



STATE OF WISCONSIN

Assembly Journal

Ninety-Fourth Regular Session

TUESDAY, November 21, 2000

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

State of Wisconsin
Department of Administration
Madison

October 30, 2000

COMMUNICATIONS

November 21, 2000

To the Honorable Members of the Legislature:

I am writing to inform you of my new last name. As the result of a recently finalized divorce, I have decided to no longer use my married name – Spillner. Therefore, as of Monday, November 27, 2000, I will officially start using my maiden name Wade. However, my residence/voting/ mailing address will remain the same.

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

Sincerely,
JOAN WADE SPILLNER
State Representative
42nd Assembly District

To the Honorable, the Legislature:

Chapter 34, Laws of 1979, requires that when the Department of Administration maintains an office in Washington, DC, for the purpose of promoting federal/state cooperation, it should submit a report detailing the activities of the office and reporting the status of federal legislation of concern to the Legislature and other state agencies (Wis. Stats. 16.548(2)).

The report for the period July, 2000 through September, 2000 is attached.

Sincerely,
GEORGE LIGHTBOURN
Secretary

Referred to committee on **State Affairs**.

REFERRAL OF AGENCY REPORTS

State of Wisconsin
Department of Commerce
Madison

DATE: October 9, 2000
TO: Charles R. Sanders, Chief Clerk
Wisconsin State Assembly
FROM: Brenda J. Blanchard, Secretary
Wisconsin Department of Commerce
SUBJECT: 1997-99 Biennial Report

Pursuant to s. 15.04 (d), Stats., I am enclosing a copy of the Department's 1997-99 Biennial Report.

Referred to committee on **Small Business and Economic Development**.

State of Wisconsin
Department of Administration
Madison

November 6, 2000

To the Honorable, the Legislature:

Included with this correspondence, I am submitting the report of the Department of Administration, Division of Gaming (Gaming), for the first quarter of fiscal year 2001 (July 1, 2000 through September 30, 2000). As required by s. 562.02(1)(g), Wis. Stats., the attached materials contain pari-mutuel wagering and racing statistical information, as well as the revenues for the program areas of Racing, Charitable Gaming and Indian Gaming. Please note that Bingo revenues are now captured in a new appropriation (836) and therefore are shown on a separate chart from the rest of Charitable Gaming.

If you have any questions or comments regarding this report, please do not hesitate to contact Richard Pederson at (608) 270-2546.

Sincerely,
F. SCOTT SCEPANIAK
Administrator

Referred to committee on **State Affairs**.

State of Wisconsin
Technical College System Board
Madison

November 13, 2000

To the Honorable, the Legislature:

This letter is to certify that all sixteen Wisconsin Technical Colleges have provided sexual assault and harassment orientation, materials and information as required under state statute 38.12(11) for the 2000-2001 school year.

Individual college letters assuring compliance along with sample information and materials provided to students are on file in our office at this time. If you have any questions or need additional information, please contact Keith Krinke, System Equal Opportunity Officer, of my staff at 266-1844.

Sincerely,
EDWARD CHIN
State Director

Referred to committee on **Colleges and Universities**.

Milwaukee Public Schools
Division of Curriculum and Instruction
Madison

November 13, 2000

To the Honorable, the Assembly:

Enclosed you will find a copy of the report entitled "High/Scope All-Day Five-Year-Old Kindergarten Program and High/Scope First Grade Program." This report summarizes the projects and the data collected for the 1999-2000 school year.

Each year a report is prepared in response to Sections [119.71](#), [119.73](#) and [119.75](#) of the current state statutes.

Sincerely,
MICKEY BEIL
Governmental Relations Specialist
Office of Governmental Relations

Referred to committee on **Education**.

State of Wisconsin
Milwaukee Area Technical College
Madison

November 15, 2000

To the Honorable, the Assembly:

Attached is a copy of the information provided to all students, in accordance with Wisconsin Statutes 38.12.

a. All new students are required to attend a Student Orientation. During these orientations, detailed

information is shared regarding sexual assault and sexual harassment.

b. All students have electronic access to the MATC Web page which is www.matc.edu/.

If you have any further questions or concerns, please feel free to contact Archie Graham, Director of Student Life at (414) 297-6870.

Sincerely yours,
ARCHIE L. GRAHAM
Director, Office of Student Life

Referred to committee on **Colleges and Universities**.

