



# STATE OF WISCONSIN Assembly Journal

## Ninety-Ninth Regular Session

TUESDAY, December 28, 2010

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

### REFERRAL OF AGENCY REPORTS

State of Wisconsin  
Office of State Employment Relations  
Madison

November 22, 2010

To the Honorable, the Legislature:

I am pleased to forward the Fiscal Year 2010 report on employment of customers 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, 2009, through June 30, 2010. Of the 1,750 new hires to state employment, 97 or 5.1 percent were W-2 hires. This exceeds the state's hiring goal of 2 percent.

Attached is a copy of the W-2 Hiring Report. Please contact Claire Dehnert at (608) 267-1005 or email [Claire.dehnert@wisconsin.gov](mailto:Claire.dehnert@wisconsin.gov) if you have questions or need additional information regarding this report.

Sincerely,  
*SHEILA CONROY*  
Director

Referred to committee on **Children and Families**.

State of Wisconsin  
Department of Administration  
Madison

November 23, 2010

To the Honorable, the Legislature:

Attached please find the Department of Administration's (DOA) Contractual Services Purchasing Report for Fiscal Year 2010 (FY10) pursuant to §16.705 (8), Wis. Stats. I am pleased to announce positive results that benefit state taxpayers.

The State of Wisconsin reduced contracting costs again in FY10. Overall contracting decreased from \$437.3 million in Fiscal Year 2009 to \$417.2 million in FY10. These results represent a one-year reduction of more than \$20 million or 4.8%, and continue a longer term downward trend in state contracting.

State agencies successfully renegotiated service contracts and/or reduced service requirements to achieve savings. In addition, DOA's State Bureau of Procurement initiated new processes requiring all enterprise-wide contracts to undergo mandatory renegotiations with each contractor to lower pricing at each renewal term.

This report also includes information on cost-benefit analyses produced by state agencies and campuses during FY10. As a result of cost-benefit legislation signed by Governor Doyle in January 2006, Wisconsin Act 89 requires state agencies and campuses to conduct a cost-benefit analysis prior to any proposed contractual service procurement over \$25,000. A summary of the 358 cost-benefit analyses produced during FY10 is included in this report.

As directed by the Governor's [2009 Act 28](#) veto message, the Department of Administration's Division of Legal Services and State Bureau of Procurement, along with the Office of State Employment Relations, have established a quarterly process to review and monitor contracting activity. This effort is to ensure that contractor positions do not replace state workers who had been laid off or furloughed.

Our Fiscal Year 2010 results are consistent with Governor Doyle's directives to make government run more resourcefully. State government will continue to pursue ways to reduce costs, eliminate inefficiencies, and create sustainable sources of savings for state and local governments.

If you have questions about this report, please contact Jim Langdon, Acting Administrator, DOA Division of Enterprise Operations, at 261-6357.

Sincerely,  
*DANIEL J. SCHOOFF*  
Secretary

Referred to committee on **State Affairs and Homeland Security**.

State of Wisconsin  
Department of Revenue  
Madison

November 24, 2010

To the Honorable, the Legislature:

I am submitting the quarterly report of the Wisconsin Lottery for the quarter ending September 30, 2010, as required by s. [565.37 \(3\)](#), Wis. Stats. The attached materials contain unaudited Wisconsin Lottery year-to-date Revenue and Expenditure information.

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 and Homeland Security**.

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State of Wisconsin  
Department of Public Instruction  
Madison

December 3, 2010

To the Honorable, the Legislature:

The Department of Public Instruction (DPI) is submitting the 2009 annual report on the status of bilingual-bicultural education programs as required under s. [115.996](#), Wis. Stats. The report provides data from the state-aided bilingual-bicultural education programs for the 2009 fiscal year (July 1, 2008, through June 30, 2009).

This annual report presents details on the state's administration and funding of bilingual education in Wisconsin, including:

- the number of pupils served in bilingual-bicultural education programs for each language group by school district;
- the cost of the program per pupil for each school district; and
- the number of pupils in each school district and language group who as a result of participation in a bilingual-bicultural education program improved their English language ability and no longer need program services.

In addition, the report comments on factors contributing to program growth.

If you have questions, please contact Patrick Gasper, communications officer, at [patrick.gasper@dpi.wi.gov](mailto:patrick.gasper@dpi.wi.gov) or 608-266-3559.

Sincerely,  
*TONY EVERS, PHD*  
State Superintendent

Referred to committee on **Education**.

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State of Wisconsin  
Department of Health Services  
Madison

December 6, 2010

To the Honorable, the Legislature:

Section [20.907 \(1m\)](#) of the Wis. Stats. requires the Department to submit a report on expenditures made by the agency during the preceding fiscal year from nonfederal funds received as gifts, grants, bequests or devises. The expenditure report is attached. In addition, the Department has no in-kind contributions to report.

Sincerely,  
*KAREN E. TIMBERLAKE*  
Secretary

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

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State of Wisconsin  
Department of Health Services  
Madison

December 15, 2010

To the Honorable, the Legislature:

The Department of Health Services (DHS) is pleased to provide you this annual report of plans and progress in addressing food insecurity, as required under s. [49.76 \(4\)](#) and [\(5\)](#).

Highlights from the report include:

- The Wisconsin Food Security Consortium remained active during 2010 despite critical staffing challenges:

- Kadi Row, the Food Security Coordinator for UW Extension and Lead for the Consortium, resigned earlier this year. DHS attempted to identify resources to assume leadership of the Consortium, since UW Extension will not be able to do so.

