



STATE OF WISCONSIN

Senate Journal

Ninety–Third Regular Session

10:00 A.M.

MONDAY, June 23, 1997

The Senate met.

The Senate was called to order by Senator Fred Risser.

The Chair, with unanimous consent, asked that the proper entries be made in the journal.

INTRODUCTION, FIRST READING AND REFERENCE OF BILLS

Read first time and referred:

Senate Bill 249

Relating to: classifying county coroners and deputy coroners as protective occupation participants for the purposes of the Wisconsin retirement system.

By Senator Risser; cosponsored by Representatives Black, Musser and Gronemus.

To joint survey committee on **Retirement Systems**.

REPORT OF COMMITTEES

The committee on **Agriculture and Environmental Resources** reports and recommends:

Assembly Bill 187

Relating to: the imposition of service charges for a storm water and surface water sewerage system.

Introduction and adoption of Senate amendment 1.

Ayes, 4 – Senators Clausing, Shibilski, Wirch and Zien.

Noes, 1 – Senator A. Lasee.

Concurrence as amended.

Ayes, 5 – Senators Clausing, Shibilski, Wirch, A. Lasee and Zien.

Noes, 0 – None.

Alice Clausing
Chairperson

The committee on **Information Policy** reports and recommends:

BUGHER, MARK, of Waunakee, as a member of the WI Advanced Telecommunications Foundation, to serve for the interim term ending May 1, 1998.

Confirmation.

Ayes, 5 – Senators Jauch, Moore, Shibilski, Panzer and Rosenzweig.

Noes, 0 – None.

CHIN, ED, of Madison, as a member of the Wisconsin Advanced Telecommunications Foundation, to serve for the interim term ending May 1, 1998.

Confirmation.

Ayes, 5 – Senators Jauch, Moore, Shibilski, Panzer and Rosenzweig.

Noes, 0 – None.

DEJNO, BONNIE J., of Franklin, as a member of the Wisconsin Advanced Telecommunications Foundation, to serve for the term ending May 1, 1999

Confirmation.

Ayes, 5 – Senators Jauch, Moore, Shibilski, Panzer and Rosenzweig.

Noes, 0 – None.

HISE, ROD, of Madison, as a member of the Wisconsin Advanced Telecommunications Foundation, to serve for the term ending May 1, 2000.

Confirmation.

Ayes, 5 – Senators Jauch, Moore, Shibilski, Panzer and Rosenzweig.

Noes, 0 – None.

HOTTER, SUZANNE S., of Watertown, as a member of the Wisconsin Advanced Telecommunications Foundation, to serve for the interim term ending May 1, 1998.

Confirmation.

Ayes, 5 – Senators Jauch, Moore, Shibilski, Panzer and Rosenzweig.

Noes, 0 – None.

Robert Jauch
Chairperson

PETITIONS AND COMMUNICATIONS

State of Wisconsin Ethics Board

June 18, 1997, 1997

To the Honorable the Senate:

At the direction of s. [13.685\(7\)](#), *Wisconsin Statutes*, I am furnishing you with the names of organizations recently registered with the Ethics Board that employ one or more individuals to affect state legislation or administrative rules, and notifying you of changes in the Ethics Board's records of licensed lobbyists and their employers. For each recently registered organization I have included the organization's description of the general area of legislative or administrative action that it attempts to influence and the name of each licensed lobbyist that the organization has authorized to act on its behalf.

Organizations recently registered:

Below are the names of organizations recently registered with the Ethics Board as employing one or more individuals to affect state legislation or administrative rules.

CNA Insurance Companies

Subject(s): Any function or activity of any branch, department or phase of state or local government; agriculture; environment; taxation; regulation or business; finance or insurance, or other topics pertaining to the general public health or welfare.

Kuehn, Ronald W

Land Information Assn. Wisconsin

Subject(s): Any policies related to the development, implementation, maintenance and use of land information and computerized land information systems. Land information includes but is not limited to ownership, value, soils, zoning, use, forests, wetlands, floodplains and other agricultural and natural resource data.

Tenuta, James

Nutrition Project Inc. Wisconsin

Subject(s): 1) Hunger and nutrition; 2) Maternal and child health issues; and 3) Welfare Reform/Economic Assistance.

