



# STATE OF WISCONSIN Assembly Journal

## Ninety-Eighth Regular Session

THURSDAY, October 16, 2008

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

### COMMUNICATIONS

State of Wisconsin  
Legislative Reference Bureau  
Madison

**DATE:** September 30, 2008

**TO:** Patrick E. Fuller  
Assembly Chief Clerk

Robert Marchant  
Senate Chief Clerk

**FROM:** Bruce J. Hoesly  
Code Editor

**SUBJECT:** Rules published in the September 30, 2008,  
Wisconsin Administrative Register, No. 633.

The following rules have been published:

Clearinghouse Rule 07-100	effective	10-01-2008
Clearinghouse Rule 07-103	effective	10-01-2008
Clearinghouse Rule 08-011	effective	02-01-2009
Clearinghouse Rule 08-014	effective	10-01-2008
Clearinghouse Rule 08-038	effective	10-01-2008
Clearinghouse Rule 08-041	effective	10-01-2008

### REFERRAL OF AGENCY REPORTS

State of Wisconsin  
Department of Natural Resources  
Madison

September 26, 2008

To the Honorable, the Legislature:

Attached to this letter is the Environmental Improvement Fund Biennial Finance Plan for the 2009-2011 biennium. Environmental Improvement Fund program legislation (s. 281.59(3), Wis. Stats.) requires the Department of Natural Resources and the Department of Administration to submit the first version of the Biennial Finance Plan to the Legislature and to the State Building Commission. The

purpose of the plan is to provide information on loan, loan subsidy, and bonding levels for program operations in the 2009-2011 biennium.

If you have any questions regarding the Biennial Finance Plan, please contact Robert Ramharter at 266-3915 or Michael Wolff at 267-2734.

Sincerely,  
*DEBRA K. MARTINELLI*  
Bureau Director

Referred to committee on **Natural Resources**.

State of Wisconsin  
Department of Administration  
Madison

September 30, 2008

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 cash balances during the month of August 2008.

On August 6, 2008, the General Fund cash balance closed at a negative \$74.3 million (its intra-month low). This negative balance continued through August 11, 2008, when the fund's cash balance closed at a positive \$34.4 million. The negative balance was due to the difference in the timing of revenues and expenditures.

On August 20, 2008, the Utility Public Benefits Fund cash balance closed at a negative \$2.6 million. This negative balance continued through August 31, 2008, when the fund's cash balance closed at a negative \$2.7 million (its intra-month low). The negative balance was due to a delayed cash transfer.

On August 1, 2008, the Injured Patients and Families Compensation Fund cash balance closed at a negative \$153.1 million (its intra-month low). This negative balance continued through August 31, 2008, when the fund's cash balance closed at a negative \$140.7 million. The negative balance was due to the transfer of \$200 million to the Medical Assistance Trust Fund per 2007 Wisconsin Act 20, and the

pending liquidation of fund securities necessary to offset this shortfall.

On August 1, 2008, the University Trust Fund - Principal cash balance closed at a negative \$4.3 million (its intra-month low). This negative balance continued through August 13, 2008, when the fund's cash balance closed at a positive \$6.3 million. The negative balance was due to an accounting error that was corrected in August.

The General Fund, Utility Public Benefits Fund, Injured Patients and Families Compensation Fund, and University Trust Fund - Principal shortfalls were not in excess of the statutory interfund borrowing limitations 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 and, as a result, the funds requiring the use of the authority will effectively bear the interest cost.

Sincerely,  
*MICHAEL L. MORGAN*  
Secretary

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

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State of Wisconsin  
Supreme Court of Wisconsin  
Madison

October 1, 2008

To the Honorable, the Legislature:

Pursuant to s. 758.19(5)(i), Wis. Stats., the information reported to the Director of State Courts under ss. 758.19(5)(e) and 758.19(6)(d), Wis. Stats., by Wisconsin's counties has been compiled and is herein submitted. Under ss. 758.19(5)(e) and 758.19(6)(d), Wis. Stats., each county is required to submit an annual report to the Director of State Courts which provides information on the actual amount expended in the previous calendar year for court costs relating to the circuit court support and the guardian ad litem payment programs. Statutes prohibit the Director of State Courts from requiring counties to submit audited annual reports to ensure accurate, uniform information. As a result, due to the differing and inconsistent accounting practices among and within counties, the following reported expenditures are not comparable among counties.

