



STATE OF WISCONSIN Assembly Journal

Ninety-Seventh Regular Session

TUESDAY, May 17, 2005

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

AMENDMENTS OFFERED

Assembly amendment 2 to **Assembly Bill 52** offered by committee on **Ways and Means**.

Assembly amendment 1 to Assembly substitute amendment 1 to **Assembly Bill 69** offered by Representative Kessler.

Assembly substitute amendment 1 to **Assembly Bill 129** offered by committee on **Ways and Means**.

Assembly amendment 1 to **Assembly Bill 198** offered by Representative Ziegelbauer.

Assembly amendment 3 to **Assembly Bill 211** offered by Representatives Gottlieb and Seidel.

Assembly amendment 1 to **Assembly Bill 217** offered by Representative Hines.

Assembly substitute amendment 1 to **Assembly Bill 218** offered by Representative Hines.

Assembly amendment 1 to **Assembly Bill 230** offered by Representative Ainsworth.

Assembly substitute amendment 1 to **Assembly Bill 259** offered by Representative Gielow.

Assembly amendment 1 to **Senate Bill 194** offered by Representative Albers.

Assembly amendment 2 to **Senate Bill 194** offered by Representative Albers.

ADMINISTRATIVE RULES

Assembly Clearinghouse Rule 04–107

Relating to implementing general and registration air permit program as required by [2003 Wisconsin Act 118](#).

Submitted by Department of Natural Resources.

Report received from Agency, May 11, 2005.

To committee on **Natural Resources**.

Referred on May 17, 2005.

Assembly Clearinghouse Rule 05–004

Relating to the payment program for damage caused by endangered and threatened species of wildlife and gray wolves to hunting dogs and pets.

Submitted by Department of Natural Resources.

Report received from Agency, May 11, 2005.

To committee on **Natural Resources**.

Referred on May 17, 2005.

Assembly Clearinghouse Rule 05–005

Relating to the payment program for damage caused by endangered and threatened species of wildlife and gray wolves to livestock.

Submitted by Department of Natural Resources.

Report received from Agency, May 11, 2005.

To committee on **Natural Resources**.

Referred on May 17, 2005.

INTRODUCTION AND REFERENCE OF PROPOSALS

Read first time and referred:

Assembly Bill 428

Relating to: deletion of changes to campaign finance and related laws made by [2001 Wisconsin Act 109](#).

By committee on Campaigns and Elections.

To committee on **Campaigns and Elections**.

Assembly Bill 429

Relating to: deletion of changes to campaign finance and related laws made by [2001 Wisconsin Act 109](#) affecting public information concerning the Wisconsin election campaign fund.

By committee on Campaigns and Elections.

To committee on **Campaigns and Elections**.

Assembly Bill 430

Relating to: classifying certain food service workers employed by the state as protective occupation participants under the Wisconsin Retirement System.

By Representatives Suder, Albers, Boyle, Hines and Musser.

To joint survey committee on **Retirement Systems**.

COMMITTEE REPORTS

The committee on **Campaigns and Elections** reports and recommends:

Assembly Bill 377

Relating to: absentee balloting by certain military electors.

Passage:

Ayes: 3 – Representatives Freese, Gundrum and Vos.

Noes: 2 – Representatives Travis and Kessler.

To committee on **Rules**.

STEPHEN FREESE
Chairperson
Committee on Campaigns and Elections

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

Assembly Bill 123

Relating to: supplementing special education funding with lapsed student achievement guarantee contract moneys and making an appropriation.

Assembly Amendment 1 to Assembly Substitute Amendment 1 adoption:

Ayes: 7 – Representatives Towns, Kestell, Nass, Hundertmark, Townsend, Hines and Davis.

Noes: 4 – Representatives Lehman, Ziegelbauer, Pope–Roberts and Van Akkeren.

Assembly Substitute Amendment 1 adoption:

Ayes: 7 – Representatives Towns, Kestell, Nass, Hundertmark, Townsend, Hines and Davis.

