



STATE OF WISCONSIN Assembly Journal

Ninety-Fourth Regular Session

WEDNESDAY, June 21, 2000

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

ADMINISTRATIVE RULES

Assembly Clearinghouse Rule 00-015

Relating to the state public transit operating assistance program; to the use of fully allocated costs in the competitive bid process; and to allocation of federal public transit assistance program funds to urbanized areas under 200,000 population.

Submitted by Department of Transportation.
Report received from Agency, June 9, 2000.
To committee on **Transportation**.
Referred on June 20, 2000.

Assembly Clearinghouse Rule 00-038

Relating to anhydrous ammonia.
Submitted by Department of Commerce.
Report received from Agency, June 7, 2000.
To committee on **Labor and Employment**.
Referred on June 14, 2000.

Assembly Clearinghouse Rule 00-052

Relating to uniform procedures for checking the backgrounds of persons who apply to provide or are providing care or treatment to people who need that care or treatment, and for barring persons because of specified convictions, charges or findings substantially related to the care of clients from operating a service provider organization, providing care or treatment to the clients of a service provider or otherwise having contact with the clients of a service provider.

Submitted by Department of Health and Family Services.
Report received from Agency, June 9, 2000.
To committee on **Health**.
Referred on June 20, 2000.

Assembly Clearinghouse Rule 00-055

Relating to eligibility and entitlement for the family care benefit, application for the benefit, cost sharing requirements, standards for aging and disability resource centers and for care management organizations, protections of the rights of family care applicants and enrollees, recovery of correctly and incorrectly paid family care benefits, and requirements for hospitals, nursing homes, community-based residential facilities, residential care apartment complexes and adult family homes to provide information to certain patients,

residents and prospective residents and to refer them to aging and disability resource centers.

Submitted by Department of Health and Family Services.
Report received from Agency, June 12, 2000.
To committee on **Health**.
Referred on June 20, 2000.

Assembly Clearinghouse Rule 00-070

Relating to investment board title holding companies.
Submitted by State of Wisconsin Investment Board.
Report received from Agency, June 1, 2000.
To committee on **Government Operations**.
Referred on June 15, 2000.

Assembly Clearinghouse Rule 00-072

Relating to motor carrier safety requirements.
Submitted by Department of Transportation.
Report received from Agency, June 12, 2000.
To committee on **Highway Safety**.
Referred on June 20, 2000.

SPEAKER'S APPOINTMENTS

June 8, 2000

The Honorable Scott Gunderson
Wisconsin State Assembly
The Capitol, Room 7 West
Madison, WI 53708

Dear Representative Gunderson:

As Assembly Speaker, it is my pleasure to appoint you to the State Fair Park Board pursuant to §15.445 (4) 1 (Wis. Stats.) as affected by 1999 Wisconsin Act 197. The board is directed to manage the State Fair Park and supervise its use for fairs, exhibits or promotional events for agricultural, commercial, educational, and recreational purposes. Your appointment is effective as provided in §§ 26 and 27 of Act 197 and shall last five years. Thank you in advance for your service.

If you have any questions, please contact Adam Peer in my office. Thank you again for your service to the people of Wisconsin and the State Assembly.

Sincerely,
SCOTT R. JENSEN
Assembly Speaker

REFERRAL OF AGENCY REPORTS

State of Wisconsin
Department of Health and Family Services
Madison

May 30, 2000

To the Honorable, the Assembly:

Pursuant to Section 9123(7) of the [1999 Wisconsin Act 9](#), the Department of Health and Family Services is required to report by June 30, 2000, the activities of Wisconsin projects funded by Community-Based Hunger Prevention Program grants. These grants, awarded under s. [46.765](#) Wisconsin Statutes, enabled public or private non-profit organizations to develop, implement, and support community-based efforts to prevent hunger and food insecurity in Wisconsin. The enclosed report, Community Based Hunger Prevention Grants Program, 1995-1999: A Comprehensive Summary, summarizes the activities, effectiveness and impact of the 70 projects.

The statute requires that the Department report to the Governor and Wisconsin Legislature on the activities of these projects by June 30, 2000. The enclosed report is being submitted to you in accordance with this requirement. Please contact my office if you have any questions.

Sincerely,
JOE LEEAN
Secretary

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

State of Wisconsin
Department of Regulation and Licensing
Madison

June 9, 2000

RE: 1998 Controlled Substances Board Annual Report

To the Honorable, the Assembly:

In accordance with WSS 961.36(3), enclosed please find the 1999 Controlled Substances Board Annual Report.

It is hoped that the Assembly will find this report useful.

Sincerely,
PATRICK D. BRAATZ
Administrator, Division of Health
Professionals and Services Licensing

Referred to committee on **Health**.