Bader, Jonathan

Pappas Telecasting Companies

Subject(s): Legislation and administrative rules affecting the operation of broadcast television.

Petersen, Eric

Wimmer, Jr, James

Organization's authorization of additional lobbyists:

The following organizations previously registered with the Ethics Board have authorized to act on their behalf these additional licensed lobbyists:

Grocers Assn., Wisconsin

Essie, Patrick

Hilbert, Lisa

Jentz, Robert

Moore, Thomas E

Tenuta, James

Harnischfeger Industries Inc.

Hermesen, Louise

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

Sincerely,

R. ROTH JUDD
Executive Director

**State of Wisconsin
Investment Board**

June 17, 1997

The Honorable, The Legislature:

Section 25. 17(14r) of the Statutes requires that the State of Wisconsin Investment Board (SWIB) submit a report to the Joint Committee on Audit, Joint Committee on Finance, and Chief Clerks of each House summarizing any change in the Board's investment policies, upon adoption of the change.

On June 5, 1997, the Board approved the attached modifications to the Investment Policy Guidelines for the State Investment Fund (SIF) and the Local Government Property Insurance Fund (LGPI). Additions to the previous guidelines for the SIF are shaded and deletions are the ~~stricken~~ material. Due to substantial changes to the LOPI policy guidelines,

attached are the original guidelines as well as a copy of the revised policies.

SIF GUIDELINE CHANGES

Attached are modifications which were made to the Investment Policy Guidelines for the "Wisconsin Certificate of Deposit Program" presently operated within the SIF portfolio. These changes serve to compliment other recent modifications made to the Wisconsin CD program which were reported to you in a letter dated April 14, 1997. These changes have been made in an overall effort to make the program more attractive to Wisconsin banks and thrifts without impairing SWIB's ability to earn a competitive rate of return.

The revisions have the following effect on the Wisconsin CD program:

- The program funding allocation of \$300 million (face value) of CD investment was expressly added to the guidelines. Previous guidelines merely had limits set at the individual maturity level. Staff fully expect the program to reach it's maximum funding allocation this year. Presently, the program has an outstanding value of \$196.8 million. In 1996, under the previous guidelines, the program's maximum outstanding value was \$80 million.
- The dollar limits for the various maturities have been modified as a response to greater demand by participating financial institutions for three- and six-month CDs. Under the new guidelines, SWIB could conceivably have up to the program limit of \$300 million in either maturity. Additionally, to reflect lesser demand for longer maturities, limits for the two- and three-year CDs were lowered from \$50 million to \$40 million and \$35 million respectively. These limit changes benefit both the participating Wisconsin financial institutions and the overall management of the SIF. By increasing the limits for shorter-term maturities, participating financial institutions have their needs met. Additionally, concentration in more liquid investments provides SIF management with increased flexibility to quickly respond to broader market changes.
- A provision was added to the guidelines which limits the amount which can be invested by SWIB with any one bank holding company to \$30 million. The previous policy included limits only for the amount which could be invested with individual banks/thrifts, without regard to holding companies. This added stipulation is intended to prevent domination in the program by any one holding company.

LGPI GUIDELINE CHANGES

The LGPI was created by ch. 605 of the Statutes and is administered by the Office of the Commissioner of Insurance (OCI). It provides a vehicle through which any local governmental unit in Wisconsin may insure its property against damage or destruction. SWIB manages the investment of these funds. The investment objectives are to ensure safety of principal and maximize return within liquidity needs established by OCI.

Based on discussions with OCI, the guidelines for operation of the LGPI were rewritten to include the following:

- The new guidelines remove the explicit liquidity requirement of 0.1% of the volume of insurance in force. Instead, the policy states that the OCI is responsible for ensuring that an adequate liquidity reserve is maintained to pay claimS. This allows the OCI to better match cash demands with investment strategy.

- A quality rating restriction of "A" is now in place at the issue level. This is consistent with the mandate of the Fund to ensure safety of principal.
- The new guidelines clarify allowable investments. Although this has no material impact on the manner in which the Fund operates, the new guidelines specify that the Fund may participate in the U.S. Treasuries and government agencies market as well as the corporate market without a restriction on the amount of the fund which may be invested in this sector. (Corporate purchases are limited, however, to 3% of the fund's market value per issuer.) The policy also states that the LGPI may hold up to 3% of its market value in "AAA" rated mortgage-backed or asset-backed securities.
- The maturity limit of LGPI investments was specified to be 10 years. This reflects the liquidity need of the Fund.

