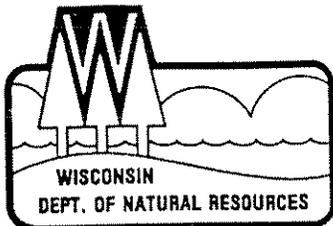
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GREEN BAY (continued)	U.S. Department of Human Services	Child Welfare Training	0.50	144/DC46	108,193	09/92-09/93
GREEN BAY (Subtotal)			<u>1.96</u>			
LA CROSSE	USDH&HS	Proj. Validation	0.29	144	31,026	09/92-08/31
LA CROSSE (Subtotal)			<u>0.29</u>			
OSHKOSH	D.H.E.W. HSS	HeadStart Regional Training	1.62 1.00	144 144	1,017,599 89,315	07/01/92-06/30/93 08/24/92-06/30/93
OSHKOSH (Subtotal)			<u>2.62</u>			
PARKSIDE	Dept. of Health & Social Services	AODA Community Initiatives	(1.60)	144-CP31	41,498	10/01/91-09/30/92
	U.S. Information Agency UW System (Dept. of Education	University Affiliation Program/Nigeria Science Fellows: Program to Improve Science Education in the Elementary Schools	(1.00) (0.06)	144-CK38 144-CQ98	69,953 36,400	09/01/91-08/31/94 12/01/91-03/30/93
	National Science Foundation	Purification of a Key Enzyme in Cytokinin Biosynthesis	(1.00)	144-BZ88	90,000	02/01/91-07/31/93
	National Institutes of Health	Molecular Analysis of Tabtoxin Production & Resistance	(0.45)	144-BQ45	102,103	06/01/90-05/31/93
	Department of Education	Restructuring Schools for a Multicultural Society	(0.50)	144-DB51	58,429	09/01/92-08/31/93
PARKSIDE (Subtotal)			<u>(4.61)</u>			
PLATTEVILLE	U.S. Dept. of Education	Student Support Services	0.16	144-00-9013	207,484	09/01/92-08/31/93
PLATTEVILLE (Subtotal)			<u>0.16</u>			
RIVER FALLS	D.P.I.	Project Select	0.14	144	18,500	08/25/92-06/30/93
RIVER FALLS (Subtotal)			<u>0.14</u>			

University of Wisconsin System
 Quarterly Position Report — Gifts, Grants and Contracts
 s. 16.505(2m), Wisconsin Statutes
 Period Covered: October 1, 1992 - January 1, 1993

FEDERAL CONTRACTS

UW INSTITUTION	AWARDING AGENCY	AWARD TITLE	FTE ADDITIONS/ DELETIONS	FUND NUMBER	AWARD AMOUNT	
STEVENS POINT	Dept. of Education	Family & Consumer Educ. Job Component Courses	0.31	144	19,990	08/01/92-06/30/93
	NSF	Inservice Teacher Training In Environmental Education	1.10	144	376,422	11/01/92-04/30/94
STEVENS POINT (Subtotal)			<u>1.41</u>			
STOUT	Dept of Commerce	EDA Center	0.28	144	124,515	05/01/92-04/30/93
STOUT (Subtotal)			<u>0.28</u>			
SUPERIOR	EPA	Sediment Quality	3.05	144	370,000	10/01/92-09/30/94
	EPA	Trichlorophenol	0.85	144	180,667	10/01/92-09/30/94
	EPA	Sediment-Associated Contaminants	0.34	144	98,641	10/01/92-09/30/93
	U.S. Public Health Serv.	Fish Consumption	1.38	144	202,249	09/30/92-09/30/93
SUPERIOR (Subtotal)			<u>5.62</u>			
WHITEWATER	U.S. Dept. of Education	Upward Bound 92-93	3.00	144	200,000	09/01/92-08/31/93
WHITEWATER (Subtotal)			<u>3.00</u>			
CENTERS	Commerce	Sea Grant	0.50	144-CZ94	26,675	09/01/92-08/31/93
CENTERS (Subtotal)			<u>0.50</u>			
EXTENSION	U.S. Small Business administration	Small Business Dev. Center	0.02	144-CQ18	1,457,497	01/01/92-12/31/92
	U.S. Dept. of Commerce	State Technology Access	(0.47)	144-CN25	190,400	09/15/92-09/14/93
	Wisc. Humanities Committee (NEH)	State Humanities Prog.	0.40	144-DF27	226,050	11/01/92-10/31/93
EXTENSION (Subtotal)	U.S. Dept. of Agriculture	Smith-Lever Program	(1.91)	143-Various	--	10/01/92-09/30/93
			<u>(1.96)</u>			
GRAND TOTAL						<u>43.93</u>



State of Wisconsin \ DEPARTMENT OF NATURAL RESOURCES

101 South Webster Street
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January 29, 1993

The Honorable Gary George
Senate Co-Chair, Joint Committee on Finance
115 South, State Capitol
Madison, WI 53702

The Honorable Barbara Linton
Assembly Co-Chair, Joint Committee on Finance
127 South, State Capitol
Madison, WI 53702

Dear Senator George and Representative Linton:

In January of 1992, the Joint Committee on Finance reviewed requests for additional funding and positions from the Department of Industry, Labor and Human Relations (DILHR) and the Department of Natural Resources (DNR) relating to administration of the Petroleum Environmental Clean-up Fund Act (PECFA) and Wisconsin's Hazardous Substances Spill Law. As a result, by letter dated May 22, 1992, the Committee asked the DNR to submit reports on two issues. The first report was to address soil cleanup standards and was submitted under a cover letter of October 30, 1992 with followup responses to additional questions sent under letters dated December 23, 1992 and January 8, 1993.

The Committee requested a second report by February 1, 1993 on the appropriateness of the current and potential alternative levels of health risk used to determine regulatory and cleanup levels under ch. 160, Wis. Stats. Section 160.13, Wis. Stats., specifies the use of a cancer risk level of 10^{-6} or one additional cancer death in 1 million population for carcinogenic substances in the absence of a federal number. The Joint Committee on Finance asked whether this statutorily-determined cancer risk level is appropriate given the high costs of PECFA clean-ups

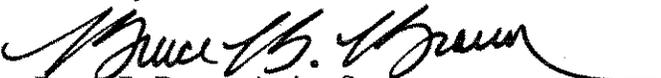
We have concluded that changing the statutorily-determined cancer risk level for groundwater enforcement standards would not significantly reduce the cost of groundwater cleanups at PECFA sites. The vast majority of PECFA groundwater clean-ups are "driven" by the presence of benzene. Benzene is a common component of petroleum products and is a carcinogen. The groundwater enforcement standard (ES) for benzene adopted by DNR in ch. NR 140, Wis. Adm. Code, is equivalent to the federal maximum contaminant level (MCL) of 5 micrograms/liter ($\mu\text{g/l}$) established by the U. S. Environmental Protection Agency (EPA). (The federal MCL for benzene represents a cancer risk level of 5×10^{-6} .) Because the groundwater standard for benzene is based on an MCL, and not the statutorily-determined cancer risk level of 10^{-6} , changing the statutorily-determined health risk level would not have any impact on the vast majority of PECFA groundwater clean-ups. Similarly, of the other six compounds most frequently associated with petroleum cleanups, none is based on a 10^{-6} cancer risk level.

