



# STATE OF WISCONSIN

# Assembly Journal

## Ninety-Eighth Regular Session

FRIDAY, October 31, 2008

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

### REFERRAL OF AGENCY REPORTS

State of Wisconsin  
Medical College of Wisconsin  
Madison

October 14, 2008

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 contains information in the following areas:

- The financial status of the family practice residency sites.
- The number of family practice residents choosing to practice in medically underserved areas of the state upon graduation.
- The number of graduates entering family practice as a career.

Please feel free to contact me at (414-955-8217) if you have any questions or would like additional information.

Sincerely,  
*KATHRYN A. KUHN*  
Associate V.P.  
Government Affairs

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

State of Wisconsin  
Department of Administration  
Madison

October 15, 2008

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, 2008. 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 \$130.7 million as of the end of the fiscal year. This is \$50.2 million higher than the balance of \$80.5 million projected in the estimate for [2007 Wisconsin Act 226](#). The higher ending balance was due to tax collections exceeding estimates for the fiscal year made in February 2008.

General-purpose revenue taxes were \$13.043 billion compared to \$12.618 billion in the prior year, an increase of \$425 million or 3.4 percent. This increase was \$174.6 million higher than the [2007 Wisconsin Act 226](#) estimate of \$12.868 billion. General-purpose revenue expenditures, excluding fund transfers, were \$13.526 billion compared to \$13.105 billion in the prior year, an increase of \$421 million or 3.2 percent. This increase reflects funding associated with continuing support for two-thirds of local school costs, including associated increases in school levy tax credits, as well as increased higher education financial aid and child care assistance.

In fiscal year 2008, 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 55.8 percent of total general purpose revenue spending. Aid payments to individuals and organizations represented 20.7 percent of total general purpose revenue expenditures. The University of Wisconsin accounted for 7.8 percent of total general purpose revenue spending and state operations spending for all other state agencies accounted for 15.7 percent of the total.

The State of Wisconsin expects to publish its comprehensive annual financial report in December of 2008. The report will be prepared under generally accepted accounting principles.

Sincerely,  
*MICHAEL L. MORGAN*  
Secretary  
*STEPHEN J. CENSKY, CPA*  
State Controller

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

State of Wisconsin  
Office of the Commissioner of Insurance  
Madison

October 15, 2008

To the Honorable, the Legislature:

Pursuant to s. [601.423](#) Wis. Stats., I am submitting a social and financial report on Senate Bill 88, relating to requiring health

insurance coverage of hearing aids and cochlear implants for infants and young children.

Please contact Eileen Mallow at 266-7843 or Jennifer Stegall at 267-7911 if you have any questions regarding this report.

Sincerely,  
*SEAN DILWEG*  
Commissioner

Referred to committee on **Insurance**.

---

State of Wisconsin  
Department of Administration  
Madison

October 15, 2008

To the Honorable, the Legislature:

Included with this correspondence, I am submitting the report from the Department of Administration, Division of Gaming (Gaming), for the first quarter of fiscal year 2009 (July 1, 2008 through September 30, 2008). As required by s. [562.02\(1\)\(g\)](#), Wis. Stats., the attached materials contain pari-mutuel wagering and racing statistical information, as well as the revenues for the program areas of Racing, Charitable Gaming, Bingo and Indian Gaming.

If you have any questions or comments regarding this report, please do not hesitate to contact Rachel Meek at (608) 270-2535.

Sincerely,  
*ROBERT W. SLOEY*  
Administrator

Referred to committee on **State Affairs**.

---

State of Wisconsin  
Department of Revenue  
Madison

October 23, 2008

To the Honorable, the Legislature:

I am submitting the quarterly report of the Wisconsin Lottery for the quarter ending September 30, 2008. As required by s. [565.37\(3\)](#), Wis. Stats., the attached materials contain unaudited Wisconsin Lottery year-to-date Revenue and Expenditure information.

Lottery sales were down 6% from the first quarter of last year. The decline is primarily because of lower Powerball sales which were down 18%, due to the absence of a large jackpot. Instant ticket sales were off 5%.

The information reported here is a summary and is not intended to be a complete financial accounting of Wisconsin Lottery operations.

If you have any questions or comments regarding this report, please feel free to contact me at (608) 266-6466.

Sincerely,  
*ROGER M. ERVIN*  
Secretary

Referred to committee on **State Affairs**.

