



# STATE OF WISCONSIN Assembly Journal

## Ninety-Sixth Regular Session

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THURSDAY, October 28, 2004

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

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### COMMITTEE REPORTS

The committee on **Education Reform** reports and recommends:

#### **Assembly Clearinghouse Rule 04-069**

Relating to prorating under the Milwaukee parental choice program.

Objection:

Ayes: 8 – Representatives Vukmir, Nass, Wieckert, J. Fitzgerald, McCormick, Towns, J. Wood and Nischke.

Noes: 2 – Representatives Sinicki and J. Lehman.

To joint committee for **review of Administrative Rules**.

*LEAH VUKMIR*  
Chairperson  
Committee on Education Reform

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The committee on **Labor** reports and recommends:

#### **Assembly Clearinghouse Rule 04-081**

Relating to prevailing wage rates on public works projects and affecting small business.

Objection:

Ayes: 5 – Representatives Nass, Vrakas, Grothman, Wieckert and Hundertmark.

Noes: 1 – Representative W. Wood.

To joint committee for **review of Administrative Rules**.

*STEPHEN NASS*  
Chairperson  
Committee on Labor

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The committee on **Transportation** reports and recommends:

#### **Assembly Clearinghouse Rule 04-057**

Relating to the Wisconsin scenic byways program.

Modifications requested:

Ayes: 11 – Representatives Ainsworth, Petrowski, Ott, Hahn, Friske, McCormick, Gottlieb, Van Roy, Honadel, Vruwink and Hebl.

Noes: 0.

Modifications requested:

Ayes: 11 – Representatives Ainsworth, Petrowski, Ott, Hahn, Friske, McCormick, Gottlieb, Van Roy, Honadel, Vruwink and Hebl.

Noes: 0.

Modifications requested:

Ayes: 11 – Representatives Ainsworth, Petrowski, Ott, Hahn, Friske, McCormick, Gottlieb, Van Roy, Honadel, Vruwink and Hebl.

Noes: 0.

Modifications requested:

Ayes: 10 – Representatives Ainsworth, Ott, Hahn, Friske, McCormick, Gottlieb, Van Roy, Honadel, Vruwink and Hebl.

Noes: 1 – Representative Petrowski.

*JOHN AINSWORTH*  
Chairperson  
Committee on Transportation

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### SPEAKER'S APPOINTMENTS

October 14, 2004

Mr. Patrick Fuller, Chief Clerk  
Wisconsin State Assembly  
Room 208, Risser Justice Center  
17 West Main Street  
Madison, Wisconsin 53708

Dear Patrick:

I have appointed Representative Nass as the vice-chair of the Assembly Committee on Education Reform.

Sincerely,  
*JOHN G. GARD*  
Speaker

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October 14, 2004

Representative Leah Vukmir  
307 North  
State Capitol  
Madison, Wisconsin

Dear Representative Vukmir:

Representative Jeff Fitzgerald will be replacing Representative Luther Olsen at the October 20th meeting of the Education Reform Committee.

Sincerely,  
*JOHN G. GARD*  
Speaker

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## REFERRAL OF AGENCY REPORTS

State of Wisconsin  
Department of Health and Family Services  
Madison

October 6, 2004

To the Honorable, the Legislature:

Recently Governor Doyle announced his KidsFirst agenda, which prioritizes a number of initiatives to improve the lives of our state's children. A major component of KidsFirst is to ensure that kids are safe at home through comprehensive efforts to recruit and support quality foster and adoptive homes, improve child welfare services, and reduce family violence. As part of these efforts the Department of Health and Family Services will establish a statewide system of quality assurance and accountability and conduct proactive reviews of child protective services. These reviews will be designed to promote best practices that result in successful outcomes for children and families.

High quality data and reporting on child abuse and neglect is a key component of an effective statewide quality assurance system. Reports like the attached Child Abuse and Neglect Report for CY 2002 provide the Department with statistical data that improves our ability to analyze statewide performance outcomes in child welfare. In addition DHFS has rolled out a statewide automated child welfare information system that expands the type of child welfare data collected and improves the timeliness and accuracy of the data. The data in the attached report reflects the partial implementation of WiSACWIS in CY 2002. For future reports, WiSACWIS will provide more robust information on child safety and enhance the Department's ability to provide in-depth child abuse and neglect reports.

In addition to the KidsFirst initiatives, the Department is beginning its two-year Program Enhancement Plan to enhance Wisconsin's child welfare program. This is a comprehensive plan for child welfare in Wisconsin in response to findings from the federal Child and Family Services Review conducted in August 2003. Developed in close collaboration with key stakeholders, including county

child welfare agency representatives, the plan addresses factors contributing to child safety, permanency and well being. It includes 20 action steps that will further enhance child welfare program outcomes, child welfare program capacity and state performance on national standards.