The attached report describes the framework for development and adoption of state groundwater standards, what federal numbers are, the factors used to develop these federal numbers, and what the practical implications of changing the statutorily-determined cancer risk level would be on public health and the cost of groundwater clean-ups at PECFA and other sites. The report concludes that changing the statutorily specified risk level for groundwater enforcement standards would have little effect on PECFA cleanup costs.

As the Committee requested, the attached report discusses several options related to amendment of our groundwater law. Chapter 160, Wis. Stats., was created in 1983 Wisconsin Act 410 as a result of a lengthy consensus process. There had been considerable disagreement on groundwater standards issues for nearly ten years prior to the enactment of this law and achieving the consensus took nearly 2 years in the Legislature. Since its enactment, Chapter 160, Stats., has served Wisconsin well and has been a national model. It is with considerable trepidation that some of the alternatives are presented in the attached report in response to the Joint Finance Committee's request. Although DNR staff believe that there may be a need for minor amendments and updated language in Chapter 160, Stats., I must express extreme caution about opening all of the public policy and detailed language embodied in this law to revision and uncertainty. Should the Joint Committee and the Legislature wish to pursue any changes to Chapter 160, Stats., I believe it would be very important to establish a strong consensus which defines and limits the scope of any bill that might result.

Please contact the Secretary's Office or Bruce Baker, Director of our Bureau of Water Resources Management (telephone 266-8631), if you have any questions regarding this report.

Sincerely,


Bruce B. Braun, Acting Secretary

cc: Members, Joint Committee on Finance
Members, Assembly Environmental Resources, Utilities and Mining Committee
Members, Senate Urban Affairs, Environmental Resources, Utilities and Elections
Committee
Carol Skornicka, Secretary, Department of Industry, Labor and Human Relations
Gerald Whitburn, Secretary, Department of Health and Social Services
David Kluesner, Executive Office
George E. Meyer, Department of Natural Resources

**DNR REPORT ON IMPLICATIONS OF
GROUNDWATER STANDARDS BASED ON A
ONE-IN-A-MILLION LIFETIME RISK LEVEL**

Purpose of Study

This report has been prepared in response to the Joint Committee on Finance's request to the Department of Natural Resources (DNR) to report on the appropriateness of the current and potential alternative levels of health risk used to determine regulatory and cleanup levels under the state groundwater law (ch. 160, Stats.). This issue arose in connection with 1991 Wisconsin Act 269 (the budget adjustment bill) during discussions about the costs of the Petroleum Environmental Cleanup Fund Act (PECFA) program. The concern was expressed that the high cost of PECFA cleanups may be due, at least in part, to the requirement to comply with the groundwater standards in ch. NR 140, Wis. Adm. Code. A copy of the Joint Committee's May 22, 1992 letter requesting this report is attached.

The groundwater standards (enforcement standards and preventive action limits) in ch. NR 140, Wis. Adm. Code, are of interest because of their use for determining cleanup levels for leaking underground storage tank (LUST) sites using PECFA funds. Chapters 160, Stats., and NR 140, Wis. Adm. Code, require clean-up of contaminated groundwater to the enforcement standard (ES) and to the preventive action limit (PAL) if technically and economically feasible.

Background Information

Chapter 160, Stats., was enacted by the Legislature in 1984 to provide a comprehensive framework for groundwater protection in Wisconsin. This statute requires the development and adoption of health- and welfare-based numerical groundwater standards to provide groundwater protection. The groundwater standards apply to all regulated activities which may impact groundwater quality. This law has become a national model for state groundwater programs. The procedures for developing groundwater standards are laid out clearly in ch. 160, Stats.

Section 160.05, Stats., specifies the procedures to be followed by the DNR for identifying and prioritizing a list of substances which have been found, or have a reasonable probability of being found, in groundwater. That list of substances is then to be sent to the Department of Health and Social Services (DHSS) which has the responsibility under s. 160.07, Stats., to develop recommended enforcement standards (ESs) for substances of health concern.

Section 160.07, Stats., specifies that the DHSS is to recommend a "federal number" as the ES if one has been established. A "federal number" is defined by ch. 160.01(3), Stats., to be (a) a drinking water standard or maximum contaminant level (MCL) established by the U. S. Environmental Protection Agency (EPA), (b) a suggested no-adverse-response level established by the EPA, or (c) for carcinogens, an EPA risk level determination or a concentration based on a risk model by the National Academy of Sciences. If there is more than one federal number, the most recent federal number is to be used.

If no federal number exists, DHSS is to recommend the state drinking water standard if one exists or, in the absence of a state drinking water standard, use the procedures in s. 160.13, Stats., to

develop a recommended enforcement standard. Section 160.13, Stats., specifies use of an "acceptable daily intake" (now called a reference dose) to calculate an enforcement standard for noncarcinogens and a one-in-a-million (10^{-6}) lifetime cancer risk level to calculate an enforcement standard for carcinogenic substances.

Even if a federal number has been established, DHSS may utilize s. 160.13, Stats., to calculate a recommended ES if there is significant technical information which is scientifically valid and which was not considered when the federal number was established (s. 160.07(4)(e), Stats.).

Once a proposed ES has been developed, the DNR develops a preventive action limit (PAL) which serves as an early warning of groundwater contamination. According to s. 160.15(1), Stats., the PAL is set at 10% of the ES for substances which are carcinogenic, teratogenic, mutagenic, or have interactive effects. The PAL is set at 20% of the ES for all other substances of health concern. For substances of welfare concern, the PAL is set at 50% of the ES. Under the law, the DNR proposes the DHSS-recommended ES and the PAL. Following public hearings, the DNR adopts the groundwater standards in administrative rule (ch. NR 140, Wis. Adm. Code).

After the groundwater bill was enacted in 1984, the DNR and DHSS began work on development of an administrative rule which would contain groundwater standards for substances of health and welfare concern. In October of 1985, ch. NR 140, Wis. Adm. Code, was first adopted. It contained groundwater standards (ESs and PALs) for 36 substances of health concern and 10 substances of welfare concern. Since then, the rule has been amended three times to add standards for more substances. There are currently standards for 74 health parameters and 9 welfare parameters.

At the time the original groundwater standards were adopted, the EPA had adopted MCLs for a limited number of substances. Therefore, groundwater standards for many substances in ch. NR 140, Wis. Adm. Code, were adopted in the absence of a federal number. The EPA has been more active in recent years in adopting MCLs for the federal drinking water program. For example, the EPA adopted MCLs for 37 substances in 1991 and for 23 additional substances in 1992.

