



STATE OF WISCONSIN Assembly Journal

Ninety-Fifth Regular Session

TUESDAY, May 28, 2002

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

ADMINISTRATIVE RULES

Assembly Clearinghouse Rule 01–133

Relating to auditing standards, standards for accounting and review services, and standards for attestation engagements.

Submitted by Department of Regulation and Licensing.

Report received from Agency, May 10, 2002.

To committee on **Small Business and Consumer Affairs**.

Referred on May 21, 2002.

Assembly Clearinghouse Rule 02–039

Relating to child support cooperation for Wisconsin works.

Submitted by Department of Workforce Development.

Report received from Agency, May 22, 2002.

To committee on **Children and Families**.

Referred on May 28, 2002.

Assembly Clearinghouse Rule 02–040

Relating to child support cooperation for food stamps.

Submitted by Department of Workforce Development.

Report received from Agency, May 22, 2002.

To committee on **Children and Families**.

Referred on May 28, 2002.

Assembly Clearinghouse Rule 02–041

Relating to bank sales of certificates of deposit of third-party banks.

Submitted by Department of Financial Institutions.

Report received from Agency, May 22, 2002.

To committee on **Financial Institutions**.

Referred on May 28, 2002.

REFERRAL OF AGENCY REPORTS

State of Wisconsin
Investment Board
Madison

May 9, 2002

To the Honorable, the Legislature:

Pursuant to s. 25.17 (14r), Stats., I have attached copies of SWIB's recently revised Investment Guidelines and a summary of the changes.

Some of the revisions this time incorporate actions taken by the Board to implement recommendations made by outside consultants. The recommendations included restructuring the alternative investments' and private placements' portfolios, clarifying further the role of Trustees as governing fiduciaries and staff as managing fiduciaries, and creating additional internal portfolios to manage the retirement funds. Some of the revisions address concerns that the Legislative Audit Bureau raised when it conducted the biennial 1999-2000 performance audit.

Finally, we have added a new guideline that will allow SWIB to index of the smaller funds that we manage – the Patients Compensation Fund, the State Life Insurance Fund, the Local Government Property Insurance Fund and the Historical Society Fund. SWIB has the authority under the statutes and rules of the Commissioner of Insurance to invest these funds through externally managed index funds.

We have marked substantive changes or new provisions to the document. In addition, I have attached a brief summary of the changes.

If you have any questions or comments, please contact me.

Sincerely,
PATRICIA LIPTON
Executive Director

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

State of Wisconsin
Department of Administration
Madison

May 15, 2002

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 January, 2002, through March 2002 is attached.

Sincerely,
GEORGE LIGHTBOURN
Secretary

Referred to committee on **State Affairs**.

State of Wisconsin
Department of Administration
Madison

May 20, 2002

To the Honorable, the Legislature:

This report is transmitted as required by s. 20.002(11)(f), Wisconsin Statutes (for distribution to the appropriate standing committees under s. 13.172(3), Wisconsin Statutes), 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 April 2002.

On April 1, 2002 the **General Fund** balance was -\$231.1 million. This shortfall continued until April 19, 2002 when the balance reached a positive \$78.0 million. During this period, the General Fund balance reached a low of -\$359.8 million on April 10, 2002. The shortfall was due to the difference in the timing of revenues and expenditures, in combination with the overall budget shortfall.

On April 1, 2002 the **Wisconsin Health Education Loan Repayment Fund** balance was -\$3 thousand. This shortfall continued until April 12, 2002 when the balance reached a positive \$5 thousand. The shortfall was due to the difference in the timing of revenues and expenditures.

The General Fund and the Wisconsin Health Education Loan Repayment 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**.

AGENCY REPORTS

State of Wisconsin
Legislative Audit Bureau
Madison

May 22, 2002

To the Honorable, the Legislature:

We have been monitoring the construction costs of Miller Park, the stadium for the Milwaukee Brewers Baseball Club, at the request of the Joint Legislative Audit Committee. The Southeast Wisconsin Professional Baseball Park District has been responsible for overseeing the design and construction of the stadium and is currently overseeing its operations. Construction was originally anticipated to be completed by March 1, 2000, but a crane accident in July 1999 that killed three workers and caused extensive damage resulted in a one-year delay in the stadium’s opening.

Through December 2001, the District spent \$413.9 million on project construction, or \$13.4 million more than budgeted. In addition, the District spent \$14.2 million in 2001 for post-construction operations and maintenance, and it budgeted \$11.1 million for these costs in 2002.

A 30-year lease agreement between the District and the Brewers provides for the creation of a fund to pay for repairs and improvements to the stadium. The lease also requires the District to contribute \$3.85 million annually to support stadium maintenance. However, we note that public funds paid to help the Brewers support stadium maintenance costs will instead be paid to the team’s lenders. We suggest the District work with the Brewers to ensure that needed repairs and maintenance projects are completed and that the public’s investment in the project – for which we now estimate costs will total \$1.0 billion through 2030 – is adequately protected.

The District met the majority of its statutory goals for the participation of minorities and women in the stadium construction work. However, we identified several management issues regarding the District’s operations, including the use of a private skybox in the stadium, its contract with a private consulting firm that does not tie payments for stadium management services to the amount of work actually completed, and the adequacy of documentation for some expenditures. We suggest improvements be made in all of these areas.

I stand behind the accuracy of the information included in this report and the professionalism of my staff in completing this review. The District’s response is Appendix 2.

Respectfully submitted,
JANICE MUELLER
State Auditor