---

State of Wisconsin  
Department of Transportation  
Madison

October 29, 2008

To the Honorable, the Legislature:

I am pleased to present to you, for distribution to the Wisconsin Senate, the annual evaluation report on the Pretrial Intoxicated Driver Intervention Grant Program. It is also available on our website [www.dot.wisconsin.gov/library/publications/topic/safety.htm](http://www.dot.wisconsin.gov/library/publications/topic/safety.htm). The program, created by section 86.53 Wis. Stats., was established by the legislature in 1997 with the requirement that the Department study its impact and report on its findings.

The Pretrial Intoxicated Driver Intervention Grant Program is intended for offenders who are arrested for their second or subsequent OWI (Operating While Intoxicated) offense. Offender participation may be voluntary or court ordered. It is an intervention model designed to get offenders into counseling, treatment and supervision as soon as possible after the arrest. The program is individual to each community.

As you will see in the report, no community that has begun a program has dropped it. Overall, offenders who successfully completed the program were less likely than non-participants to be re-arrested for subsequent OWI violations. Those who were re-arrested went significantly longer between arrests than non-participants. Currently there are seven counties on a waiting list for funding to begin programs.

I commend those people who have dedicated themselves to making this innovative program a success. There are no "silver bullets" in eradicating impaired driving, but I feel this effort is a vital piece in the total transportation safety effort.

Sincerely,  
*MAJOR DANIEL W. LONSDORF*  
Director, Bureau of Transportation Safety

Referred to committee on **Transportation**.

---

State of Wisconsin  
Healthy Lifestyles Cooperative  
Green Bay

October 29, 2008

To the Honorable, the Legislature:

As required by s. [185.99\(5\)](#) of the Wisconsin Statutes, the Healthy Lifestyles Cooperative is submitting the attached progress report to the Wisconsin Legislature and the Wisconsin Commissioner of Insurance.

Please let us know if you have any questions concerning our report.

Sincerely,  
*RANDALL CONNOUR*  
Executive Director

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

---

State of Wisconsin  
Gathering Waters Conservancy  
Madison

October 30, 2008

To the Honorable, the Legislature:

It is my pleasure to share with you a report on Gathering Waters Conservancy's activities and accomplishments for Fiscal Year 2008. This report is being submitted in accordance with the statutory requirements of s. [23.0955\(2\)\(b\)5](#). Gathering Waters Conservancy has had an extremely successful year, thanks to the ongoing support of the state legislature and the Department of Natural Resources. The more than 50 land trusts in Wisconsin have, together, permanently protected over 200,000 acres in communities across Wisconsin. Land trusts in Wisconsin have a combined membership of close to 50,000 individuals and thousands of local volunteers; they have raised millions of dollars to protect critical lands that benefit the public; and they work with private landowners every day to promote stewardship and protection of our natural resources.

We look forward to continuing to work with the Department and the state legislature to achieve our mutual conservation goals. Please do not hesitate to contact me for additional information. I have also enclosed Gathering Waters Conservancy's audited financial reports for FY 2008 for your review.

Sincerely,  
*MICHAEL STRIGEL*  
Executive Director

Referred to committee on **Natural Resources.**

---

State of Wisconsin  
Department of Administration  
Madison

October 31, 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 September 2008.

On September 1, 2008, the Utility Public Benefits Fund cash balance closed at a negative \$2.9 million. This negative balance continued through September 18, 2008, when the

fund's cash balance closed at a positive \$13.1 million. The Utility Public Benefits Fund cash balance reached its intra-month low of a negative \$3.4 million on September 11, 2008. The negative balance was due to a delayed cash transfer.

On September 1, 2008, the Injured Patients and Families Compensation Fund cash balance closed at a negative \$139.5 million. This negative balance continued through September 30, 2008, when the fund's cash balance closed at a negative \$141.0 million. The Injured Patients and Families Compensation Fund cash balance reached its intra-month low of a negative \$142.5 million on September 4, 2008. 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.

The Utility Public Benefits Fund and Injured Patients and Families Compensation Fund 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.**

---

## AGENCY REPORTS

**DATE:** October 22, 2008

**TO:** Patrick E. Fuller, Assembly Chief Clerk  
Robert J. Marchant, Senate Chief Clerk

**FROM:** Robert N. Golden, MD, Dean, UW SMPH  
Eileen Smith, Director, Wisconsin Partnership Program  
Lisa Maroney, UW Health Legislative Liaison

**SUBJECT:** Wisconsin Partnership Program Annual Report

As you may recall, in 1999 Blue Cross & Blue Shield of WI (BC/BS) submitted an application to OCI to convert to a for-profit entity and transfer the proceeds from the sale of the company to the two Wisconsin medical schools, the UW School of Medicine and Public Health and the Medical College of Wisconsin. OCI approved this conversion and the distribution of the proceeds to the two schools. The proceeds were equally divided and each school received \$297 million in March, 2004. The UW School of Medicine and Public Health created the Wisconsin Partnership Program to be responsible for the administration of the distribution and allocation of the annual income from the endowed funds.

