

STATE OF WISCONSIN  
**Senate Journal**  
Ninety–Eighth Regular Session

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THURSDAY, August 28, 2008

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

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**CHIEF CLERK'S ENTRIES**

The Chief Clerk makes the following entries dated Wednesday, August 20, 2008

**REFERRALS AND RECEIPT OF COMMITTEE REPORTS  
CONCERNING PROPOSED ADMINISTRATIVE RULES**

**Senate Clearinghouse Rule 08–056**

Relating to the design and construction of public swimming pools and water attractions, and affecting small business.

Submitted by Department of Commerce.

Report received from Agency, August 19, 2008.

Referred to committee on **Commerce, Utilities and Rail**, August 20, 2008.

**Senate Clearinghouse Rule 08–059**

Relating to wages exempt from unemployment insurance levy and affecting small businesses.

Submitted by Department of Workforce Development .

Report received from Agency, August 20, 2008.

Referred to committee on **Small Business, Emergency Preparedness, Workforce Development, Technical Colleges and Consumer Protection**, August 20, 2008.

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The Chief Clerk makes the following entries dated Thursday, August 21, 2008.

**REFERRALS AND RECEIPT OF COMMITTEE REPORTS  
CONCERNING PROPOSED ADMINISTRATIVE RULES**

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

**Senate Clearinghouse Rule 07–116**

Relating to meat and inedible animal by-products.

No action taken.

*KATHLEEN VINEHOUT*  
Chairperson

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The Chief Clerk makes the following entries dated Tuesday, August 26, 2008.

**INTRODUCTION, FIRST READING, AND  
REFERENCE OF PROPOSALS; REFERENCE OF APPOINTMENTS**

**State of Wisconsin  
Office of the Governor**

August 25, 2008

The Honorable, The Senate:

I am pleased to nominate and with the advice and consent of the Senate, do appoint SANCHEZ, PABLO, of Madison, as a member of the UW Hospitals and Clinics Authority and Board, to serve for the term ending July 1, 2012.

Respectfully Submitted,

*JIM DOYLE*

Governor

Read and referred to committee on **Health, Human Services, Insurance, and Job Creation**.

**State of Wisconsin  
Office of the Governor**

August 26, 2008

The Honorable, The Senate:

I am pleased to nominate and with the advice and consent of the Senate, do appoint GREEN, JERRY, of Black River Falls, as a member of the Snowmobile Recreation Council, to serve for the term ending July 1, 2011.

Respectfully Submitted,

*JIM DOYLE*

Governor

Read and referred to committee on **Transportation and Tourism**.

**State of Wisconsin  
Office of the Governor**

August 26, 2008

The Honorable, The Senate:

I am pleased to nominate and with the advice and consent of the Senate, do appoint LANG, ROBERT, of Cable, as a member of the Snowmobile Recreation Council, to serve for the term ending July 1, 2011.

Respectfully Submitted,

*JIM DOYLE*

Governor

Read and referred to committee on **Transportation and Tourism**.

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**REFERRALS AND RECEIPT OF COMMITTEE REPORTS  
CONCERNING PROPOSED ADMINISTRATIVE RULES**

**Senate Clearinghouse Rule 08–042**

Relating to certification of programs for training and testing nurse assistants, home health aides, and hospice aides.

Submitted by Department of Health and Family Services.

Report received from Agency, August 25, 2008.

Referred to committee on **Health, Human Services, Insurance, and Job Creation**, August 26, 2008.

**Senate Clearinghouse Rule 08-058**

Relating to multiple trip overweight permits for vehicles transporting granular roofing materials.

Submitted by Department of Transportation.

Report received from Agency, August 26, 2008.

Referred to committee on **Transportation and Tourism**, August 26, 2008.

**Senate Clearinghouse Rule 08-047**

Relating to electrical construction.

Submitted by Department of Commerce.

Report received from Agency, August 22, 2008.

Referred to committee on **Commerce, Utilities and Rail**, August 26, 2008.

**Senate Clearinghouse Rule 08-055**

Relating to the design, installation or construction, inspection and maintenance of plumbing.

Submitted by Department of Commerce.

Report received from Agency, August 22, 2008.

Referred to committee on **Commerce, Utilities and Rail**, August 26, 2008.

**Senate Clearinghouse Rule 08-069**

Relating to increasing Wisconsin's minimum wages and affecting small businesses.

Submitted by Department of Workforce Development .

Report received from Agency, August 22, 2008.

Referred to committee on **Labor, Elections and Urban Affairs**, August 26, 2008.

**Senate Clearinghouse Rule 08-072**

Relating to the occupational licensing program.

Submitted by Department of Transportation.

Report received from Agency, August 22, 2008.

Referred to committee on **Transportation and Tourism**, August 26, 2008.

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

**Senate Clearinghouse Rule 08-048**

Relating to internet and telephone call-in fees.