Please contact me if you have any questions.

Sincerely,

PATRICIA LIPTON
Executive Director

EXECUTIVE COMMUNICATIONS

State of Wisconsin Office of the Governor

June 20, 1997

The Honorable, The Senate:

I am pleased to nominate and with the advice and consent of the Senate, do appoint FRANKLIN, LAMARR, of Glendale, as a member of the Real Estate Appraisers Board, to serve for the term ending May 1, 2001.

Sincerely,

TOMMY G. THOMPSON
Governor

Read and referred to committee on **Economic Development, Housing and Government Operations.**

State of Wisconsin Office of the Governor

June 20, 1997

The Honorable, The Senate:

I am pleased to nominate and with the advice and consent of the Senate, do appoint SIMIC, WILLIAM J., JR., of Woodruff, as a member of the Hearing and Speech Examining Board, to serve for the term ending July 1, 2001.

Sincerely,

TOMMY G. THOMPSON
Governor

Read and referred to committee on **Health, Human Services, Aging, Corrections, Veterans and Military Affairs.**

State of Wisconsin Office of the Governor

June 20, 1997

The Honorable, The Senate:

I am pleased to nominate and with the advice and consent of the Senate, do appoint KUPPERMAN, GERARD L., of Oconomowoc, as a member of the Hearing and Speech Examining Board, to serve for the term ending July 1, 2001.

Sincerely,

TOMMY G. THOMPSON
Governor

Read and referred to committee on **Health, Human Services, Aging, Corrections, Veterans and Military Affairs.**

State of Wisconsin Office of the Governor

June 20, 1997

The Honorable, The Senate:

I am pleased to nominate and with the advice and consent of the Senate, do appoint THELEN, MICHAEL K., of Neenah, as a member of the Hearing and Speech Examining Board, to serve for the term ending July 1, 2001.

Sincerely,

TOMMY G. THOMPSON
Governor

Read and referred to committee on **Health, Human Services, Aging, Corrections, Veterans and Military Affairs.**

State of Wisconsin Office of the Governor

June 20, 1997

The Honorable, The Senate:

I am pleased to nominate and with the advice and consent of the Senate, do appoint FLAHERTY, BARBARA M., of DeForest, as a member of the Barbering and Cosmetology Examining Board, to serve for the interim term ending July 1, 1999.

Sincerely,

TOMMY G. THOMPSON
Governor

Read and referred to committee on **Health, Human Services, Aging, Corrections, Veterans and Military Affairs.**

State of Wisconsin Office of the Governor

June 20, 1997

The Honorable, The Senate:

I am pleased to nominate and with the advice and consent of the Senate, do appoint LAUER, LEON G., of Green Bay, as a member of the Barbering and Cosmetology Examining Board, to serve for the term ending July 1, 2000.

Sincerely,

TOMMY G. THOMPSON
Governor

Read and referred to committee on **Health, Human Services, Aging, Corrections, Veterans and Military Affairs.**

**State of Wisconsin
Office of the Governor**

June 20, 1997

The Honorable, The Senate:

I am pleased to nominate and with the advice and consent of the Senate, do appoint MARTIN, MARVILE L., of Milwaukee, as a member of the Barbering and Cosmetology Examining Board, to serve for the term ending July 1, 2000.

Sincerely,

TOMMY G. THOMPSON
Governor

Read and referred to committee on **Health, Human Services, Aging, Corrections, Veterans and Military Affairs.**

**REFERRALS AND RECEIPT OF
COMMITTEE REPORTS CONCERNING
PROPOSED ADMINISTRATIVE RULES**

The joint committee for review of **Administrative Rules** reports and recommends:

Senate Clearinghouse Rule 96-181

Relating to the minimum wage.

No action taken.

Richard Grobschmidt
Senate Chairperson

ADJOURNMENT

Senator Risser, with unanimous consent, asked that the Senate adjourn until Tuesday, June 24 at 10:00 A.M..

Adjourned.

2:30 P.M.