State of Wisconsin
State Treasurer
Madison

November 15, 2000

To the Honorable, the Assembly:

Attached to this letter is the EDVEST Wisconsin College Savings Program Annual Report for the 1999-2000 Fiscal Year. Legislation for the EDVEST Wisconsin program requires the Office of the State Treasurer to annually report to the Governor and the Legislature on the program. This third annual report includes the required actuarial valuation, prepared by Milliman & Robertson, Inc. It also includes a summary of program improvements authorized in [1999 Wisconsin Act 44](#).

The most significant event of the year for the program involved the development, introduction and passage of state legislation designed specifically to give EDVEST new authority to take advantage of benefits and flexibility currently allowed under federal law. [1999 Wisconsin Act 44](#) was approved by unanimous vote in the Wisconsin Assembly and Senate and signed into law April 11, 2000. This important legislation will allow EDVEST to offer families a more attractive and competitive structure in which to save for college expenses.

The EDVEST program was transferred from the Department of Administration to the Office of the State Treasurer during the fiscal year. Some of the provisions of Act 44 have already been implemented, and the new College Savings Program Board, EDVEST staff and I look forward to completing this exciting project in the near future.

If you have any questions regarding the EDVEST Wisconsin Annual Report, please contact Marty Olle at 264-7886.

Sincerely,
JACK VOIGHT
State Treasurer

Referred to committee on **Colleges and Universities**.

AGENCY REPORTS

State of Wisconsin
Legislative Audit Bureau
Madison

November 3, 2000

To the Honorable, the Legislature:

As required by s. 13.94(1)(de), Wis. Stats., we have completed a financial audit of the Local Government Property Insurance Fund, which provides property insurance to counties, towns, villages, school districts, and other local units of government and is administered by the Office of the Commissioner of Insurance. As of June 30, 2000, the Property Fund insured 1,113 local units of government with an insured property value of approximately \$25.1 billion. We were able to provide an unqualified auditor's report on the Property Fund's financial statements for the fiscal years ending June 30, 2000, 1999, and 1998.

The Property Fund earned net income totaling \$4.3 million for the three-year period ended June 30, 2000, and as of that date had a surplus of \$23.4 million. The Property Fund surplus, which has been an issue discussed in prior audit reports, is still being maintained at a level above the industry standard. The Office of the Commissioner of Insurance monitors the surplus level and believes it is currently appropriate considering recent loss experience. The Property Fund had several large fire and windstorm claims during the last three years, but reinsurance limited the effect of these losses on the Fund. If the Fund's loss experience results in increased reinsurance premiums and coverage levels in the future, its fund surplus can help limit the effect of future reinsurance increases on policyholder premiums and help ensure a financially stable program.

We appreciate the courtesy and cooperation extended to us by the staff of the Office of the Commissioner of Insurance and the private firms responsible for the administration of the Property Fund.

Respectfully submitted,
JANICE MUELLER
State Auditor

State of Wisconsin
Legislative Audit Bureau
Madison

November 9, 2000

To the Honorable, the Legislature:

At the request of the Department of Health and Family Services (DHFS), we have completed a financial audit of the Health Insurance Risk-Sharing Plan (HIRSP) for fiscal year 1998-99. HIRSP provides medical insurance for individuals unable to obtain coverage in the private market. At the end of calendar year 1999, 7,904 policyholders were enrolled in the plan. We were able to provide an unqualified opinion on the HIRSP financial statements and we note that HIRSP had net

income of \$6.6 million, which is a considerable improvement over the \$9.4 million loss the previous year.

Oversight responsibility for HIRSP transferred to DHFS from the Office of the Commissioner of Insurance in 1998. DHFS has taken steps to address problems experienced with that transition and changes in statutes affecting the program. However, some of our prior audit concerns related to HIRSP's funding structure and service delivery still need to be addressed, and improved reporting is needed to help DHFS manage the program.

We also found DHFS does not have controls in place to ensure that policyholders are charged and pharmacies are reimbursed at HIRSP-allowed rates for prescription drugs, which represent 45 percent of HIRSP's total claim costs. As the result of suspending important system controls, we estimate that HIRSP overpaid drug claims during fiscal years 1998-99 and 1999-2000 by at least \$3.7 million. DHFS is taking steps to recover these overpayments, as well as to improve its drug claims process.

We appreciate the courtesy and cooperation extended to us by DHFS and the plan administrators. The response from DHFS is the appendix.