The Department is aggressively working to advance all of our initiatives to protect Wisconsin's children and intervene when they are abused and/or neglected. You can find additional information on other initiatives related to child safety and KidsFirst on our website at [www.dhfs.state.wi.us](http://www.dhfs.state.wi.us). For the complete KidsFirst agenda visit the Governors website at [www.wisgov.state.wi.us](http://www.wisgov.state.wi.us).

Sincerely,  
*HELENE NELSON*  
Secretary

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

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State of Wisconsin  
Public Service Commission  
Madison

October 13, 2004

To the Honorable, the Legislature:

The enclosed audit report on Alliant Energy Corporation and its impact on the operations of Wisconsin Power Company and Wisconsin Gas Company was prepared as required by Wis. Stat. § 196.795 (7)(ar) for distribution to the Legislature under Wis. Stat. § 13.172 (2).

If you have any questions or comments about the report please contact Ms. Jodee Bartels of the Commission staff at (608) 267-9859.

Sincerely,  
*LYNDA L. DORR*  
Secretary to the Commission

Referred to committee on **Energy and Utilities**.

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State of Wisconsin  
Department of Administration  
Madison

October 15, 2004

To the Honorable, the Legislature:

Attached please find the Department of Administration's contractual service procurement report for fiscal year 2004 pursuant to Section 16.705(8), Wis. Stats.

Your review of this report may benefit from understanding the historical context of State contracting. During the 1990's, State government in Wisconsin grew at an unprecedented rate. Consistent with this, State contracting (excluding the University of Wisconsin System) grew by 123% between FY94 and FY03 (127% including the UW System).

Upon taking office in 2003, Governor Doyle directed his Cabinet to be conscientious about contracting for services. I

am pleased to report that State agencies reduced the overall amount spent on contracting by almost 6%, or \$32 million, between fiscal years 2003 and 2004 (a 0.5% reduction including UW System expenditures).

The Doyle Administration is thinking strategically about how the state contracts for good and services. For example, Governor Doyle ordered that information technology (IT) contracts be scrutinized and that the State take an enterprise-wide look at how it spends its resources. This resulted in a decrease in State agency IT contracts of more than 24%, or \$20.7 million, from 2003 to 2004. During the same period, UW System IT expenditures increased by 13.5% bringing the reduction in overall State IT contracting to 23%.

Moving forward, the State will continue to look strategically at how it contracts for goods and services in all areas and on an enterprise-wide basis. The Governor has directed that:

- \* The State streamline its contracting processes and procurement organization to make it more efficient, effective and responsive.
- \* The State deploy the needed IT systems to allow for tracking and monitoring of all state contracts. This will allow the State to find opportunities to consolidate; eliminate or re-bid contracts to save taxpayer dollars. Additionally, it will allow adequate protections to be implemented to ensure that the terms of the contracts are properly carried out.
- \* When making contracting decisions, agencies must complete a uniform, rigorous cost-benefit analysis taking into account all relevant factors including quality and nature of services required, capacity and expertise of the State workforce, whether the work is a core service of State government, and whether it is a short-term service or an on-going need. While most agencies already do this, a greater level of consistency is needed.

In closing, this is the first contractual service procurement report submitted since fiscal year 1999. At that time, the system that generated the report provided a detailed, enterprise-wide view of all state procurements. Unfortunately, the IT system that captured the procurement data necessary to generate these reports was non-Y2K compliant and was never replaced.

The fiscal year 2004 report was generated using WiSMART, the state's accounting system. WiSMART was not designed to track detailed procurement information, but can provide a general view of expenditures for contractual services. DOA believes that a detailed, enterprise-wide view of state purchases of goods and services is essential to sound management of State operations. We are currently reviewing options that will enable the State to capture again more definitive procurement data for the entire enterprise. This will allow the State of Wisconsin to have the tools needed to purchase goods and services in a cost-effective manner, thereby realizing potential savings to the State consistent with business needs.

If you have questions about this report, please direct them to Patrick Farley in the Department of Administration, Division of State Agency Services at 266-0779.

Sincerely,  
*MARC J. MAROTTA*  
Secretary

Referred to committee on **Government Operations and Spending Limitations.**

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State of Wisconsin  
Medical College of Wisconsin  
Milwaukee

October 15, 2004

To the Honorable, the Legislature:

Enclosed is the biennial report of the Medical College of Wisconsin, prepared according to the statutory requirement under section 13.106. This report covers the period ending June 30, 2004, for the Department of Family Medicine and contains information in the following areas:

- \* Financial status of a family practice residency sites
- \* Number of family practice residents choosing to practice in medically underserved areas of the state upon graduation.
- \* Number of graduates entering family practice as a career.