If a federal number for a substance is newly established, s. 160.07(6), Stats., provides for a reevaluation if a state ES was already established in the absence of a federal number. Although ESs developed in accordance with ch. 160, Stats., in the absence of a federal number are based on health considerations, federal MCLs are established by the EPA Office of Drinking Water based on consideration of several factors, including health risk, treatment technology and costs for municipal drinking water supplies and the practical quantitation limit for laboratory analysis. For carcinogens, the EPA considers a carcinogenic risk range of one excess cancer death in 10,000 population to one excess cancer death in 1,000,000 population (10^{-4} to 10^{-6}) as an acceptable risk in establishing an MCL. Since an ES for a carcinogen would be set at a 10^{-6} risk in the absence of a federal number (s. 160.13, Stats.), the MCL for a carcinogen will, in many cases, be less stringent than a previously established state ES. This is because the state ES would have been set at the upper end of the acceptable EPA range. For noncarcinogens, the MCL may be higher or lower than an ES established in the absence of a federal number based on a consideration of health risk, treatment technology and costs for municipal drinking water supplies and the practical quantitation limit.

Since 1985, the DNR has established ESs and PALs for nine substances of health concern which were later revised after a federal MCL was established. Six were made less stringent than the original ES and three were made more stringent. Table 1 lists the substances for which the ES has been modified based on adoption of an MCL by the EPA. For those substances which are carcinogenic, the federal cancer risk level for the MCL is listed.

Benzene is one of the substances for which the ES has been changed; it is also one of the substances most commonly found at LUST sites. In 1985, the DNR adopted an ES and PAL for benzene of 0.67 and 0.067 micrograms/liter ($\mu\text{g/l}$), respectively, based on a 10^{-6} risk level for the ES because of its carcinogenicity. In 1987, the EPA adopted an MCL for benzene of 5 $\mu\text{g/l}$ which represents a risk level of 5×10^{-6} . The DHSS reviewed the MCL and recommended revising the standards for benzene to be consistent with the MCL. In 1990, the DNR proposed for adoption an ES and PAL for benzene of 5 and 0.5 $\mu\text{g/l}$, respectively. Although the Natural Resources Board adopted the new ES for benzene, it left the PAL unchanged at 0.067 $\mu\text{g/l}$. The DNR is proposing to change the PAL for benzene to be 0.5 $\mu\text{g/l}$ which is consistent with the requirements of s. 160.15(1), Stats., for setting PALs. The proposed rules to adopt this amendment have already been sent to the Legislative Clearinghouse.

Table 1
Revised Public Health Groundwater Quality Standards

Substance	Original Enforcement Standard (micrograms per liter-except as noted)	Revised Enforcement Standard (micrograms per liter except as noted)	USEPA Cancer risk
Atrazine	3.5	3	*
Benzene	0.67	5	5.0×10^{-6}
p-dichlorobenzene	750	75	*
1,2-Dichloroethane	0.5	5	1.2×10^{-5}
1,1-Dichloroethylene	0.24	7	*
Fluoride	2.2 milligrams/liter (mg/l)	4 mg/l	**
Simazine	2.15 mg/l	1.7	*
Trichloroethylene	1.8	5	1.6×10^{-6}
Vinyl chloride	0.015	0.2	1.3×10^{-4} ***

* - "possible human carcinogen" for which no cancer risk estimate is available

** - not categorized as a carcinogen

*** - EPA MCL for vinyl chloride is 2 $\mu\text{g/l}$. The revised ES was based on the state drinking water standard.

At the present time, ch. NR 140 contains groundwater standards for 74 substances of health concern. Of those 74 substances, 26 are based on and equivalent to a federal MCL. Seven of these 26 substances are known or probable carcinogens. Of the remaining 48 substances, 13 have ESs which were established by the DHSS at a 10^{-6} cancer risk in the absence of a federal number. The ES for vinyl chloride is based on a state drinking water standard. The remaining 34 substances have ESs which have been established based on the calculation for noncarcinogens specified in s. 160.13, Stats., in the absence of a federal number. Thus, if a different risk level were specified in the statutes, a maximum of 13 substances for which there are ESs might be affected.

Consideration of Alternative Risk Levels

If the Legislature were to specify a risk level other than 10^{-6} in s. 160.13, Stats., for groundwater enforcement standards, a lower risk level (more stringent) or a higher risk level (less stringent) could be specified. Although the EPA generally considers a risk range of 10^{-4} to 10^{-6} in establishing its safe drinking water concentrations (MCLs), the ES for carcinogens now is set at the lowest risk (i.e. 10^{-6}) within EPA's acceptable risk range where there is no federal number. Since the PALs for carcinogens are set at 10% of the ES, they are at the 10^{-7} risk level in those cases.

One option would be to choose a lower risk (i.e. 10^{-7}) as the statutorily specified risk level for enforcement standards in the absence of a federal number. This would make ESs and PALs ten times more stringent than is the case now. For example, an ES and PAL for a carcinogen of 100 and 10 ug/l, respectively, would become 10 and 1 ug/l. Since the EPA is likely to establish the MCL in the 10^{-4} to 10^{-6} range, there would potentially be a substantial change in the ES and PAL when an MCL is finally established. The DNR sees no justification for the alternative of a more stringent risk level than the present 10^{-6} level for ESs.

A second option would be to choose a risk level of 10^{-5} , which would be ten times less stringent than the present 10^{-6} risk level. This represents a risk level of one in 100,000. The PAL would then be at the 10^{-6} risk level for carcinogens. For example, an ES of 10 $\mu\text{g/l}$ would become 100 $\mu\text{g/l}$. The PAL would change from 1 to 10 $\mu\text{g/l}$. This change would mean that an ES established in the absence of a federal number would be at the midpoint of EPA's 10^{-4} to 10^{-6} acceptable risk range. As a result, many ESs would likely be closer to what the future drinking water MCLs will be when they are established. The 10^{-5} risk level would be consistent with the risk level used by the DNR's surface water program in establishing surface water standards for toxic compounds.

A third option would be to change the specified risk level to a higher risk (i.e. 10^{-4}). In the absence of a federal number, DNR does not believe it is appropriate to establish a state groundwater ES at the highest level of EPA's acceptable risk range (i. e. 10^{-4}). This would be in direct conflict with the historic legislative intent of ch. 160, Wis. Stats., to provide a high level of groundwater protection and to minimize adverse impacts.

A final option would be to change the applicability of PALs to groundwater clean-up actions. Preventive action limits are used 1) to design facilities, activities and practices, 2) as an indication that source control measures may be necessary in response to the finding of a substance in groundwater, and 3) as clean-up goals for restoration of already contaminated groundwater. The PAL concept is key to Wisconsin's groundwater protection program and has served as a national model. DNR would be opposed to any statutory change which would weaken the applicability of

PALs to design and prevention or source control. If the PAL were no longer the clean-up goal for groundwater restoration, the risk level for clean-up would be increased tenfold. Department staff believe that PALs serve an appropriate function as a cleanup goal. The statute provides flexibility to consider technical and economic feasibility in determining site specific cleanup goals. The Department is developing an administrative code and guidance to assist in determining when achieving the PAL is technically and economically feasible.