Sincerely,  
*A. JOHN VOELKER*  
Director of State Courts

Referred to committee on **Children and Family Law**.

State of Wisconsin  
Department of Health Services  
Madison

October 1, 2008

To the Honorable, the Legislature:

The Department of Health Services operates BadgerCare under section 49.665 of the Wisconsin Statutes. Under this section of the statutes the Wisconsin Legislature requires the Department to submit a report summarizing the BadgerCare program and its progress. This submission fulfills that legislative requirement.

BadgerCare was established under the terms of the federal State Children's Health Insurance Program (SCHIP) enacted through the federal budget of 1997. The SCHIP program provided states with the options of creating a new independent program to insure children or to expand the state's existing Medicaid program. The Wisconsin Legislature created BadgerCare as a SCHIP Medicaid expansion program under [1997 WI Act 27](#).

The Department implemented BadgerCare Plus in February 2008 as authorized under section 49.471. BadgerCare Plus merges Family Medicaid, BadgerCare, and Healthy Start to form a comprehensive health insurance program for low income children and families to help ensure that 98% of Wisconsin's citizens have access to health care. The program provides coverage for more members while simplifying the program and promoting prevention and healthy behaviors.

Enrollment and expenditure data, reported below for SFY08, shows both BadgerCare and BadgerCare Plus programs separately. Enrollment simplification implemented with BadgerCare Plus makes it difficult to identify BadgerCare Plus members made eligible under the enrollment rules of BadgerCare. Thus the department has determined that data on all BadgerCare Plus members, beginning February 2008, is pertinent information for this report.

BadgerCare leverages significant amounts of federal funding for health care coverage of eligible Wisconsin residents.

Wisconsin is leading the nation in streamlining health care eligibility by making BadgerCare Plus more efficient and less costly to administer. We look forward to keeping Wisconsin on the cutting edge of quality and efficient health care coverage for those in need.

Sincerely,  
*JASON A. HELGERSON*  
Medicaid Director

Referred to committee on **Health and Healthcare Reform**.

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State of Wisconsin  
Department of Commerce  
Madison

October 2, 2008

To the Honorable, the Legislature:

The Department of Commerce is pleased to present the first annual report on economic development programs. The

report was a result of Act 125 which was signed into law on March 20, 2008.

The objective of the annual report is to provide efficiency, transparency, accountability and accessibility of information for state economic development programs. In addition the report provides standardization and strengthening of all economic program data.

To ensure ease of accessibility the Department of Commerce is hosting the Economic Development Programs Report on our website and the report is located at [www.commerce.state.wi.us/bd/BD-Act125-2008.html](http://www.commerce.state.wi.us/bd/BD-Act125-2008.html).

The audit required that by October 1 of each year, each agency submit a comprehensive report assessing the economic development programs it administers to the Joint Legislative Audit Committee and the appropriate standing committees of the Assembly and the Senate. Among the reporting requirements were the establishment of clear and measurable performance goals for each economic development program and the establishment of at least one performance measurement benchmark for each goal. Commerce was given the responsibility of coordinating the information of all entities and for making sure that the information is readily accessible to the public on an Internet-based system.

I hope that the legislators and the citizens of our state find the report helpful.

Sincerely,  
*AARON OLVER*  
Deputy Secretary

Referred to committee on **Jobs and the Economy**.

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State of Wisconsin  
Office of State Employment Relations  
Madison

October 3, 2008

To the Honorable, the Legislature:

I am pleased to forward the Fiscal Year 2008 report on employment of participants of the Wisconsin Works (W-2) program. Included in this report are the number of W-2 job seekers employed by each state agency and the classification of each position filled from July 1, 2007, through June 30, 2008. Of the 2,427 new hires to state employment, 217, or 8.9 percent were W-2 hires. This exceeds the state's hiring goal of .55 percent.

Attached is a copy of the W-2 Hiring Report. Please contact Jennifer Gebert at (608) 267-2155 or email

[Jennifer.Gebert@wisconsin.gov](mailto:Jennifer.Gebert@wisconsin.gov) if you have questions or need additional information regarding this report.