No action taken.

*JEFFREY PLALE*

Chairperson

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The Chief Clerk makes the following entries dated Wednesday, August 27, 2008.

**INTRODUCTION, FIRST READING, AND**

**REFERENCE OF PROPOSALS; REFERENCE OF APPOINTMENTS**

**State of Wisconsin**

**Office of the Governor**

August 27, 2008

The Honorable, The Senate:

I am pleased to nominate and with the advice and consent of the Senate, do appoint LANDES, SAMUEL, of Dane, as a

member of the Snowmobile Recreation Council, to serve for the term ending July 1, 2011.

Respectfully Submitted,

*JIM DOYLE*

Governor

Read and referred to committee on **Transportation and Tourism**.

**State of Wisconsin**

**Office of the Governor**

August 27, 2008

The Honorable, The Senate:

I am pleased to nominate and with the advice and consent of the Senate, do appoint MALECKI, ANDREW, of Green Bay, as a member of the Snowmobile Recreation Council, to serve for the term ending July 1, 2011.

Respectfully Submitted,

*JIM DOYLE*

Governor

Read and referred to committee on **Transportation and Tourism**.

**State of Wisconsin**

**Office of the Governor**

August 27, 2008

The Honorable, The Senate:

I am pleased to nominate and with the advice and consent of the Senate, do appoint THORNTON, THOMAS, of Grand View, as a member of the Snowmobile Recreation Council, to serve for the term ending July 1, 2011.

Respectfully Submitted,

*JIM DOYLE*

Governor

Read and referred to committee on **Transportation and Tourism**.

**PETITIONS AND COMMUNICATIONS**

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**State of Wisconsin**

**Investment Board**

July 17, 2008

The Honorable, The Legislature:

Pursuant to 25.17 (14r), Stats., I want to advise you of revisions to SWIB's "Investment Policies, Objectives and Guidelines" approved by the Board of Trustees during the first six months of 2008. These guidelines apply to SWIB's internal investment managers. I am sending you electronic copies of the revised guidelines plus a red-lined copy that shows the language added or deleted. In summary, these changes:

1. Narrowed authorized investments in which the State Investment Fund (SIF) may invest. Although it does not hold such investments, SIF was authorized to invest in Canadian government bills and notes, some derivatives and certain asset backed and mortgage backed securities. With the primary objective of the SIF being safety of principal, SWIB staff did not believe these instruments were appropriate in the current market environment. Staff requested, and the Board approved, a narrowing of the guidelines investments considered most appropriate for the SIF.

2. Added guidelines and soft parameters for the newly created US Russell 1000 passive index portfolio, which is managed internally. After receiving increased budget and position authority, SWIB created this portfolio as one of several

initiatives to reduce investment costs. Funds are being moved from external managers and will be managed with internal staff. Currently, this portfolio is managing approximately \$1 billion, but plans are to move more assets in-house until the portfolio reaches nearly \$12 billion.

3. Amended guidelines for the Local Government Property Insurance Fund (LGPIF) to permit investments in individual fixed income securities. Prior to enactment of [2007 Wisconsin Act 170](#), the law only permitted SWIB to invest LGPIF assets in SIF.

4. Clarified that a US equity portfolio may invest up to 10% of the portfolio's market value in international and emerging market companies that are traded on an exchange located in a developed country. These investments are subject to the Freedom House and Index of Economic Freedom restrictions that apply to all investments in non-US countries.

5. Granted discretion to the Wisconsin private equity portfolio staff to hold or sell a company's stock that becomes publicly traded. The authority applies to shares the portfolio received through a distribution or holds because the company went public.

6. Added the 2008 asset allocation targets and made a few other non-substantive clerical corrections.

The reporting requirements in the statues appear to only apply to internal management and not to contracts we initiate with external managers or changes we make to existing contracts. However, because of the growth of assets managed by external managers over the past few years, we decided in 2006 to inform you of any new contracts with external managers or changes to existing contracts. In keeping with that decision, we want to advise you that we amended the contracts for a global fixed income portfolio and a treasury inflation protection security (TIPS) portfolio to provide the external manager latitude on counterparty ratings and to remove the statutory references to the use of derivatives. SWIB made these changes to further diversify its holdings.

If you have any questions on any of the changes, please contact me at 266-9451 or Sandy Drew at 261-0182.

Sincerely,  
**KEITH BOZARTH**  
Executive Director

Referred to committee on **Veterans and Military Affairs, Biotechnology and Financial Institutions.**

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**State of Wisconsin  
Department of Health Services**

August 13, 2008

The Honorable, The Senate:

The Department of Health Services is pleased to submit to you and the Legislature the Immunization Program Legislative Report for State Fiscal Year 2008. The attached report is required by Wisconsin Statute s. [252.04 \(11\)](#).