The Legislature may wish to update some of the current language in Chapter 160 of the statutes related to standard setting. For example, we believe there is a need to update the present definition of "federal number" in s. 160.01, Stats., and to specify a hierarchy for selection of a standard when there are multiple federal numbers. We are also concerned about substances where the federal drinking water MCL is based on laboratory quantitation limits or treatment costs for public water systems. In those cases, the federal number is not based exclusively on public health criteria. In our opinion, use of the federal numbers in those cases is inappropriate for groundwater standards. DNR staff believe that DNR and DHSS should have greater discretion in those cases to base the groundwater enforcement standard on health risks alone rather than the federal MCL. A limited statutory change to the risk levels specified in ch. 160, Stats., could specify a 10^{-6} risk in the absence of a federal number but a risk not greater than 10^{-5} if the federal MCL is based on laboratory quantitation limits or drinking water treatment costs.

It is with considerable trepidation that some of the alternatives have been presented above in response to the Joint Finance Committee's request. DNR staff believe that there may be a need for minor amendments and updated language in ch. 160, Stats. However, DNR staff are extremely cautious about opening all of the public policy and detailed language embodied in this law to revision and uncertainty. Chapter 160, Stats., was created in 1983 Wisconsin Act 410 as a result of a lengthy consensus process. There had been considerable disagreement on groundwater standards issues for nearly ten years prior to the enactment of this law and achieving the consensus took nearly two years in the Legislature. Since its enactment, ch. 160, Stats., has served Wisconsin well and has been a national model. Should the Joint Committee and the Legislature wish to pursue any changes to ch. 160, Stats., it would be very important to establish a strong consensus which defines and limits the scope of any bill that might result.

Impact on LUST Sites

As established in ch. 160, Stats., the goal of groundwater cleanups at LUST and other environmental sites is restoration of groundwater quality to the preventive action limit (PAL). This goal is applied at any point at which contamination is detected (other activities regulated under NR 140 apply PALs at a "design management zone" which surrounds the active portion of the facility for design purposes).

Groundwater contamination at leaking underground storage tank (LUST) sites is from petroleum products, such as gasoline and diesel fuel, which are complex mixtures of several hundred individual hydrocarbon compounds. The most commonly detected compounds found in groundwater associated with LUST sites are listed in Table 2. Note that of the seven compounds most frequently at LUST sites, none is based on a 10^{-6} risk. Two are based on MCLs and the other five are based on public health protection for noncarcinogens as specified in s. 160.13, Stats.

Table 2
Most Commonly Detected Substances at LUST Sites

<u>Substance</u>	<u>Enforcement Standard (micrograms per liter- except as noted)</u>	<u>Basis for ES</u>
Benzene	5	MCL
Ethylbenzene	1360*	Noncarcin.
Lead	50	MCL
MTBE	60	Noncarcin.
Naphthalene	40	Noncarcin.
Toluene	343*	Noncarcin.
Xylene	620*	Noncarcin.

* Proposed rules to amend these enforcement standards are pending.

Benzene is the substance which most frequently controls the extent and cost of cleanup at a LUST site because it is one of the components of gasoline most commonly found in groundwater at LUST sites. The Department estimates that benzene concentrations exceed the enforcement standard at well over half of the LUST sites that have contaminated groundwater. In addition, because of its carcinogenicity, the ES and PAL for benzene are substantially lower than the standards for the other common LUST contaminants. Therefore, attempts to remove benzene from groundwater often require substantial effort and cost.

It must be recognized that where benzene is present in groundwater, neither the PAL nor the ES are readily reached using currently available cleanup technologies. Therefore, the proposed change in the benzene PAL to 0.5 $\mu\text{g/l}$ is expected to have no real impact on cleanup costs. Moreover, an increase in the benzene ES and PAL by a factor of ten would not significantly decrease cleanup costs, so long as the PAL is the cleanup goal. Since the groundwater standards for the common LUST contaminants are not based on cancer risk, modifying the cancer risk level for setting the enforcement standard in the absence of a federal number to 10^{-5} or 10^{-7} would not affect the cost of remediation at PECFA sites.

Impact on Other Sites

It is also useful to look at the impact of modifying the cancer risk level specified in s. 160.13, Stats., on other programs. As noted earlier, the groundwater standards in ch. NR 140, Wis. Adm. Code, apply to all regulated activities which may affect groundwater quality.

It is useful to note that there are 13 substances for which ESs were developed by the DHSS based on carcinogenicity (see Table 3). Modification of the cancer risk level for ESs would affect these 13 substances and potentially other carcinogenic substances which may be identified in the

future which don't have an MCL. The other 70 ESs (61 health-based substances and nine welfare-based substances) would not be affected by such a proposal.

Table 3
Existing Groundwater Standards Based on Carcinogenicity

<u>Substance</u>	<u>Enforcement Standard (micrograms per liter- except as noted)</u>	<u>Federal MCL (where applicable)</u>
Alachlor*	0.5	2
Benzo(a)pyrene	0.003	0.2
Bromoform	4.4	
Chloroform	6	
Ethylene Dibromide (EDB)*	0.010	0.05
Dibromochloropropane (DBCP)*	0.05	0.2
2,4-Dinitrotoluene	0.05	
2,6-Dinitrotoluene	0.05	
Dioxin	0.00000022	0.00000003
Di(2-ethylhexyl)phthalate	3	4
Lindane*	0.02	0.2
Toxaphene*	0.0007	3
Tetrachloroethylene*	1	5

* Substances for which the DNR is proposing to modify the enforcement standards to be consistent with the federal MCLs.

The EPA adopted MCLs for nine of the 13 substances in Table 3, in 1991 and 1992. The DNR has received authorization to hold public hearings in February of this year on proposed amendments to ch. NR 140, Wis. Adm. Code. The amendments would, among other things, modify the groundwater standards for six substances in Table 3 to be consistent with the MCL for these substances (noted with an asterisk in Table 3). If these proposed amendments are approved, there would be only seven remaining substances in ch. NR 140, Wis. Adm. Code, with an ES based on the calculation for carcinogenicity in s. 160.13, Stats. The DHSS is currently

reviewing the groundwater standards for substances for which the EPA adopted MCLs in 1992, including three from Table 3: benzo(a)pyrene, dioxin and di(2-ethylhexyl)phthalate.

It is apparent that there are a limited number of substances that might be affected by a change (either higher or lower) in the cancer risk level in s. 160.13, Stats. From records available for the substances in Table 3, only alachlor, bromoform, chloroform, ethylene dibromide and tetrachloroethylene have been found in groundwater in Wisconsin more than 50 times. Chloroform is the only one of these four substances without a federal MCL. The other substances in Table 3 have been found either infrequently or not at all in Wisconsin groundwater. Therefore, it is anticipated that there would be limited situations which would be affected by a change in the carcinogenic risk level specified in s. 160.13, Stats.

Conclusion

Modification of the statutorily-determined cancer risk level in s. 160.13, Stats., would not have significant impacts on remediation of PECFA sites or other contaminated sites in Wisconsin. There are only a limited number of substances with groundwater standards which are based on a one-in-a-million cancer risk level which would be affected by an increase or a decrease in the risk level specified in s. 160.13, Stats. Although benzene is a carcinogen and is the controlling factor in many LUST cleanups using PECFA funds, the ES is based on the federal MCL for benzene rather than the 10^{-6} cancer risk level. The other commonly found contaminants at LUST sites have ESs based either on an MCL or the noncarcinogenic calculation specified in s. 160.13, Stats. Therefore, the DNR has concluded that changing the statutorily-determined cancer risk level for groundwater enforcement standards would not significantly reduce the cost of PECFA cleanups.