Respectfully submitted,
JANICE MUELLER
State Auditor

State of Wisconsin
Legislative Audit Bureau
Madison

November 10, 2000

To the Honorable, the Legislature:

Section 9131(3m) of 1999 Wisconsin Act 9 requires the Legislative Audit Bureau to contract with an organization to evaluate the cost-effectiveness, access to services, and quality of care provided by the Family Care pilot projects. In collaboration with staff from the Department of Health and Family Services, the Legislative Audit Bureau released a request for proposals and, from among the five competitive proposals submitted, selected The Lewin Group to evaluate the Family Care program. As contract administrator, the Legislative Audit Bureau approves each work product delivered by The Lewin Group to ensure objectivity and independence. However, the findings, conclusions, and recommendations in the report are those of The Lewin Group.

The evaluation process has three stages. The first stage was the development of the enclosed Wisconsin Family Care Implementation Process Evaluation Report. The second stage will be the development of an impact evaluation, which will assess the extent to which the pilot projects are meeting the stated goals of Family Care. That stage is currently scheduled to begin in June 2001. The final stage of the evaluation will assess the benefits and costs of the program. Work on it is currently scheduled to begin in January 2002.

The enclosed report is the first of five The Lewin Group will develop on the status of Family Care implementation. The

report contains background information on the Family Care program as a whole, as well as evaluative information on the development of each pilot project. The report also contains a glossary of terms and a research methodology section that demonstrates the contacts made by The Lewin Group in the five pilot counties – Fond du Lac, La Crosse, Milwaukee, Portage and Richland – in order to assess the current status of the Family Care program.

Through contact with these pilot projects and numerous interviews with staff from the Department, The Lewin Group advances the following key findings about the implementation of Family Care:

In the five pilot counties, enrollment in the Care Management Organizations (CMO) that arrange and manage services for individuals enrolled in Family Care was essentially limited to the conversion of Community Options Program (COP) clients and the removal of individuals from existing waiting lists. Through September 8, 2000, 1,513 individuals were enrolled in Family Care in the four pilot counties with fully operational CMOs. (Richland County is not yet operating its CMO.) The pilot projects were not able to enroll new consumers from all target populations as efficiently as they had anticipated.

The number of actual contacts made by Resource Centers, which provide one-stop shopping for information and assistance in obtaining long-term care services, exceeded projected goals. From March to June 2000, 15,734 contacts were made by the Resource Centers in Fond du Lac, La Crosse, Milwaukee, and Portage counties. The projected goal was 3,223. The extensive use of the Resource Centers indicates that they are meeting a need for information about long-term care choices.

While the Resource Centers have improved consumers' ability to make informed choices about long-term care, there is significant variation among pilot projects in the manner in which information is organized and provided. There are also some needs that the pilot projects report are unmet. These include transportation, short-term case management, and supported employment for the developmentally disabled population.

Consumer direction and advocacy are important components in the structural design of Family Care. However, these components have yet to be fully implemented. The pilot projects have been focused on administrative issues such as staffing and case conversion and are just beginning to concentrate on incorporating other requirements. Similarly, quality assurance and improvement efforts are just beginning in the pilot projects.

Pilot projects are making progress in integrating the management of medical and social care. However, it is too early to discern when changes in care management will actually occur. Pilot projects have reported that care management is much more time-intensive than expected because of the need to develop a care plan with significant consumer input and because there are more services to manage and monitor under the Family Care model.

A capitated rate-setting methodology has evolved over time, and the Department appears to have made an effort to include the pilot counties in the process. The report chronicles the creation and refinement of the methodology and defines its components in detail.

Unresolved governance issues have emerged as a central issue in the implementation of Family Care. The Department continues to work to resolve issues involving potential conflicts of interest when a county board oversees both the entity that receives capitated funds to provide Family Care services and the entity that determines the necessary level of care and provides enrollment counseling.

The report is available on the Legislative Audit Bureau's Web page at <http://www.legis.state.wi.us/lab>. If you are interested in receiving a copy, please contact our office and request the Family Care report. If you have further questions, please contact Kate Wade at (608) 266-2818.

Respectfully submitted,
JANICE MUELLER
State Auditor

Southeast Wisconsin
Professional Baseball Park District
Milwaukee

November 16, 2000

To the Honorable, the Legislature:

Enclosed please find the Miller Park Monthly Progress Report for the month of October 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