Wisconsin continues to attain high preschool immunization levels and maintains a state of the art immunization registry. Highlights of the Immunization Program include:

- Attaining an estimated immunization level of 80.6% for series complete among preschoolers, ranking Wisconsin in the top 15 states in the nation;
- Maintaining and improving the Wisconsin Immunization Registry (WIR), an information system that stores, tracks, recalls and assesses immunization information;

- Maintaining parental access to the WIR as part of Governor Doyle's Kids First Initiative;
- Providing a record \$40.6 million in federally funded vaccines to Wisconsin's children in SFY 2008;
- Promulgating administrative rules changes to the Student Immunization Law to require adolescent Tdap and varicella (chickenpox) vaccines in selected grades and pneumococcal vaccines in day care centers; and
- Maintaining strong collaborative efforts with both public and private sectors throughout the state in implementing the WIR and other immunization initiatives.

These successes help Wisconsin to achieve high immunization levels. The Department is committed to ongoing efforts that will continue to ensure that our children are safe from vaccine-preventable diseases.

Sincerely,  
**KAREN E. TIMBERLAKE**  
Secretary

Referred to committee on **Health, Human Services, Insurance, and Job Creation.**

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**State of Wisconsin  
Investment Board**

August 15, 2008

The Honorable, The Legislature:

Attached is our quarterly report (Attachment A) listing all expenses that were charged directly to funds managed by the State of Wisconsin Investment Board (SWIB or the Board). This report includes expenses incurred during the quarter ending June 30, 2008. Section [25.17 \(13m\)](#), Stats., requires that we provide this report on a quarterly basis.

The statutes authorize the Board to employ special legal or investment counsel in any matter arising from the scope of our investment authority and to employ professionals, contractors or agents to evaluate or operate any property in which the Board has an interest. The Board may also contract with external advisers to manage various types of investments. Expenses for these services are directly charged to the current income of the fund for which the services were furnished.

This report lists expenses on an accrual basis, which lists costs when they are incurred rather than paid. Providing the information on an accrual basis gives a better picture of quarter to quarter trends in services that are directly charged to the funds. A negative charge typically indicates an adjustment to expenses accrued in a prior quarter or a refund of expenses that were prepaid and subsequently adjusted.

Attachment A lists all expenses by category. The following highlights changes from the previous quarter:

- Private equity fees increased \$5.5 million during the second quarter. Of that amount, approximately \$3.2 million was for expenses associated with new commitments. Real estate costs decreased by \$337,000 from the first quarter of 2008. The total funded amount for each asset class has reached the 5% asset allocation target.
- Custodial fees decreased slightly during the second quarter. Because of the lower fees that SWIB negotiated with the custodian in 2007, fees for calendar year 2008 are expected to be less than 20% of the fees paid during calendar year 2007.
- Costs for investment counsel were slightly lower for the second quarter but are expected to be somewhat higher for the entire calendar year.
- Indexed and enhanced commingled fund fees increased slightly during the quarter primarily due to a payment of BYN

Mellon for managing assets when transitioned between managers or strategies. Assets managed in enhanced commingled funds decreased by approximately \$1.5 billion in the second quarter, reflecting market effects and a further shift of assets to less expensive internal management. Active external investment management fees increased by \$500,000 in the second quarter due to several accrual adjustments and corrections.

Attachment B provides further explanation about the various expenditure categories. Attachment C includes legal expenses that were capitalized at the time of acquisition or directly associated with the ongoing activity of an asset, such as appraisals or bankruptcy costs. Unlike other expenses listed in the report, these expenses are reflected in the value of the asset or are netted against gross returns of the asset, consistent with standard industry practices.

Attachment D shows the amount and percent of Wisconsin Retirement System (WRS) assets managed internally and externally over the last four quarters. For the fifth consecutive quarter, the percentage of total assets managed internally increased, while externally managed assets decreased. This shows the result of the increased staff and budget authority, which is allowing SWIB to manage more assets internally and reduce the use of more expensive external management.

We hope this report gives you a clear picture of expenditures and how funds are managed. Please contact me, however, if you have any questions or comments about the report.

Sincerely,  
*KEITH BOZARTH*  
Executive Director

Referred to committee on **Veterans and Military Affairs, Biotechnology and Financial Institutions.**

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**State of Wisconsin  
Department of Administration**

August 19, 2008

The Honorable, The Legislature:

Included with this correspondence, I am submitting the reports from the Department of Administration, Division of Gaming (Gaming), for the fourth quarter of fiscal year 2008 (April 1, 2008 through June 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

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**University of Wisconsin System**

August 22, 2008

The Honorable, The Legislature:

Enclosed please find the report required under s. 36.55, Wisconsin Statutes, for the period July 1, 2006 to June 30, 2008.