State of Wisconsin

STATE CHAIR

GARY R. GEORGE

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Phone: 266-2500



ASSEMBLY CHAIR

BARBARA J. LINTON

Room 127 South
State Capitol
P.O. Box 8952
Madison, WI 53708-8952
Phone: 266-7690

JOINT COMMITTEE ON FINANCE

May 22, 1992

Secretary Carroll D. Besadny
Department of Natural Resources
101 S. Webster Street
Madison, WI 53703

Dear Secretary Besadny:

It has come to our attention that two provisions related to the Petroleum Environmental Cleanup Fund Award (PECFA) program were inadvertently excluded from the 1991-93 budget adjustment bill. These provisions directed your agency to complete reports on the economic costs of soil cleanup standards and the groundwater health risk standard. Under the alternatives unanimously adopted by the Committee on March 3, 1992, DNR was directed to report to the Committee:

1. By November 1, 1992, on: (a) the comparative economic feasibility and costs of setting cleanup standards which meet the statutory "preventive action limit" and the groundwater enforcement limit; and (b) the appropriate criteria for designating that cleanups must meet the less-stringent "enforcement standard".

2. By February 1, 1993, regarding the appropriateness of the current and potential alternative levels of health risk used to determine regulatory and cleanup levels under the state groundwater law (Chapter 160).

Your agency was consulted in developing these alternatives and indicated that such reports could be completed by the dates specified. Given the concerns expressed by the Committee regarding PECFA and your agency's indication that such

RECEIVED

MAY 22 1992

OFFICE OF THE
SECRETARY

Secretary Carroll D. Besadny

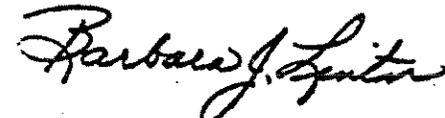
May 22, 1992

Page 2

reports could be completed, we are requesting that these reports be completed and submitted by the dates specified. Thank you for your cooperation in this important matter.


GARY R. GEORGE
Senate Chair

Sincerely,


BARBARA J. LINTON
Assembly Chair

cc: Members, Joint Committee on Finance

Tommy G. Thompson
Governor

Valorie T. Olson
Executive Secretary



HEAB Mailing Address:
Post Office Box 7885
Madison, WI 53707-7885

FAX No. 267-2808

State of Wisconsin Higher Educational Aids Board

131 West Wilson Street, Madison, Wisconsin

January 29, 1993

The Honorable Gary George, Co-Chair
Joint Committee on Finance
State Capitol
Madison, Wisconsin 53702

JAL : jsc

The Honorable Barbara Linton, Co-Chair
Joint Committee on Finance
State Capitol
Madison, Wisconsin 53702

Dear Senator George and Representative Linton:

I have attached for your information a report on the status of the Academic Excellence Higher Education Scholarship Program as required under Section 39.41 (7) of the Statutes. This report presents the data for the first three classes of scholars.

Please feel free to contact me if you should need any further information.

Sincerely,

A handwritten signature in cursive script that reads "Valorie T. Olson".

Valorie T. Olson
Executive Secretary

CC: Members of the Joint Committee on Finance
Legislative Fiscal Bureau
D. Fowler, HEAB

Attachments

HIGHER EDUCATIONAL AIDS BOARD
 ACADEMIC EXCELLENCE SCHOLARSHIP PROGRAM
 REPORT FOR 1992-93
 FEBRUARY 1, 1993

Section 39.41(7) of the Statutes requires that a yearly program activity report be prepared and distributed to the Joint Committee on Finance concerning the Academic Excellence Scholarship program. This report is in compliance with that requirement.

The 1992-93 academic year saw the addition of the third class to the Academic Scholarship Program. The fourth class will be added in 1993-94. There has been very little change in the general characteristics of the third class of scholars when compared to the first two classes. The following table presents the current status of the three classes as enrolled for 1992-93.

	<u>1990-91</u> <u>Scholars</u>	<u>1991-92</u> <u>Scholars</u>	<u>1992-93</u> <u>Scholars</u>	<u>Total</u> <u>Scholars</u>	<u>%</u> <u>Share</u>
Total Scholars Selected	742	755	746	2,243	—
Currently Enrolled in Wisconsin	481	502	570	1,553	69.24
Enrolled Out of State	158	182	170	510	22.74
Currently Ineligible Due to GPA/Credits	63	59	—	122	5.44
Not Participating for Various Reasons	40	12	6	58	2.58

The Currently Enrolled in Wisconsin figures above are based upon those scholars who remain academically eligible and have received and spent at least a portion of their 1992-93 monetary award. The Enrolled Out of State totals are from the scholar's notification to the Agency in the spring of their senior year in high school. Some are probably no longer enrolled, and none are any longer eligible to make use of the Scholarship even if they were to return to Wisconsin. The next category, Currently Ineligible Due to GPA/Credits, includes those scholars who have not maintained a cumulative 3.0 grade point average or have not earned a minimum of 24 credits per year. Scholars can regain eligibility, and some have, by raising their GPA and/or increasing their credits earned. The final category, Not Participating for Various Reasons, includes those who went out of State or never attended any school and never notified the Agency; those who have withdrawn permanently from school; and those who are on medical deferment from current year participation.

The freshmen scholars planning to attend Wisconsin colleges and universities for the 1992-93 academic year were surveyed in early summer 1992 as to what their reasons were for attending in-State institutions. The responses were not all that different from the survey of the previous year. Just under 39% responded. Of those who planned to attend a UW institution, 74% of the respondents, picked their UW institution as their first choice at a 90% rate. For the other 10%, their UW institution was their second choice. The Scholarship was a factor among many

reasons in their decision to remain in-State for 44%, but a major factor for 41%, and for the remaining 15% it had no effect on their decision. The institution's academic program was of importance in their decision of the specific Wisconsin school attended for 85% of the UW scholars, and 40% were influenced by a cost lower than that of the out-of-State institutions they considered. Another 16% noted the UW cost as a factor when compared to other more expensive Wisconsin institutions. The only other factor of any weight at all was that 14% were influenced in their decision by the recommendation of their high school faculty.

For those freshmen scholars who had picked a Wisconsin private college or university, the results were a little different. Only 82% reported that they enrolled in their first choice institution, and for only 23% was the Scholarship a major influence on their decision to remain in Wisconsin. It was a factor in the decision for 63%, higher than for those who picked a UW institution, and for 14% the Scholarship was of no importance in their choice. For 93%, the academic program was of importance in their decision about which Wisconsin institution to attend. Recommendations of high school faculty influenced 27%, and for 20% commuting distance was noteworthy. For only 16% was a lesser cost than for an out-of-state institution of any importance in their choice.