State of Wisconsin
Investment Board
Madison

June 12, 2000

To 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 the Chief Clerks of each House summarizing any change in the Board's investment policies, upon adoption of the change.

On April 5, 2000 the Board approved modifications to the Investment Policy Guidelines relating to the Wisconsin Certificate of Deposit program. Attached are the modified guidelines. Additions to the previous guidelines are shaded and deletions are ~~stricken~~.

Additionally, the investment guidelines pertaining to domestic equity portfolio management were modified to remove references to the "Target Portfolio." This internally managed portfolio was terminated in December 1999 due to the resignation of the portfolio manager. The portfolio value, at the time of its termination, was approximately \$327 million, representing .5 % of the total Fixed Trust Fund assets. Proceeds from this portfolio were allocated to existing internally managed domestic equity portfolios.

Wisconsin Certificate of Deposit Guideline Changes

The Wisconsin Certificate of Deposit Program is contained within the State Investment Fund (SIF) and is managed by the SIF Portfolio Manager. The Wisconsin CD program was designed to facilitate community-based bank involvement by providing a competitive rate of return on funds invested in the SIF. Any bank or thrift in the State of Wisconsin is eligible to participate in the Wisconsin CD Program.

To make the Wisconsin CD Program more attractive and accessible, in 1997 SWIB teamed up with Bankers' Bank to administer the program. At that time, the guidelines were revised to offer participants more flexibility and additional maturity choices. As a result of those changes, SWIB's total CD purchases from Wisconsin banks and thrifts has, to date, seen a 350% increase and has added more than 175 new banks and thrifts with facilities in 94% of Wisconsin counties.

To enhance SWIB's ability to make CD purchases and meet the growing interest of Wisconsin banks and thrifts, on April 5, 2000, the Board voted to increase SWIB's investment limit from \$350 million to \$400 million.

The boost in the investment limit will allow SWIB to continue its efforts of participating in the local community and will provide more CD options to Wisconsin banks and thrifts.

Please contact me if you have any questions about this report.

Sincerely,
PATRICIA LIPTON
Executive Director

Referred to committee on **Ways and Means**.

State of Wisconsin
Department of Corrections
Department of Administration
Madison

June 13, 2000

To the Honorable, the Legislature:

Attached is the FY00 report on Prison Industries for the third quarter ending March 30, 2000, as required by Section

303.019 of the Wisconsin Statutes. This report includes the year-to-date cash balance of each industry. This report reflects private sector joint venture balances separately from the remainder of Prison Industries.

The Department would be happy to respond to any questions you may have on this matter.

Sincerely,
JON E. LITSCHER, SECRETARY
Department of Corrections
GEORGE F. LIGHTBOURN
Secretary, Department of Administration

Referred to committee on **Corrections and the Courts.**

AGENCY REPORTS

State of Wisconsin
Department of Agriculture, Trade and
Consumer Protection
Madison

May 25, 2000

To the Honorable, the Assembly:

Enclosed is a copy of the Bottled Drinking Water report published by the Division of Food Safety, Wisconsin Department of Agriculture, Trade and Consumer Protection.

This booklet contains results of lab tests from bottled water samples taken during Fiscal Years 1999 and 2000. This report is mandated by Wisconsin Statutes, Chapter 97.34 (2) (e).

Please let me know if you need additional copies, (608) 224-4721 or (608) 224-4710 fax.

Sincerely,
LAURA BERKNER MURPHY
Food Labeling Specialist

State of Wisconsin
Legislative Fiscal Bureau
Department of Administration
Madison

June 9, 2000

To the Honorable, the Legislature:

Attached is a copy of a consultant's report regarding reengineering of the State of Wisconsin's budget system. This study was conducted by the consulting firm of Arthur Andersen LLP, under the joint direction of the Department of Administration and the Legislative Fiscal Bureau.

In September, 1998, the Joint Committee on Finance released funding for a study related to the redesign of the state budget system and approved the parameters for the study. The goals of the study were to: (a) verify the core data and information needs of executive and legislative branch participants in budget development and implementation; (b) document how

or if these needs are being addressed by agency and statewide procedures and systems; (c) assess the advantages and limitations of the current budget system; and (d) outline small- and large-scale modifications ("reengineering") to the current budget system, including the costs of these changes, that could deliver specified benefits.

In preparing the report, Arthur Andersen documented the existing budget process by conducting workshops with state agencies, the State Budget Office and the Legislative Fiscal Bureau, identifying advantages and limitations of the current system as a result of the workshops and evaluating the data it gathered in comparison to three other states and its proprietary database. The final report identifies two broad areas for improvement: (1) the budget information system; and (2) certain budget processes. The report identifies potential modifications for the State to consider including the development of an information systems plan related to the budget, possible alternative budget systems the State may wish to further investigate, areas of improved communications in the budget process and other specific information systems and budget process changes. An executive summary of the report is provided on pages 3 to 15, with the specific recommendations outlined on pages 10 to 14 of that summary.