Please feel free to contact me at 414-456-8217 if you have any questions or would like additional information.

Sincerely,  
*KATHRYN A. KUHN*  
Director of Government Affairs

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

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State of Wisconsin  
Department of Administration  
Madison

October 19, 2004

To the Honorable, the Legislature:

Chapter 34, Laws of 1979, requires that when the Department of Administration maintains an office in Washington, D.C., 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-October 2004 is attached.

Sincerely,  
*MARC J. MAROTTA*  
Secretary

Referred to committee on **State Affairs.**

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**AGENCY REPORTS**

State of Wisconsin  
Legislative Audit Bureau  
Madison

October 12, 2004

To the Honorable, the Legislature:

As required by s. 13.94 (1)(de), Wis. Stats., we have completed a financial audit of the Injured Patients and Families Compensation Fund (formerly the Patients Compensation Fund), which insures health care providers in Wisconsin against medical malpractice claims that exceed the primary malpractice insurance thresholds established in statute. We have provided an unqualified auditor's report on the Fund's financial statements for fiscal years ending June 30, 2003, 2002, and 2001. However, we highlight the uncertainty involved in estimating and reporting future loss liabilities.

As noted in our 2001 audit, interest groups continue to raise concerns about the conservative nature of the actuarial estimates of the Fund's loss liabilities, as evidenced by the actuary's annual reductions in past estimates and an accumulation of cash and investments totaling \$658.9 million as of June 30, 2003. However, more than three years after we recommended that the Office of the Commissioner of Insurance contract for an audit of the actuarial methods and assumptions used in estimating the Fund's loss liabilities, an actuarial audit has not been completed. The Office concluded that a draft report prepared by the contractor in 2002 was not acceptable, and it is in the process of contracting with another vendor. We include a recommendation that the Office report to the Joint Legislative Audit Committee on the status and results of the actuarial audit by November 30, 2004.

The Fund's computerized provider system, which tracks and accounts for its operations, is aging and experiencing errors that require daily manual reviews and adjustments to correct. The condition of the system is likely to worsen, resulting in increased risk to the Fund's financial operations and additional efforts to keep the system operational. The Office is pursuing incremental enhancements to keep the system operational.

We appreciate the courtesy and cooperation extended to us by the staff of the Office of the Commissioner of Insurance and the contractors who assist in administering the Injured Patients and Families Compensation Fund program. A response from the Office's Assistant Deputy Commissioner follows the appendix.

Respectfully submitted,  
*JANICE MUELLER*  
State Auditor

State of Wisconsin  
Department of Administration  
Madison

October 15, 2004

To the Honorable, the Legislature:

This report presents statements of fund condition and operations (budgetary basis) of the State of Wisconsin for the fiscal year ended June 30, 2004. This satisfies the requirements of sec. 16.40 (3), Wisconsin Statutes. Displayed are major sources of revenues and major categories of expenditures for the General Fund and other funds compared to the prior year.

The General Fund has an undesignated balance of \$105.2 million as of the end of the fiscal year. This is \$28.2 million lower than the balance of 133.4 million projected in the final Chapter 20 appropriation schedule, and a \$387.4 million improvement in the \$282.2 million deficit at the start of the fiscal year. The slightly lower ending balance was due to higher tax collections and higher payments for income tax credits combined with shifts in expenditures within the biennium.

General-purpose revenue taxes were \$10.7 billion compared to \$10.2 billion in the prior year, an increase of \$539.6 million or 5.3 percent. This increase was \$69.3 million above the Legislative Fiscal Bureau February 2004 estimate of \$10.670 billion. General-purpose revenue expenditures, excluding fund transfers, were \$10.661 billion compared to \$11.033 billion in the prior year, a decrease of \$372 million or 3.4 percent.

In fiscal year 2004, the State of Wisconsin continued to devote the major share of state tax collections to assistance to local school districts, municipalities and counties. Local assistance accounted for 61.0 percent of total general purpose revenue spending. Aid payments to individuals and organizations represented 15.1 percent of total general purpose revenue expenditures. The University of Wisconsin accounted for 8.8 percent of total general purpose revenue spending and state operations spending for all other state agencies accounted for 15.1 percent of the total. Wisconsin, along with many other states, continues to struggle with Medicaid costs and insufficient federal revenues. Indicative of that problem it should be noted that the Medical Assistance Trust Fund had a \$195.6 million deficit that may eventually need to be financed by the General Fund.

The State of Wisconsin expects to publish its comprehensive annual financial report in December of 2004. The report will be prepared under generally accepted accounting principles.

Respectfully submitted,  
*MARC J. MAROTTA*  
Secretary

*WILLIAM J. RAFTERY, CPA*  
State Controller