The 1992-93 Scholarship amount is \$2,344 for UW-Madison and private collegiate scholars, and somewhat less for those attending most of the other UW institutions. The State of Wisconsin provides half of the award with the other half supplied by the institution as prescribed by Statute. Unless there are more withdrawals than is normal for the second semester, the program expenditures for 1992-93 should be slightly above the appropriation of \$1,711,600, at an estimated \$1,719,000 for the full year. The additional funds will be taken from unexpended 1991-92 funding as this is a Biennial Sum Certain appropriation.

Table I provides data for each UW institution, and the VTAE system in total, and Table II for those private colleges and universities who have enrolled some scholars. UW-Madison continues to enroll the largest number of scholars by class, and in overall total, with UW-Eau Claire second followed by Marquette University as third. Data represents scholar status as of the end of the first semester of the 1992-93 academic year. Table III includes grade point data for the first two classes by institution. Those who failed to attain the required 3.0 and those who maintained a perfect 4.0 are included. Grade point for Academic Scholarship purposes is determined only at the end of the academic year, so no results will be available for 1992-93 freshmen and upperclassmen until July 1993.

TABLE I
 ACADEMIC EXCELLENCE SCHOLARSHIP
 UNIVERSITY OF WISCONSIN AND VTAE INSTITUTIONS
 1992-1993 ACADEMIC YEAR

	<u>Freshmen Scholars</u>	<u>Sophomore Scholars</u>	<u>Junior Scholars</u>	<u>Total Scholars</u>	<u>% of All Scholars</u>
Madison	238	200	198	636	40.95
Milwaukee	15	18	19	52	3.35
Green Bay	14	2	11	27	1.74
Parkside	4	1	4	9	.58
Eau Claire	51	42	41	134	8.63
La Crosse	17	15	18	50	3.22
Oshkosh	11	11	19	41	2.64
Platteville	12	23	13	48	3.09
River Falls	15	7	13	35	2.25
Stevens Point	30	29	15	74	4.76
Stout	4	8	6	18	1.16
Superior	7	5	4	16	1.03
Whitewater	19	18	16	53	3.41
UW-Centers	<u>5</u>	<u>5</u>	<u>—</u>	<u>10</u>	<u>.64</u>
UW System	442	384	377	1,203	77.46
VTAE Institutions	<u>2</u>	<u>2</u>	<u>—</u>	<u>4</u>	<u>.26</u>
Public Sub-Total	444	386	377	1,207	77.83

TABLE II

ACADEMIC EXCELLENCE SCHOLARSHIP
PRIVATE COLLEGES AND UNIVERSITIES
1992-1993 ACADEMIC YEAR

	<u>Freshmen Scholars</u>	<u>Sophomore Scholars</u>	<u>Junior Scholars</u>	<u>Total Scholars</u>	<u>% of All Scholars</u>
Alverno	5	2	1	8	.52
Beloit	3	3	--	6	.39
Cardinal Stritch	1	4	1	6	.39
Carroll	10	10	16	36	2.32
Carthage	5	6	1	12	.77
Concordia	3	--	2	5	.32
Edgewood	3	--	2	5	.32
Lakeland	3	1	2	6	.39
Lawrence	9	2	13	24	1.54
Maranatha	1	2	--	3	.19
Marquette	37	43	34	114	7.34
Mil. Sch. of Eng.	13	17	10	40	2.58
Mount Mary	1	--	3	4	.26
Northland	1	--	--	1	.06
Northwestern	1	2	1	4	.26
Ripon	6	6	4	16	1.03
Silver Lake	--	1	--	1	.06
St. Norbert	18	12	12	42	2.70
Viterbo	3	3	2	8	.52
Wis. Lutheran	<u>3</u>	<u>2</u>	<u>--</u>	<u>5</u>	<u>.32</u>
Private Sub-Total	<u>126</u>	<u>116</u>	<u>104</u>	<u>346</u>	<u>22.28</u>
Program Grand Total	570	502	481	1,553	
% By Class	36.70	32.33	30.97		

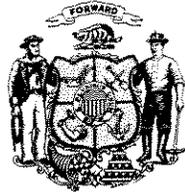
TABLE III

END OF YEAR ACADEMIC SCHOLARSHIP DATA
AS OF JULY 3, 1992

	1990-91 FRESHMEN			1991-92 SOPHOMORES			1991-92 FRESHMEN		
	<u>Scholars</u>	<u>Below 3.0</u>	<u>At 4.0</u>	<u>Scholars</u>	<u>Below 3.0</u>	<u>At⁽¹⁾ 4.0</u>	<u>Scholars</u>	<u>Below 3.0</u>	<u>At 4.0</u>
Madison	211	23	25	207	7	9	220	23	20
Milwaukee	30	8	-	22	3	-	25	4	-
Green Bay	11	-	3	11	-	2	4	1	-
Parkside	6	1	-	5	1	-	2	-	-
Centers	13	-	1	8	-	-	13	2	1
Eau Claire	48	3	5	46	-	3	45	4	-
LaCrosse	19	1	3	17	-	2	19	2	5
Oshkosh	14	-	3	15	1	1	13	1	3
Platteville	19	5	2	14	1	-	27	4	8
River Falls	13	1	1	13	-	1	8	1	2
Stevens Pt.	15	3	1	16	-	1	29	1	-
Stout	6	1	1	6	-	-	10	2	1
Superior	4	-	-	4	-	-	7	2	-
Whitewater	18	1	8	18	-	5	20	1	6
UW Totals	427	39	53	402	13	24	442	48	46
Alverno	1	-	1	1	-	-	3	1	-
Beloit	-	-	-	-	-	-	4	1	-
Card. Stritch	2	-	-	1	-	-	4	-	1
Carroll	20	1	3	17	-	2	12	2	2
Carthage	1	-	-	1	-	-	6	-	3
Edgewood	4	2	-	2	-	-	-	-	-
Lakeland	1	-	-	3	-	-	1	-	-
Lawrence	18	4	-	13	2	-	3	1	-
Marian	2	-	1	1	-	1	-	-	-
Marquette	54	10	4	42	3	2	47	4	-
MSOE	13	3	1	10	-	-	20	2	-
Mt. Mary	3	1	-	3	-	-	-	-	-
Northland	2	-	-	-	-	-	-	-	-
Ripon	5	1	-	4	-	-	5	-	-
St. Norbert	14	3	1	11	1	1	12	-	4
Viterbo	3	1	-	2	-	-	3	-	1
Concordia	2	-	-	2	-	-	-	-	-
Northwestern	2	-	1	1	-	-	2	-	1
2	-	1	-	-	-	-	-	-	-
Maranatha	-	-	-	-	-	-	2	-	-
Wis. Lutheran	-	-	-	-	-	-	3	1	-
PRIVATE TOTALS	147	26	12	114	6	6	127	12	12
VTAE TOTALS	6	1	1	3	-	1	1	1	-
GRAND TOTALS	580	66	66	519	19	31	570	61	58

(1) Cumulative 4.0 over two academic years.

