



# STATE OF WISCONSIN Assembly Journal

## Ninety-Ninth Regular Session

THURSDAY, May 27, 2010

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

### ADVERSE DISPOSAL

The following is a list of partially vetoed Assembly Bills in the possession of the Assembly at the end of the Veto Review Floorperiod that adjourned on May 26, and therefore, failed to pass notwithstanding the objections of the Governor pursuant to **Joint Rule 82**:

**Assembly Bill 75**  
**Assembly Bill 757**

The following is a list of vetoed Assembly Bills in the possession of the Assembly at the end of the Veto Review Floorperiod that adjourned on May 26, and therefore, failed to pass notwithstanding the objections of the Governor pursuant to **Joint Rule 82**:

**Assembly Bill 273**  
**Assembly Bill 371**

### ADMINISTRATIVE RULES

#### **Assembly Clearinghouse Rule 10-004**

Relating to the implementation of benefit changes mandated in **2009 Wisconsin Act 28**; specifically, domestic partner benefits and the expansion of health insurance coverage to adult dependents up to the age of 27 years.

Submitted by Department of Employee Trust Funds.

Report received from Agency, May 18, 2010.

To committee on **Health and Healthcare Reform**.

Referred on May 27, 2010.

#### **Assembly Clearinghouse Rule 10-015**

Relating to carbon monoxide detectors in hotels, motels, tourist rooming houses, and bed and breakfast establishments, and affecting small businesses.

Submitted by Department of Health Services.

Report received from Agency, May 18, 2010.

To committee on **Consumer Protection**.

Referred on May 27, 2010.

### REFERRAL OF AGENCY REPORTS

State of Wisconsin  
Department of Administration  
Madison

May 27, 2010

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 April 2010.

On April 1, 2010, the Utility Public Benefits Fund cash balance closed at a negative \$8.2 million. This negative balance continued through April 30, 2010, when the fund’s cash balance closed at a negative \$10.1 million (its intra-month low). The negative balance was due to the difference in the timing of revenues and expenditures.

On April 1, 2010, the Permanent Endowment Fund cash balance closed at a negative \$2.0 million (its intra-month low). This negative balance continued through April 16, 2010, when the fund’s cash balance closed at a positive \$127.7 million. The negative balance was due to the difference in the timing of revenues and expenditures.

On April 1, 2010, the Medical Assistance Trust Fund cash balance closed at a negative \$312.8 million (its intra-month low). This negative balance continued through April 30, 2010, when the fund’s cash balance closed at a negative \$307.0 million. The negative balance was due to the difference in the timing of revenues and expenditures.

On April 1, 2010, the Police and Fire Protection Fund cash balance closed at a negative \$18.7 million (its intra-month low). This negative balance continued through April 30, 2010, when the fund’s cash balance closed at a negative \$14.6 million. The negative balance was due to the difference in the timing of revenues and expenditures.

The Utility Public Benefits Fund, Permanent Endowment Fund, Medical Assistance Trust Fund, and Police and Fire Protection 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** and joint committee on **Finance**.

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## AGENCY REPORTS

State of Wisconsin  
Legislative Audit Bureau  
Madison

May 26, 2010

To the Honorable, the Assembly:

As required by s. 13.94 (1)(em), Wis. Stats., we have completed our financial audit of the Wisconsin Lottery, which is administered by the Department of Revenue. We have issued an unqualified opinion on the Wisconsin Lottery's financial statements for fiscal year (FY) 2008-09 and FY 2007-08, and we found that the Wisconsin Lottery was in compliance with statutory spending limitations related to prizes, informational advertising, retailer compensation, and administrative expenses.

Ticket sales totaled \$473.4 million in FY 2008-09 but decreased \$21.3 million, or 4.3 percent, from the prior year. Wisconsin Lottery staff attribute this decline to the economic downturn and the timing of large Powerball jackpots, which have a significant effect on sales.

Total operating expenses were \$344.5 million in FY 2008-09, which is 2.5 percent less than in FY 2007-08. This decrease in operating expenses is less than the decrease in ticket sales because some expenses do not fluctuate with sales. Since FY 2007-08, informational advertising expenses have been permitted to total no more than \$7.5 million annually, which is an increase of \$2.9 million from prior years. Lottery proceeds used for property tax relief totaled \$132.4 million in FY 2008-09. In October 2009, the Department of Administration and the Legislature's Joint Committee on Finance authorized the use of \$130.2 million in Wisconsin

Lottery proceeds for property tax relief in FY 2009-10, including \$115.5 million for the Lottery and Gaming Tax Credit and \$14.7 million for the Farmland Tax Relief Credit.

We appreciate the courtesy and cooperation extended to us by Wisconsin Lottery staff in the Department of Revenue.

Respectfully submitted,  
*JANICE MUELLER*  
State Auditor

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State of Wisconsin  
Legislative Audit Bureau  
Madison

May 27, 2010

To the Honorable, the Assembly:

We have completed a review of efforts by the State and by local governments to prepare for and minimize the effects of emergencies such as natural disasters and hostile action. From fiscal year (FY) 2004-05 through FY 2008-09, the federal Department of Homeland Security awarded Wisconsin a total of \$318.5 million in federal grants for this purpose, including \$241.0 million for emergency management activities and \$77.5 million after presidentially declared disasters. Wisconsin Emergency Management (WEM) in the Department of Military Affairs is the lead state agency in planning for emergencies, while the Office of Justice Assistance (OJA) distributes most federal funds.

The FY 2008-09 emergency management grant funds we reviewed were spent in accordance with broad federal requirements, but some priorities remain unmet. Most notably, Wisconsin does not yet have a statewide communications system connecting all emergency responders. The basic infrastructure is expected to be operational in 2011, but unresolved issues—including costs to local governments for purchasing the communications equipment needed to gain access to the system and the funding sources that will be available to help them fund those costs—will continue to pose challenges to the system's development.

State and local government responses to two recent and significant natural disasters indicate that additional efforts are needed to improve emergency preparedness. We provide several recommendations, including that WEM improve and formalize its process for reviewing responses to emergencies and using the results to improve preparedness statewide.

We appreciate the courtesy and cooperation extended to us by WEM, OJA, and local emergency responders. Responses from the Department of Military Affairs and OJA follow the appendices.

Respectfully submitted,  
*JANICE MUELLER*  
State Auditor