Noes: 4 – Representatives Lehman, Ziegelbauer, Pope–Roberts and Van Akkeren.

Passage as amended:

Ayes: 7 – Representatives Towns, Kestell, Nass, Hundertmark, Townsend, Hines and Davis.

Noes: 4 – Representatives Lehman, Ziegelbauer, Pope–Roberts and Van Akkeren.

To joint committee on **Finance**.

Senate Bill 68

Relating to: supplementing special education funding with lapsed student achievement guarantee contract moneys and making an appropriation.

Assembly Amendment 1 adoption:

Ayes: 7 – Representatives Towns, Kestell, Nass, Hundertmark, Townsend, Hines and Davis.

Noes: 4 – Representatives Lehman, Ziegelbauer, Pope–Roberts and Van Akkeren.

Concurrence as amended:

Ayes: 7 – Representatives Towns, Kestell, Nass, Hundertmark, Townsend, Hines and Davis.

Noes: 4 – Representatives Lehman, Ziegelbauer, Pope–Roberts and Van Akkeren.

To joint committee on **Finance**.

DEBRA TOWNS
Chairperson
Committee on Education

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

Assembly Bill 122

Relating to: Medical Assistance reimbursement for transportation by specialized medical vehicle.

Passage:

Ayes: 12 – Representatives Underheim, Vukmir, Gielow, Wieckert, Hundertmark, Strachota, Moulton, Wasserman, Shilling, Vruwink, Benedict and Nelson.

Noes: 0.

To committee on **Rules**.

Senate Bill 73

Relating to: creating the option to make an anatomical gift as part of a living will and eliminating the designation of a specific physician to perform transplantation.

Concurrence:

Ayes: 12 – Representatives Underheim, Vukmir, Gielow, Wieckert, Hundertmark, Strachota, Moulton, Wasserman, Shilling, Vruwink, Benedict and Nelson.

Noes: 0.

To committee on **Rules**.

GREGG UNDERHEIM
Chairperson
Committee on Health

MESSAGE FROM THE SENATE

From: Robert J. Marchant, Senate Chief Clerk.

Mr. Speaker:

I am directed to inform you that the Senate has

Passed and asks concurrence in:

Senate Bill 194

ACTION ON THE SENATE MESSAGE

Senate Bill 194

Relating to: the involvement of military base commanders with local zoning entities; creating a council on military and state relations; and requiring a seller of real property to disclose its proximity to the boundaries of a military installation.

By Senators Brown and Schultz; cosponsored by Representatives Musser and Gunderson.

To committee on **Rules**.

May 16, 2005

ENROLLED BILLS

The following Assembly proposals, which have been approved by both the Assembly and Senate, have been enrolled by the Legislative Reference Bureau:

Assembly Bill 49
Assembly Bill 197
Assembly Bill 261

PATRICK E. FULLER
Assembly Chief Clerk

Mr. Patrick Fuller
Assembly Chief Clerk
208 Risser Justice Center
Madison, WI 53707

Dear Chief Clerk Fuller:

Please add my name as a co-sponsor to Assembly Bill 420. If you have any questions, please feel free to contact my office. Thank you.

Sincerely,
SCOTT GUNDERSON
State Representative
83rd Assembly District

COMMUNICATIONS

May 13, 2005

Patrick E. Fuller, Assembly Chief Clerk
17 West Main Street, Room 208
Post Office Box 8952
Madison, Wisconsin 53708-8952

Dear Mr. Chief Clerk:

Please remove my name from the list of co-sponsors on Assembly Bill 361. Please feel free to contact me if you have any questions.

Thank you,
KARL VAN ROY
90th Assembly District

May 13, 2005

Mr. Patrick Fuller
Assembly Chief Clerk
208 Risser Justice Center
Madison, WI 53707

Dear Mr. Fuller:

I write to request that you add my name as a co-sponsor of Assembly Bill 186, relating to state procurement of contractual services. Assembly Bill 186 is being sponsored by Representative Mark Pocan. For your information, I have already been added as a co-sponsor of the Senate companion bill, Senate Bill 98.

