



STATE OF WISCONSIN

Assembly Journal

Ninety-Fourth Regular Session

THURSDAY, December 28, 2000

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

REFERRAL OF AGENCY REPORTS

State of Wisconsin
Department of Administration
Madison

December 13, 2000

To the Honorable, the Legislature:

This report is transmitted as required by sec. 20.002(11)(f), Wis. Stats. (for distribution to the appropriate standing committees under sec. 13.172(3), Wis. Stats.), and confirms that the Department of Administration has found it necessary to exercise the “temporary reallocation of balances” authority provided by this section in order to meet payment responsibilities and cover resulting negative balances during the month of November 2000.

On November 1, 2000 the **Wisconsin Health Education Loan Repayment Fund** balance was -\$2 thousand. This shortfall increased to -\$8 thousand on November 9, 2000, to -\$9 thousand on November 15, 2000, and continued into the month of December. As of the date of this letter, it is expected to be resolved soon. This shortfall is due to the timing of revenues.

On November 1, 2000 the **Utility Public Benefits Fund** balance was -\$1.38 million. This shortfall increased to -\$2.40 million on November 14, 2000, to -\$3.63 million on November 30, 2000, and continued into the month of November. As of the date of this letter, it is expected to be resolved soon. This shortfall is due to the timing of revenues.

On November 1, 2000 the **University Trust-Income Fund** balance was -\$40 thousand. This shortfall increased to -\$131 thousand on November 3, 2000, and continued until November 6, 2000 when the balance reached \$1.56 million. This shortfall was due to the timing of revenues.

The Wisconsin Health Education Loan Repayment Fund, Utility Public Benefits Fund, and University Trust-Income Fund shortfalls were not in excess of the statutory interfund borrowing limitation and did not exceed the balances of the Funds available for interfund borrowing.

The distribution of interest earnings to investment pool participants is based on the average daily balance in the pool and each fund’s share. Therefore, the monthly calculation by the State Controller’s Office will automatically reflect the use of these temporary reallocations of balance authority.

Sincerely,
GEORGE LIGHTBOURN
Secretary

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

State of Wisconsin
Public Service Commission
Madison

December 14, 2000

To the Honorable, the Legislature:

I am pleased to provide the report of the Public Service Commission concerning the development of distributed electric generation in the state of Wisconsin. This report is transmitted as required by Wis. Stat. § 196.025(4)(b) for distribution to the appropriate standing committees under Wis. Stat. § 13.172(3).

The small-scale, high-efficiency distributed generation technologies studied for this report include photovoltaics (solar), wind power, fuel cells, microturbines, internal combustion powered generators, and combined heat and power (CHP). The report and its findings and recommendations are based on a survey of stakeholders, comments from other states, extensive literature research, seminars, and input from the State of Wisconsin’s Departments of Administration (DOA), Natural Resources (DNR), and Revenue (DOR).

The renewable energy technologies of wind and photovoltaics are considered high efficiency by definition. The study finds, for fossil fuel technologies, that it is reasonable to define “high efficiency” as a combined heat and power efficiency greater than 50 percent and that “small-scale” refers to a generator that has an average annual capacity of 1 megawatt (MW) or less.

Disincentives may exist for the growth of DG in Wisconsin in the form of complex rules and practices imposed on small, non-utility owned DG. Establishment of a stakeholder collaborative group to develop a set of streamlined rules and contract provisions would provide an incentive for properly sited, small-scale DG. The report further recommends that a

statewide interconnection standard be created consistent with national standards developed by the Institute of Electrical and Electronics Engineers (IEEE), Underwriters Laboratories (UL), and the National Fire Protection Association (NEPA).

Financial incentives examined in the report include expansion of the net energy-billing tariffs and buy-back rates that are based on the environmental benefits.

If you have questions concerning this report, please contact me.

Sincerely,
AVE M. BIE
Chairperson

Referred to committee on **Utilities**.

State of Wisconsin
University of Wisconsin System
Madison

December 15, 2000

To the Honorable, the Legislature:

The 1999-2001 State of Wisconsin Biennial Budget, [1999 Wisconsin Act 9](#), included a provision to change the University of Wisconsin System's appropriation for tuition and fee revenues (Academic Student Fees, Fund 131) from an annual, sum certain appropriation to a continuing appropriation.

Wisconsin Act 9 required the Board of Regents to report annually, beginning on December 15, 2000, the amount by which actual expenditures in the previous fiscal year, in this case 1999-2000, exceeded the amount in the schedule for that appropriation in the previous fiscal year. That report, including the purposes for which the additional revenues were spent and the amount spent for each purpose, is attached. The Board of Regents approved this report for submission at its December 9, 2000 meeting.