Tommy G. Thompson
Governor
Carol Skornicka
Secretary



Mailing Address:
201 E. Washington Avenue
Post Office Box 7946
Madison, WI 53707-7946
Telephone (608) 266-7552

State of Wisconsin Department of Industry, Labor and Human Relations

January 22, 1993

The Honorable Gary George
Senate Co-Chair of the Joint Committee on Finance
115 South, State Capitol
Madison, Wisconsin 53702

Dear Senator George:

DILHR's 1992 fourth quarter report on the Uninsured Employers Fund is being sent to you for informational purposes. This report includes data from October 1, 1992 to December 31, 1992. Its purpose is to provide you with information on the condition of the Fund. If you no longer wish to receive this report, please let us know so we can remove your name from our mailing list.

The Uninsured Employers Fund has 4 major goals.

1. To ensure universal compliance by all subject employers with the mandatory Worker's Compensation insurance requirement.
2. To assess penalties against all illegally uninsured employers in order to ensure compliance and to reduce the possibility of uninsured claims.
3. To fund enforcement activities and uninsured claims payments by collecting revenue from violators.
4. To pay uninsured claims from the Fund to keep those injured employees from becoming dependent on public assistance and to provide the benefits to which they are entitled but would otherwise not receive.

The enforcement and penalty collection sections of the program commenced January 1, 1990. The activation of the Fund and payment of claims is scheduled to begin if a minimum of \$3,000,000 is available by June 30, 1994. The most recently passed Worker's Compensation bill, 1991 Wisconsin Act 85, extended this deadline from June 30, 1992.

The Honorable Gary George
January 22, 1993

Page 2

Under the previous statutory language, the enforcement program and the Uninsured Employers Fund both would cease to exist if a \$3,000,000 balance were not reached by June 30, 1992. 1991 Wisconsin Act 85 provides for the enforcement program to continue even if the \$3,000,000 threshold is not reached by June 30, 1994.

Please feel free to contact me if you have any questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "Carol Skornicka".

Carol Skornicka
Secretary

DEPARTMENT OF INDUSTRY, LABOR & HUMAN RELATIONS

UNINSURED EMPLOYER'S FUND
 REPORT TO THE GOVERNOR AND THE LEGISLATURE
 UNDER 1989 WISCONSIN ACT 64, s. 61(4)
 JANUARY 15, 1993
 FOR THE PERIOD
 OCTOBER 1, 1992 to DECEMBER 31, 1992

UNINSURED EMPLOYER'S FUND OPENING BALANCE - JANUARY 1, 1990	\$	0
REVENUES RECEIVED JANUARY 1, 1990 - DEC 31, 1992	\$1,535,032.58	
LESS: COMPENSATION PAID JAN. 1, 1990 - DEC 31, 1992	\$	0
LESS: REFUND OF OVERPAYMENTS ¹	\$	<u>13,218.31</u>
NET REVENUE	\$1,521,814.27	
LESS: ADMINISTRATIVE EXPENSE JAN. 1, 1990 - DEC 31, 1992	450,738.81	
CASH BALANCE DEC 31, 1992	\$1,071,075.46	
PLUS: INTEREST ON FUNDS NET BALANCE JAN. 1, 1990-DEC 31,92	\$	59,590.96
NET TOTAL IN FUND:	\$1,130,666.42	

PROGRAM STATISTICS

1. Payments and reimbursement received under s. 102.82(1). ²	This period: \$	0
	To date : \$	0
2. Payments received under s. 102.82(2). ³	This period: \$	170,802.47
	To date : \$	1,535,032.58
3. Assessments billed under s. 102.82(1).	This Period: \$	637,453.29
	To date : \$	7,424,107.29
4. Fines and forfeitures under s. 102.85(1). ⁴	This period: \$	0
	To date : \$	0
5. Uninsured employer assessments under s. 102.85(4). ⁵	This period: \$	0
	To date : \$	0
6. Compensation paid under s. 102.81. ⁶	This period: \$	0
	To date : \$	0

PROGRAM INFORMATION

Types of injury resulting in claims:

1 wrist fracture due to fall	4 knee sprain/strain due to fall
5 multiple sprains/strains due to fall	3 multiple cut/laceration/puncture
2 ankle sprains due to fall	1 chest sprain/strain due to fall
1 abdomen sprain/strain from lifting	2 leg fracture due to falling object
3 back sprain/strain from lifting	1 finger sprain/strain due to falling
2 toe fracture due to falling object	1 shoulder sprain/strain due to 1
1 ankle fracture due to falling object	falling object
2 primary infection	1 finger burn due to contact with hot
2 elbow contusion/crushing/bruise	object

PROGRAM SIMULATION

If the Fund had to pay claims since January 1, 1990, the number of claims would be 32 cases and the total dollar amount would be \$159,926.69.

CLOSURE ORDER SUMMARY

Summary of number and disposition of closure orders involving uninsured employers under s. 102.28(4).

This period: 0*
To date : 0*

*No closure orders requested or issued this quarter.

Footnotes:

- ¹Overpayments occur when an employer obtains backdated insurance after paying his/her fines and when an employer provides previously unreported payroll information that results in a reduced fine.
- ²s. 102.82(1) requires reimbursement to the fund from employers on whose behalf the fund has paid claims. This statute is not enforceable until after the uninsured employers fund begins paying claims.
- ³s. 102.82(2) which authorizes penalty assessments against all illegally uninsured employers, became enforceable on January 1, 1990.
- ⁴s. 102.85(1) requires court action in every case and the court keeps the majority of the fines. This provision is not yet being used.
- ⁵s. 102.85(4) specifies the portion of the fines under s.102.85(1) that the court remits to the Department.
- ⁶s. 102.81 provides for the benefit payments by the fund to injured employes who work for illegally uninsured employers. This provision does not take effect unless the fund reaches \$3,000,000 by June 30, 1992.

Tommy G. Thompson
Governor
Gerald Whitburn
Secretary



Mailing Address
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Madison, WI 53707-7850
Telephone (608) 266-9622

State of Wisconsin Department of Health and Social Services

January 20, 1993

JAN 20 1993

The Honorable Gary George, Co-Chairperson
The Joint Committee on Finance
State Capitol, Room 115 South
Madison, WI 53702

Dear Senator George:

The Department of Health and Social Services is required under s. 49.45(2)(b), Stats., to annually report to you on the effectiveness of the Medicaid Management Information System (MMIS). The MMIS is used to process claims and monitor Medicaid expenditures and utilization.

Periodically the federal Health Care Financing Administration (HCFA) conducts a comprehensive performance review of Wisconsin's MMIS. Our MMIS received a 99.9 percent score in the 1991 HCFA review. The review criteria included orderly, timely, and accurate claims processing; reporting, evaluation and decision making processes; and the provision of accurate data on expenditures and utilization.

We reported the results of this review in last year's report. Given Wisconsin's outstanding record, HCFA waived the review that was due in 1992. As a result, we continue to receive 75 percent federal financial participation for MMIS functions. The next HCFA review is expected in 1993 or 1994.

Sincerely,

A handwritten signature in cursive script, appearing to read "Gerald Whitburn".