Sincerely,  
*JENNIFER DONNELLY*  
Director

Referred to committee on **Children and Family Law**.

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## AGENCY REPORTS

State of Wisconsin  
Legislative Audit Bureau  
Madison

October 2, 2008

To the Honorable, the Assembly:

We have completed a review of the Department of Administration's (DOA's) oversight of a contract for print and mail staffing services, which we initiated in response to a complaint reported on the fraud, waste, and mismanagement hotline established by [2007 Wisconsin Act 126](#).

The complaint alleged that DOA was not exercising adequate oversight of contract staff provided by Spherion Corporation, whose employees filled 34.0 of 58.0 full-time equivalent positions in DOA's Bureau of Publishing and Distribution as of June 2008. We did not substantiate any allegations related to workplace safety concerns, a hostile work environment, and fraudulent time recording by contract staff. However, our report includes both a recommendation for DOA to recalculate its cost-benefit analysis related to print and mail service staffing and several strategies to better control state costs associated with DOA's print and mail services.

In fiscal year (FY) 2007-08, DOA spent \$20.4 million on print and mail services, including \$1.7 million paid to Spherion for staffing services. The current contract with Spherion will expire on June 30, 2009, and DOA has begun preparations to solicit bids in October or November 2008. Using a cost-benefit model developed by DOA, we estimate that as much as \$616,500 could be saved in the five-year period from FY 2009-10 through FY 2013-14 if state staff filled all print and mail positions currently filled by contract staff. However, contract costs will be difficult to estimate until DOA has received vendors' bids, and the actual cost of adding state staff is difficult to estimate because of the uncertainty of future salary, fringe benefit, and recruiting costs.

If DOA chooses to continue to contract for some or all print and mail staff in the future, we recommend formalizing billing procedures for supervisory staff, prohibiting the contractor from billing for time new contract staff are trained in the operation of printing and other equipment, and including in the contract standard provisions to impose damages if confidential information is disclosed.

We appreciate the courtesy and cooperation extended to us by DOA and Spherion in conducting this review.

Sincerely,  
*JANICE MUELLER*  
State Auditor

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State of Wisconsin  
Legislative Audit Bureau  
Madison

October 8, 2008

To the Honorable, the Assembly:

We have completed financial audits of Mendota and Winnebago Mental Health Institutes for the period July 1, 2006, through June 30, 2007. The audits were requested by the Department of Health Services (formerly the Department of Health and Family Services) to comply with requirements of the Joint Commission on Accreditation of Healthcare Organizations. We were able to express an unqualified opinion on each Institute's financial statements.

Mendota and Winnebago Mental Health Institutes are licensed and accredited hospitals that provide specialized diagnostic, evaluation, and treatment services for mentally ill children and adults. The Institutes also provide services to forensic patients referred to them through the criminal justice system. The Institutes are funded through a mix of general purpose revenue and program revenue.

In FY 2006-07, each Institute reported an operating loss of \$3.7 million, in part because operating expenses increased at a faster pace than operating revenues. Salaries and fringe benefit expenses, which were the largest expenditure category at each Institute, increased by \$5.7 million at Mendota and \$3.5 million at Winnebago. To help address the Institutes' operating losses, the Department increased daily patient rates by 9.5 percent at each Institute effective on October 15, 2007, and approved increases of 9.5 percent at Mendota and 11 percent at Winnebago to be effective October 12, 2008.

Mendota's overall net assets increased by \$1.5 million, while Winnebago's declined by \$2.6 million for FY 2006-07. Mendota's increase in net assets is primarily attributable to proceeds from the sale of general purpose revenue funded bonds, which it received to install equipment to reduce air pollution at the power plant it operates.

We continued to monitor the status of prior-year concerns related to the administration of approximately \$476,000 in client funds by the Program of Assertive Community Treatment, an outpatient unit of Mendota. In our Report on Internal Control and Compliance, we report that the Department has taken some steps to improve controls subsequent to our audit period. However, we still noted concerns during FY 2006-07.

We appreciate the courtesy and cooperation extended to us by Department of Health Services staff during our audit. A response from the Department follows our report.

Respectfully Submitted,  
*JANICE MUELLER*  
State Auditor