Please contact Freda Harris at (608) 263-5679, if you have any questions related to this report.

Sincerely,
DEBORAH A. DURCAN
Vice President for Finance

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

State of Wisconsin
Investment Board
Madison

December 20, 2000

To the Honorable, the Legislature:

Annually under s. [25.17\(14g\)](#) of the Statutes, the Investment Board submits a report to the Legislature on investment goals and long-term strategies. I am writing to let you know of our

plan to submit this year's report in early February, as we did last year. Although this will be after the December 31 due date, it will enable us to provide a more complete and informative report to you.

Additional review of the investment strategy for the Wisconsin Retirement System trust funds will take place at the meeting of our Board of Trustees on January 11. We believe that it will be helpful to reflect the outcome of that discussion in our report to you.

Our report will also include the performance assessment required under s. [25.17\(14m\)](#). As we did last year, we plan to combine the two reports to make it easier to understand the relationship between our strategies and our investment results.

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

Sincerely,
PATRICIA LIPTON
Executive Director

Referred to committee on **Government Operations**.

State of Wisconsin
Public Service Commission
Madison

December 22, 2000

To the Honorable, the Legislature:

We are pleased to provide the report of the Public Service Commission concerning "Horizontal Market Power in Wisconsin Electricity Markets." This report is transmitted as required by Wis. Stat. § [196.025\(5\)b](#) for distribution to the appropriate standing committees under Wis. Stat. § [13.172\(3\)](#).

The report provides results of an independent economic study which examined potential horizontal market power problems in Wisconsin electricity markets, comments from numerous industry participants on the commissioned report, and the Commission's initial commentary on the subject. Pursuant to Wis. Stat. § [196.025\(5\)\(ar\)](#), the Commission contracted with an expert consultant in economics to study the potential for horizontal market power, including the horizontal market power of electric generators, to frustrate the creation of an effectively competitive retail electricity market in this state and to make recommendations on measures to eliminate such market power on a sustainable basis.

If you have questions concerning this report please contact Mr. Randel Pilo of the Commission's Electric Division at (608) 267-1474.

Sincerely,
AVE M. BIE
Chairperson

Referred to committee on **Utilities**.

State of Wisconsin
Department of Justice
Madison

December 2000

To the Honorable, the Legislature:

It is with great pleasure and pride that I present this report for the Wisconsin Crime Victim Compensation Program. The Wisconsin Crime Victim Compensation Program was established by the legislature in 1976. It has been administered by the Office of Crime Victim Services in the Department of Justice since July 1, 1980. This report covers activities of the program for the biennia beginning July 1, 1995, and ending June 30, 1999. The report chronicles the continued success the program has had in assisting victims of crime with the financial expenses associated with their physical and emotional recovery.

We know that victims of violent crime suffer physical pain, injury, emotional trauma and grief. However, we sometimes overlook the fact that victims can face another burden while they try to recover from crimes – financial loss.

Crime victims often find themselves with hospital bills that need to be paid, but with no insurance to help them. They also must find a way to pay for rent and groceries when unable to work as the result of an assault. When a child has been sexually assaulted and the family is unable to afford a counselor, psychological wounds can plague the child for the rest of his or her life. In some cases, families of murder victims cannot find the money for a simple memorial stone for their loved one's grave, making it even more difficult to recover from a very traumatic experience.

While the wounds caused by violent crime never completely heal, the Crime Victim Compensation Program has helped to ease some concerns for victims and their families and to restore some financial stability to victims' lives. More than 1,400 victims of violent crimes receive assistance through the program each year.

I commend the dedicated staff of the program, victim advocates and law enforcement personnel, who through their constant efforts have made Wisconsin's Crime Victim Compensation Program one of the best in the country.

Sincerely,
JAMES E. DOYLE
Attorney General of Wisconsin

Referred to committee on **Judiciary and Personal Privacy**.

AGENCY REPORTS

State of Wisconsin
Legislative Audit Bureau
Madison

December 13, 2000

To the Honorable, the Legislature:

As requested by the Public Service Commission (PSC), we have completed a financial audit of the Universal Service Fund, which was established to ensure that all state residents receive essential telecommunications services and have access to advanced telecommunications capabilities. Our audit report contains our unqualified opinion on the Fund's financial statements and related notes for the fiscal years ending June 30, 2000 and 1999.

The Universal Service Fund is funded through assessments of telecommunications providers, which totaled \$14.1 million in fiscal year 1999-2000. The largest program funded by the Universal Service Fund is the Educational Telecommunications Access Program, which is administered by the Technology for Educational Achievement (TEACH) Board. During fiscal year 1999-2000, \$8.8 million, which is 67 percent of total fund expenditures, was expended on subsidies and grants for data lines and video links for schools, libraries, and others under this program.