Gerald Whitburn
Secretary



STATE OF WISCONSIN
DEPARTMENT OF JUSTICE

JAMES E. DOYLE
ATTORNEY GENERAL

Patricia J. Gorence
Deputy Attorney General

114 East, State Capitol
P.O. Box 7857
Madison, WI 53707-7857
608/266-1221

January 13, 1993

Andrew Cohn
Executive Assistant
608/266-0425

Senator Gary R. George, Co-Chair
Representative Barbara J. Linton, Co-Chair
Joint Committee on Finance
Room 113 South, State Capitol
Madison, WI 53702

Mr. James R. Klauser, Secretary
Department of Administration
101 East Wilson Street
Madison, WI 53702

Dear Senator George, Representative Linton, and Secretary Klauser:

On December 15, 1992, the Joint Committee on Finance authorized a number of actions to resolve the deficit facing the Case Account. The motion adopted by the Committee authorized a supplement of \$226,000 and directed the Department of Justice to: (1) transfer \$93,100 GPR from general operations appropriations to the Legal Expenses appropriation "including \$72,500 from the legal services general operations appropriation and \$20,600 from other DOJ general operations appropriations;" and (2) submit a plan to "reduce GPR general operations appropriations by \$20,600 and to identify a total of \$63,900 as base reductions." This letter is our response.

Regarding the first point, the Department proposes to transfer \$93,100 GPR from the Legal Services general operations appropriation to the Case Account, meaning that the entire GPR transfer would come from this appropriation. Expenditure authority is requested to enable a like amount of legal settlement moneys to be used for expenditures otherwise charged to the Legal Services general operations appropriation. As of December 31, 1992, the amount of settlement moneys available for this purpose was \$77,983.77. Based on past experience in multi-state cases, we are confident that we will receive another \$15,116.23 yet this fiscal year. We believe this plan is consistent with the intent of the Committee.

Regarding the second point, our 1993-95 budget request identified \$1,828,500 in base cuts in three appropriations:

	<u>1993-94</u>	<u>1994-95</u>
20.455(2)(f)	\$500,000	\$500,000
20.455(2)(bd)	184,000	294,500
20.455(5)(a)	<u>175,000</u>	<u>175,000</u>
Total	\$859,000	\$969,500

These reductions include \$350,000 in general operations appropriations. Therefore, our biennial budget request has already satisfied the requirement for a plan identifying \$93,100 in base reductions, including \$20,600 in general operations appropriations.

The Case Account is facing imminent overdrafts. We need access to the resources provided by the Joint Committee on Finance in its December 15, 1992 action to ensure that effective legal representation will continue. Your prompt approval of the allotment requests which we recently submitted will be greatly appreciated.

Sincerely,

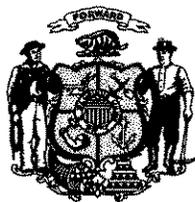


Andrew Cohn
Executive Assistant

AC:JB

cc: Robert Lang, Legislative Fiscal Bureau
Ann Wiley, Department of Administration
Cindy Archer, Department of Administration

STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION
101 East Wilson Street, Madison, Wisconsin



Mailing address:
Post Office Box 7864
Madison, WI 53707-7864

TOMMY G. THOMPSON
GOVERNOR
JAMES R. KLAUSER
SECRETARY

January 11, 1993

The Honorable Gary R. George, Co-Chair
The Honorable Barbara Linton, Co-Chair
Joint Committee on Finance
115 South, State Capitol
Madison, WI 53702

JAN 1 1993

Dear Senator George, Representative Linton and Members:

This report is required by s.18.16(7), Wis. Stats. and specifies the reason for not complying with subs (3) to (5) of s.18.16, Wis. Stats. for a specific issue of debt. On November 18, 1992, the Building Commission awarded the sale of \$9,000,000 State of Wisconsin General Obligation Refunding Bonds of 1993, Clean Water Fund Series A. This was a private sale of bonds to the Clean Water Fund pursuant to 18.06(9) of the statutes.

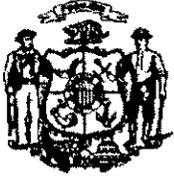
Since the bonds were sold at a private sale directly to the Clean Water Fund, and without participation of underwriters, compliance with subsections (3) to (5) of 18.16 is not relevant. The bonds will be held by the Clean Water Fund as investments.

Sincerely,

A handwritten signature in cursive script that reads "James R. Klauser".

James R. Klauser
Secretary

cc: Members, Joint Committee on Finance



State of Wisconsin \ DEPARTMENT OF NATURAL RESOURCES

Carroll D. Besadny, Secretary
Box 7921
Madison, Wisconsin 53707
TELEFAX NO. 608-267-3579
TDD NO. 608-267-6897

January 8, 1993

FILE REF: L 6033

The Honorable Gary George
Senate Co-Chair, Joint Committee on Finance
115 South, State Capitol
Madison, WI 53702

The Honorable Barbara Linton
Assembly Co-Chair, Joint Committee on Finance
127 South, State Capitol
Madison, WI 53702

Dear Senator George and Representative Linton:

I am writing to provide you and the Joint Committee on Finance with the information you requested in your letter of December 23, 1992, regarding soil cleanups and PECFA. This response supplements the information contained in my letter to you dated December 23, 1992.

As you requested, we have written the bioremediation guidance. It is intended to provide direction on what site conditions are conducive to effective bioremediation, and what site data are needed in order to make this determination for a site. We are finalizing this document and expect to make it available to consultants, site owners and our own staff beginning next week.

We also share the committee's objective of ensuring that our DNR district staff apply our numeric soil standards consistently, and we will do so. We plan to utilize written guidelines as well as staff training to achieve consistent standards application. In addition, we are relying on district case closure committees to ensure consistency of decisionmaking among staff within districts.

I would like to add if I may a clarifying point. I want to make sure that there is no misunderstanding about our intention with regard to using the groundwater enforcement standards (ESs) and preventive action limits (PALs) in setting numeric soil cleanup goals. In my letter of October 30, 1992, I stated that we are planning to base our mandatory numeric soil cleanup targets for active soil remediation on the groundwater ESs rather than the PALs, and that ES-based standards for active soil cleanup offer a basis for environmental and public health protection. However, as I attempted to make clear in my letter, the ultimate long-term objective of a soil cleanup would be the PAL-based soil cleanup number. For readily biodegradable compounds such as those commonly found in petroleum, the Department would not normally require active cleanup measures to reach the PAL-based goal once the ES-based soil standard is

The Honorable Gary George
The Honorable Barbara Linton
January 8, 1993

2

met. Instead, the owner could rely upon natural biodegradation to achieve the PAL-based goal over time so long as site conditions do not prevent effective biodegradation.

We believe that the above approach will increase the cost-efficiency of petroleum cleanups while maintaining consistency with our obligations under ch. 160, Stats., the Groundwater Protection Standards and ch. NR 140, the Groundwater Quality code. Moreover, because sites with residual low-level soil contamination that is biodegrading will be listed as monitored, not closed, we believe the above approach will also protect property buyers from unknowingly acquiring contaminated sites.

Once again, I appreciate the interest you have taken in this topic. Please contact Paul Didier, Director of the Bureau of Solid & Hazardous Waste (at 266-1327), if you have any questions about this letter.

Sincerely,



C.D. Besadny
Secretary

cc: Members of the Joint Committee on Finance
Secretary Carol Skornicka - DILHR
Paul Didier - SW/3