The State Budget Office has already begun steps to implement some of the shorter-term recommendations (such as improving the budget file maintenance process and improving communications with state agencies). Further, the State Budget Office and the Legislative Fiscal Bureau will have further discussions regarding the feasibility of, and possible timetable for, implementation of other recommendations included in the report.

We would like to thank Arthur Andersen for their work in conducting the study and preparing the report. If you have questions about the report, please contact us.

Sincerely,
ROBERT WM. LANG, DIRECTOR
Legislative Fiscal Bureau
RICHARD G. CHANDLER
State Budget Director
Department of Administration

State of Wisconsin
Legislative Audit Bureau
Madison

June 12, 2000

To the Honorable, the Legislature:

As required by s. 13.94(1)(em), Wis. Stats., we have completed our annual financial audit of the Wisconsin Lottery, which is administered by the Department of Revenue. We have issued an unqualified opinion on the Wisconsin Lottery's fiscal year (FY) 1998-99 and FY 1997-98 financial statements.

Total lottery sales increased from \$418.6 million in FY 1997-98 to nearly \$428.2 million in FY 1998-99. This increase, which is the first since FY 1994-95, is due largely to

several large on-line jackpots. For example, in July 1998, the Powerball jackpot reached a record amount of \$295.7 million. Sales of instant ticket lottery games, however, continued a four-year decline from \$252.9 million in FY 1997-98 to \$230.8 million in FY 1998-99.

During our audit, we identified a concern related to payment of liquidated damages. In June 1997, GTECH Corporation implemented a new computer system to support the Lottery's instant ticket and on-line games. Between June 1997 and April 1999, GTECH Corporation experienced significant complications with the system and the Lottery assessed liquidated damages totaling \$2.53 million. GTECH has already paid the Lottery \$235,200 in the form of sales credits on its monthly invoices. Recently, the Lottery and GTECH have agreed to a tentative settlement of \$750,000, including \$500,000 in cash, to resolve the outstanding balance due. The remaining \$250,000 will be received in the form of goods and services, which GTECH may contract with any vendor to provide. To ensure sufficient legislative and budgetary oversight of the tentative \$750,000 settlement, we recommend that the Lottery report to the Legislature on its plans for these funds.

We appreciate the courtesy and cooperation extended to us by the Department of Revenue. The Department's response is the appendix.

Respectfully submitted,
JANICE MUELLER
State Auditor

State of Wisconsin
Legislative Audit Bureau
Madison

June 20, 2000

To the Honorable, the Legislature:

We have completed a review of the use of hearing officers in Wisconsin state government, as requested by the Joint Legislative Audit Committee. We estimate that in fiscal year (FY) 1998-99, the State spent an estimated \$17.3 million and employed 206.1 full-time equivalent employees—including 103.3 hearing officers—to conduct hearings and resolve contested cases related to employment, social services, corrections, discrimination, consumer protection, transportation, and licensing. Approximately 24,900 hearings were held. Two agencies—the Department of Workforce Development (DWD) and the Department of Administration's (DOA's) Division of Hearings and

Appeals—account for more than 80 percent of hearing-related staff and expenditures.

Agency efforts to establish and measure performance of hearing officers have been uneven. We identified a total of 97 performance standards, most of which were established by state agencies to manage timeliness and productivity. However, only 53 of these standards were actually used to assess agency performance in holding hearings. Assessing the overall quality of hearing officer decisions is difficult. Nevertheless, one indicator of quality—the rate at which decisions are reversed on appeal—shows that most hearing officer decisions are upheld.

If the Legislature wishes to increase efficiency and reduce costs by further consolidating hearing functions, some changes to the organization of hearing officer responsibilities could be considered. However, because most hearings are already conducted by either DWD or DOA's Division of Hearings and Appeals, any cost savings that could be derived from further consolidation are likely to be limited.

We appreciate the courtesy and cooperation extended to us by the many state agencies contacted during the course of this review. Responses from DOA and DWD are appendices IV and V.

Respectfully submitted,
JANICE MUELLER
State Auditor

Southeast Wisconsin
Professional Baseball Park District
Milwaukee

June 21, 2000

To the Honorable, the Legislature:

Enclosed please find the Miller Park Monthly Progress Report for the month of May 2000 for your review and consideration. As the enclosed report indicates, Miller Park continues to develop with the District Board's objectives of building the premier baseball facility in the country; scheduled for play on Opening Day 2001; within budget; and with meaningful community participation.

As always, please feel free to contact me if you should have any questions or comments regarding the enclosed report.

Very truly yours,
MICHAEL R. DUCKETT, P.E., R.L.S.
Executive Director