Sincerely,  
*KEVIN REILLY*  
President, UW System

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**State of Wisconsin  
Housing and Economic Development Authority**

August 25, 2008

The Honorable, The Legislature:

Pursuant to Wisconsin Statute 234.931 (5), enclosed please find the following report relating to the Wisconsin Development Reserve Fund:

Annual Report of Guarantee Funds as of June 30, 2008.

Should you have any questions or comments on the reports, please feel free to call me at 266-1640.

Sincerely,  
*LAURA B. MORRIS*  
Chief Financial Officer

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**State of Wisconsin  
Department of Health Services**

August 29, 2008

The Honorable, The Senate:

Section 55.14(12) of the Wis. Stats. requires the Department of Health Services to submit a report concerning any orders for the involuntary administration of psychotropic medications to individuals who are receiving protective services. Counties and their contract agencies are required to submit copies of these orders to the Department. Sections 51.14(3) and (8) establish the criteria for issuance of court orders. Eight counties (La Crosse, Manitowoc, Marinette, Oneida, Rock, Washburn, Waushara and Wood) provided copies of protective placement court orders for psychotropic medications in the last year.

Sincerely,  
*KAREN E. TIMBERLAKE*  
Secretary

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**State of Wisconsin  
Department of Health Services**

August 29, 2008

The Honorable, The Senate:

In accordance with s. 1.11(2)(j) Wis. Stats., the Department of Health Services reports that it conducted one Environmental Assessment during the reporting period of July 1, 2007, through June 30, 2008.

The EA was done for the project to construct a 300 bed addition at the Sand Ridge Secure Treatment Center in Mauston, WI. It was determined that the construction of this project does not have a significant negative effect on the environment.

Sincerely,  
*KAREN E. TIMBERLAKE*  
Secretary

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**State of Wisconsin  
Department of Health Services**

August 29, 2008

The Honorable, The Senate:

Section 227.485 (9) Wis. Stats. requires the Department to submit a report concerning decisions and resulting payments of attorney fees and related legal costs. Attorney fees and other

legal costs are to be paid whenever the opposing party to an agency's Chapter 227 hearing prevails and it is determined the agency's position was not substantially justified. The attached report reflects payments made during SFY 2008.

In addition, under s. 814.245 (10) Wis. Stats., the Department is required to report any awards granted to the Department regarding frivolous motions brought against this Department. In SFY 2008, no motions of opposing parties were found to be frivolous. Consequently, the Department has no awards to report.

Sincerely,  
*KAREN E. TIMBERLAKE*  
Secretary

Referred to committee on **Health, Human Services, Insurance, and Job Creation.**

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**REFERRALS AND RECEIPT OF COMMITTEE  
REPORTS CONCERNING PROPOSED  
ADMINISTRATIVE RULES**

**Senate Clearinghouse Rule 04-023**

Relating to national emission standards for hazardous air pollutants for facilities engaged in the secondary production of aluminum.

Submitted by Department of Natural Resources.  
Report received from Agency, August 27, 2008.

Referred to committee on **Environment and Natural Resources**, August 28, 2008.

**Senate Clearinghouse Rule 07-102**

Relating to child care centers.  
Submitted by Department of Health and Family Services.  
Report received from Agency, August 27, 2008.

Referred to committee on **Tax Fairness and Family Prosperity**, August 28, 2008.

**Senate Clearinghouse Rule 07-105**

Relating to national emission standards for hazardous air pollutants (NESHAP) for halogenated solvent cleaners and the NESHAP general provisions.

Submitted by Department of Natural Resources.  
Report received from Agency, August 27, 2008.

Referred to committee on **Environment and Natural Resources**, August 28, 2008.

**Senate Clearinghouse Rule 08-043**

Relating to the uniform dwelling code.  
Submitted by Department of Commerce.  
Report received from Agency, August 27, 2008.

Referred to committee on **Commerce, Utilities and Rail**, August 28, 2008.

**Senate Clearinghouse Rule 08-061**

Relating to the 2008 migratory game bird seasons and waterfowl hunting zones.

Submitted by Department of Natural Resources.  
Report received from Agency, August 27, 2008.

Referred to committee on **Environment and Natural Resources**, August 28, 2008.

**Senate Clearinghouse Rule 08-066**

Relating to establishment of birth cost orders based on child support guidelines.

Submitted by Department of Workforce Development .  
Report received from Agency, August 27, 2008.

Referred to committee on **Tax Fairness and Family Prosperity**, August 28, 2008.

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

**Senate Clearinghouse Rule 07-051**

Relating to continuing education, informed consent and recordkeeping.

No action taken.

*KATHLEEN VINEHOUT*  
Chairperson

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The committee on **Labor, Elections and Urban Affairs** reports and recommends:

**Senate Clearinghouse Rule 08-040**

Relating to how to use approved forms for the practice of real estate.

No action taken.

*SPENCER COGGS*  
Chairperson