As noted in our prior audits, expenditures for the Universal Service Fund programs operated by the PSC continued to be significantly less than budgeted levels. However, the Legislature and the PSC recently added a number of new programs to be funded from the Universal Service Fund, which are likely to affect its funding needs in the future.

We appreciate the courtesy and cooperation extended to us by the staff at the PSC; TEACH; and the Fund's administrator, Williams Young, LLC, during the audit.

Respectfully submitted,
JANICE MUELLER
State Auditor

State of Wisconsin
Legislative Audit Bureau
Madison

December 15, 2000

To the Honorable, the Legislature:

At the request of the departments of Commerce and Administration, and to meet our audit responsibilities under s. 13.94, Wis. Stats., we have completed a financial audit of the State of Wisconsin Petroleum Inspection Fee Revenue Obligations Program for the period March 2, 2000 through June 30, 2000. We were able to express our unqualified opinion on the Program's Statement of Changes in Program Assets and related notes.

The Petroleum Inspection Fee Revenue Obligations Program provides financing for payment of claims under the Wisconsin Petroleum Environmental Cleanup Fund Award

(PECFA) program. In a previous evaluation of the PECFA program (report 98-14), we noted a large backlog of approved but unpaid PECFA claims and identified options for the Legislature's consideration. To address the backlog, the Legislature authorized the State to issue up to \$270 million of revenue obligations to be repaid by a \$0.03 per gallon fee charged suppliers for petroleum products sold in Wisconsin. These revenue obligations, which may include bonds, commercial paper, or other obligations, are not general obligations of the State.

Between March 2, 2000, when the Petroleum Inspection Fee Revenue Obligations Program started, and June 30, 2000, the State issued \$230 million of revenue obligations. An additional \$20 million was issued in December 2000. Proceeds from the sale of this debt, along with petroleum inspection fees collected from suppliers in excess of debt service requirements, have allowed the State to reduce the December 31, 1999 backlog from almost \$196 million in approved but unpaid PECFA claims to less than \$16 million as of June 30, 2000. However, as of June 30, 2000, the Department of Commerce had yet to review for approval approximately \$25 million in claimed costs, and it continues to receive new claims every month.

We appreciate the courtesy and cooperation extended to us during the audit by staff of the departments of Commerce, Administration, and Revenue.

Respectfully submitted,
JANICE MUELLER
State Auditor

State of Wisconsin
Legislative Audit Bureau
Madison

December 21, 2000

To the Honorable, the Legislature:

We have completed a financial audit of the State of Wisconsin Educational Communications Board Radio Network to meet our audit requirements under s. 13.94, Wis. Stats., and as requested by the Educational Communications Board to fulfill the audit requirements of the Corporation for Public Broadcasting. The Corporation requires audited financial statements of public broadcasting entities to determine future funding levels.

The Educational Communications Board, which is an agency of the State of Wisconsin, operates a radio network of 12 FM stations and 1 AM station, as well as a television network of

5 stations. The radio network received \$6.5 million in support and revenue during fiscal year 1999-2000, including state support, member contributions, funding from the Corporation for Public Broadcasting, and various other grants.

Our audit report contains the financial statements and related notes for the period July 1, 1999 through June 30, 2000. We were able to issue an unqualified independent auditor's report on these statements.

We appreciate the courtesy and cooperation extended to us by Educational Communications Board staff during the audit.

Respectfully submitted,
JANICE MUELLER
State Auditor

State of Wisconsin
Legislative Audit Bureau
Madison

December 21, 2000

To the Honorable, the Legislature:

We have completed a financial audit of the State of Wisconsin Educational Communications Board Television Network to meet our audit requirements under s. 13.94, Wis. Stats., and as requested by the Educational Communications Board to fulfill the audit requirements of the Corporation for Public Broadcasting. The Corporation requires audited financial statements of public broadcasting entities to determine future funding levels.

The Educational Communications Board, which is an agency of the State of Wisconsin, operates a television network of 5 stations, as well as a radio network of 12 FM stations and 1 AM station. The television network received \$12.2 million in support and revenue during fiscal year 1999-2000, including state support, member contributions, funding from the Corporation for Public Broadcasting, and various other grants.

Our audit report contains the financial statements and related notes for the period July 1, 1999 through June 30, 2000. We were able to issue an unqualified independent auditor's report on these statements.

We appreciate the courtesy and cooperation extended to us by Educational Communications Board staff during the audit.

Respectfully submitted,
JANICE MUELLER
State Auditor