



# STATE OF WISCONSIN Assembly Journal

## Ninety-Fourth Regular Session

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FRIDAY, October 1, 1999

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The Chief Clerk makes the following entries under the above date:

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### AMENDMENTS OFFERED

Assembly substitute amendment 1 to **Assembly Bill 312** offered by Representative Kedzie.

Assembly amendment 2 to Assembly substitute amendment 1 to **Assembly Bill 315** offered by Representative Schneider.

Assembly amendment 1 to **Assembly Bill 334** offered by committee on **Information Policy**.

Assembly amendment 1 to **Assembly Bill 495** offered by Representative Vrakas.

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### INTRODUCTION AND REFERENCE OF PROPOSALS

Read first time and referred:

#### **Assembly Bill 494**

Relating to: a public hearing on a school calendar prior to engaging in collective bargaining.

By Joint Legislative Council.

To committee on **Labor and Employment**.

#### **Assembly Bill 495**

Relating to: benefit improvements, interest crediting, variable annuity option, contribution credits for employers, death benefits, credit for legislative service, recognition of income and capital gains and losses in the fixed retirement investment trust and affecting certain actuarial assumptions and liabilities under the Wisconsin retirement system.

By Representative Skindrud; cosponsored by Senator Wirsch.

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

### SPEAKER'S APPOINTMENTS

October 1, 1999

Representative Steve Kestell  
17 West, State Capitol  
Madison, WI 53703

Dear Representative Kestell:

As Assembly Speaker, it is my privilege to appoint you to the Governor's Council on Highway Safety. Your appointment is effective immediately and you will be replacing Representative Sykora. I would like to thank you in advance for your service.

If you have any questions, please contact Brett in my office. Thank you again for your work on behalf of the people of Wisconsin and the State Assembly.

Sincerely,  
*SCOTT R. JENSEN*  
Assembly Speaker

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### REFERRAL OF AGENCY REPORTS

Supreme Court of Wisconsin  
Director of State Courts  
Madison

October 1, 1999

To the Honorable, the Legislature:

Pursuant to s. [758.19\(5\)\(i\)](#), Wis Stats., the information reported to the Director of State Courts under s. [758.19\(e\)](#), Wis. Stats., by Wisconsin's counties has been compiled and is herein submitted. Under s. [758.19\(e\)](#), Wis. Stats., each county is required to submit an annual report to the Director of State Courts which provides information on the actual amount expended in the previous calendar year for court costs relating to the circuit court support and the guardian ad litem payment programs.

Sincerely,  
*J. DENNIS MORAN*  
Director of State Courts

Referred to committee on **Children and Families**.

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**AGENCY REPORTS**

State of Wisconsin  
Legislative Audit Bureau  
Madison

October 4, 1999

To the Honorable, the Legislature:

We have completed an evaluation of the State of Wisconsin Investment Board, as directed by s. 25.17 (51m), Wis. Stats. This is our first evaluation under new statutory requirements that were implemented in 1996, in response to a loss of \$95 million in the State Investment Fund. That loss, which was disclosed in March 1995, was the result of improper use of investment instruments known as derivatives.

The Investment Board has taken several steps to improve its operations since the 1995 derivatives loss, including increasing its reporting to the Legislature, improving senior management's oversight of investing strategies, increasing the Board of Trustee's involvement in investment activities, and improving communication with State Investment Fund participants. Further, even with the loss, the State Investment Fund's returns have exceeded performance goals, or benchmarks.

In contrast, the Fixed Retirement Trust Fund, which accounted for approximately 80 percent of the Investment Board's \$60.6 billion in assets on December 31, 1998, has experienced an erosion of its investment performance. Although the Fixed Retirement Trust Fund has been able to exceed the returns assumed for actuarial projections, it has not consistently met its one-year benchmarks, which recently has affected its longer-term performance returns. For example, both one-year and five-year returns for the period ending December 31, 1998 were not met.

We also compared the Fixed Retirement Trust Fund's performance to that of other large public pension funds and found that its five-year investment return was 10th among 12 funds surveyed. To address performance that is lagging both established benchmarks and that of other large public pension funds, we have recommended the Board reassess its investment strategy and report to the Joint Legislative Audit Committee on steps it plans to take to improve investment performance.

We appreciate the courtesy and cooperation extended to us by the Investment Board. A response from the Board's Executive Director is Appendix IV.

Respectfully submitted,  
*JANICE MUELLER*  
State Auditor