Attached is a link to the Wisconsin Partnership Program's 2007 Annual Report. In the past four years 167 grants have been awarded, totaling \$61.7 million – with the singular purpose of improving the health of the people of Wisconsin. Grants have gone to local governmental and community organizations throughout the state on a wide array of public health topics, such as: fitness and nutrition, obesity, drug and alcohol abuse, oral health, maternal and child health, and access to health services.

If you would like to receive additional information, a hard copy of the report or past reports, or would be interested in meeting with us, please contact Lisa Maroney at 265-1653.

Thank you for taking the time to review this report. We are privileged to have this unprecedented opportunity to partner with communities throughout Wisconsin on health improvement projects.

---

State of Wisconsin  
Legislative Audit Bureau  
Madison

October 29, 2008

To the Honorable, the Assembly:

We have completed a financial and compliance audit of the Wisconsin Health Insurance Risk-Sharing Plan (HIRSP) Authority for the six-month period ended December 31, 2006. This audit satisfies audit requirements under s. 13.94 (1)(dh), Wis. Stats. It also satisfies the HIRSP Authority's audit requirements under the federal Single Audit Act of 1984, as amended, and U.S. Office of Management and Budget Circular A-133. The six-month period represents a transition as the financial reporting period was changed from a fiscal year basis to a calendar year basis. We have also issued a separate audit report (08-12) on our audit of the HIRSP Authority for calendar year 2007.

The HIRSP Authority provides medical and prescription drug insurance for individuals who are unable to obtain coverage in the private market or who have lost employer-sponsored group health insurance. 2005 Wisconsin Act 74 made significant changes to the operations of HIRSP. Among the most significant was the creation of the HIRSP Authority, which assumed oversight responsibility from the Wisconsin Department of Health and Family Services (currently the Department of Health Services) on July 1, 2006.

We have provided an unqualified opinion on the HIRSP Authority's financial statements. Our report also contains the auditor's reports on internal control over financial reporting and on compliance with program requirements, and our unqualified audit opinion on the HIRSP Authority's Schedule of Expenditures of Federal Awards. Overall, the HIRSP Authority has complied with federal grant requirements.

We appreciate the courtesy and cooperation extended to us by the HIRSP Authority and the plan administrator.

Respectfully submitted,  
JANICE MUELLER  
State Auditor

---

State of Wisconsin  
Legislative Audit Bureau  
Madison

October 29, 2008

To the Honorable, the Assembly:

As required under s. 13.94(1)(dh), Wis. Stats., we have completed a financial and compliance audit of the Wisconsin Health Insurance Risk-Sharing Plan (HIRSP) Authority for calendar year 2007. The audit also satisfies the HIRSP Authority's audit requirements under the federal Single Audit Act of 1984, as amended, and U.S. Office of Management and Budget Circular A-133. We have also issued a separate audit report (08-11) on our audit of the HIRSP Authority for the six-month period ended December 31, 2006, which was a transition period as the financial reporting period changed from a fiscal year basis to a calendar year basis.

The HIRSP Authority provides medical and prescription drug insurance for individuals who are unable to obtain coverage in the private market or who have lost employer-sponsored group health insurance. 2005 Wisconsin Act 74 made significant changes to the operations of HIRSP. Among the most significant was the creation of the HIRSP Authority, which assumed oversight responsibility from the Wisconsin Department of Health and Family Services (currently the Department of Health Services) on July 1, 2006.

We have provided an unqualified audit opinion on the HIRSP Authority's 2007 financial statements. Our report also contains the auditor's reports on internal control over financial reporting and on compliance with program requirements, and our unqualified audit opinion on the HIRSP Authority's Schedule of Expenditures of Federal Awards. Overall, we did not identify any significant concerns, although we include a recommendation for the HIRSP Authority to work with the federal government to resolve a federal cash management issue.

The HIRSP Authority has maintained a sound financial position, with a net increase in assets of \$6.8 million during 2007. Following years of significant increases during the early 2000s, policyholder enrollment has decreased in recent years. As of December 31, 2007, 17,126 policyholders were enrolled in one of the HIRSP Authority's plans.

We appreciate the courtesy and cooperation extended to us by the HIRSP Authority and the plan administrator.

Respectfully submitted,  
JANICE MUELLER  
State Auditor