Thank you for your assistance in this matter. If you have any questions, please contact my office directly.

Sincerely,
SENATOR SPENCER COGGS
6th Senate District

AGENCY REPORTS

State of Wisconsin
Legislative Audit Bureau
Madison

May 13, 2005

To the Honorable, the Legislature:

We have completed an annual financial audit of the Department of Employee Trust Funds, as requested by the Department and to fulfill our audit requirements under s. 13.94(1)(dd), Wis. Stats. The audit covered calendar year 2003. The statements and our unqualified opinion on them are included in the Department's recently issued financial report, which provides information on the financial position and activity of various benefit programs available to public employees.

Most of the Department's programs reported positive financial results in 2003. The State's issuance of appropriation bonds at the end of 2003 to finance payment of its liabilities for the Wisconsin Retirement System (WRS) and the Accumulated Sick Leave Conversion Credit program significantly improved the financial position of both of these programs. However, employers have experienced recent increases in WRS contribution rates as a result of investment experience and benefit changes. The maturation of the WRS presents challenges for management of the system in the future.

In 2002, the Department began work on a new benefit payment system. However, after experiencing ongoing difficulties and delays in the project and incurring \$3.9 million in costs, the Department terminated contracts for the development of the new system in 2004. Subsequently, it contracted with another consulting firm, at a contract amount of \$198,000, to assess the project. Several contributing factors were identified, including inadequate project management by the Department, insufficient technical skills by the project team, and failure by an external project monitoring firm to complete its intended role. In February 2005, the Department contracted with a new firm, at a contract amount of \$4.5 million, to implement the new payment system incrementally.

Finally, accompanying this letter is a management letter we provided to the Department, which includes an auditor's report on internal control and compliance, as required by Government Auditing Standards. We did not identify any control or compliance concerns required to be reported under these standards.

We appreciate the courtesy and cooperation extended to us by the Department's staff during our audit.

Sincerely,
JANICE MUELLER
State Auditor

State of Wisconsin
Legislative Audit Bureau
Madison

May 17, 2005

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 (FY) 2003-04. HIRSP provides medical and prescription drug insurance for almost 19,000 policyholders who are unable to obtain coverage in the private market or who lost employer-sponsored group health insurance. We have provided an unqualified opinion on HIRSP's financial statements.

HIRSP's financial position continued to improve during FY 2003-04. After several years of accounting deficits, the program had a positive accounting balance at June 30, 2004. The program's unrestricted net asset balance was \$6.8 million

on June 30, 2004. Policyholder enrollment continued to increase during our audit period, with an increase of 8.1 percent. However, we note that growth in enrollment has slowed in the first nine months of FY 2004-05.

Net claims costs increased by 21.0 percent during FY 2003-04. In response to increasing program costs, DHFS and HIRSP's Board of Governors increased the usual and customary discounts applied to medical bills. This had the effect of reducing the amount of program costs shared by policyholders, insurers, and health care providers. Further, proposed statutory changes to address a technical issue in HIRSP's statutory funding formula are included in the 2005-07 biennial budget bill, 2005 Assembly Bill 100.

We identified two types of claims errors during our audit. First, pharmacy claims totaling \$210,689 were inappropriately paid on behalf of 302 terminated policyholders. DHFS has withheld payment to the former plan administrator for the inappropriate payments. Second, policyholder deductibles were not consistently carried forward between calendar years, as required by statute. As a result, 1,582 policyholders overpaid their deductibles by a total of \$327,699. We recommend that DHFS take steps to provide refunds to policyholders who have overpaid their deductibles and ensure that the new plan administrator that began administering HIRSP in April establishes procedures to properly apply deductibles between years.

We appreciate the courtesy and cooperation extended to us by DHFS and the plan administrator for HIRSP. A response from DHFS follows the appendix.

Respectfully submitted,
JANICE MUELLER
State Auditor