- The Consortium made efforts to visit different areas of the state to study local issues that have an impact on food security. The Consortium met August 11 with the Hunger Prevention Coalition for Eau Claire County, and had the pleasure of also visiting the Community Table meal site and two local community gardens.

- The Steering Committee met monthly and added new members representing two critical food security programs (FoodShare and DPI school meals).

- The American Recovery and Reinvestment Act (ARRA) provided resources to strengthen Wisconsin's food assistance safety net:

- TEFAP (The Emergency Food Assistance Program) provided \$1.6 million in food to distribute through food pantries, soup kitchens and meal sites; and over \$800,000 for distribution, storage, and program costs.

- FoodShare benefits were increased in April 2009 as a result of ARRA. Through July of 2010, about \$258 million was added to Wisconsin FoodShare benefits.

- Wisconsin FoodShare Program:

- Monthly average participation increased from 595,025 in 2009 to 737,393 (January through October 2010).

- More than 200 community leaders and partners dedicated to ending hunger in Wisconsin attended the first annual FoodShare outreach conference, "Swipe Out Hunger: Putting Food on Your Table and Money in your Community Through Food Share."

- USDA recently released the Household Food Security in the United States, 2009. Wisconsin food insecurity increased from 10.1% (2006-2008) to 11.4% (2007-2009); very low food security (also known as hunger) increased from 3.7% to 4.4% for the same time period.

These successes and challenges indicate the need for continued commitment by DHS to fight hunger in Wisconsin.

Sincerely,  
*KAREN E. TIMBERLAKE*  
Secretary

Referred to committee on **Children and Families**.

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State of Wisconsin  
Medical College of Wisconsin  
Milwaukee

December 20, 2010

To the Honorable, the Legislature:

Enclosed please find the Medical College of Wisconsin's (MCW) annual report for the Breast and Prostate Cancer Research Program. This Program is funded through the Wisconsin income tax checkoff created by the 2003 Wisconsin ACT 176 (breast cancer) and the 2005 Wisconsin ACT 460 (prostate cancer). The law requires that MCW use this money for breast and prostate cancer research and to report annually on the use of funds.

This document reports activities, projects and research funded through the Breast and Prostate Cancer Research Program at MCW for the period of July 1, 2009-June 30,

2010. If you have any questions or comments regarding this report, please contact me at 414-955-8217.

Sincerely,  
*KATHRYN A. KUHN*  
Vice President  
Government and Community Relations

Referred to committee on **Public Health**.

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State of Wisconsin  
Department of Natural Resources  
Madison

December 21, 2010

To the Honorable, the Legislature:

In fulfillment of the requirements under s. 299.83 (8)(h), Wisconsin State Statutes, I am transmitting the 2010 Biennial Progress Report. Please distribute as appropriate. I am also providing a copy of the Report to the Governor and to the Chief Clerk of the Senate.

Green Tier continues to provide tools and strategies to make Wisconsin the idea state for growing the green bottom line. Businesses have weathered the economic crisis and some have even grown as a result of the working relationships and flexibility that we have been able to provide. This report not only provides some retrospective analysis of what we have done but also the insights of some very thoughtful partners about what we can do. In so doing, our hope is that the report will provide information that stimulates conversations and actions that make sustainable behavior and practices a more integral part of public policy and business practice.

For more information on the Green Tier and environmental performance programs or additional copies of this report, please contact Mark McDermid at (608) 267-3125, or visit our web site at <http://greentier.wis.gov>. Here is a link to the report: <http://dnr.wi.gov/org/caer/cea/environmental/reports/2010report.pdf>

Sincerely,  
*MATTHEW J. FRANK*  
Secretary

Referred to committee on **Natural Resources**.

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State of Wisconsin  
Department of Public Instruction  
Madison

December 23, 2010

To the Honorable, the Legislature:

Pursuant to Wis. Stats. sec. 115.361 (2), the attached report is submitted to you for referral to the appropriate standing committees of the legislature under Wis. Stats. sec. 13.172 (3). The report provides a collection of analyzed information

about programs funded under this section along with evidence of their effectiveness. Further, this report covers a two-year cycle and provides information on a wide-range of Alcohol and Other Drug Abuse related resources, including grants, training, technical assistance, and educational materials.

If you have any questions regarding this document, please contact Kenneth Wagner at (608) 266-5181.

Sincerely,  
*TONY EVERS, PHD*  
State Superintendent

Referred to committee on **Education**.

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## AGENCY REPORTS

State of Wisconsin  
Legislative Audit Bureau  
Madison

December 16, 2010

To the Honorable, the Legislature:

We have completed our fiscal year (FY) 2009-10 financial audit of the State of Wisconsin Investment Board, as requested by the Investment Board and to fulfill our audit requirements under s. 13.94 (1)(df), Wis. Stats. The Investment Board's financial statements report the investments and investment activity for the Wisconsin Retirement System funds, the State Investment Fund, and five other smaller insurance and trust funds. The statements and our unqualified opinions on them are included in the Investment Board's FY 2009-10 Annual Report, which can be found on the Investment Board's Web site.

The retirement funds, which include the Core Retirement Investment Trust Fund and the Variable Retirement Investment Trust Fund, experienced positive investment returns in FY 2009-10. The Core Fund reported net investment income of \$7.7 billion, and the Variable Fund reported net investment income of \$0.6 billion. After factoring in net investment income and net contribution receipts and benefit disbursements in FY 2009-10, the net investment assets of the retirement funds as of June 30, 2010, were \$64.6 billion for the Core Fund and \$4.5 billion for the Variable Fund.

The State Investment Fund invests the excess operating funds of State of Wisconsin agencies, the retirement funds, and the Wisconsin Local Government Investment Pool. Net investment income earned by the State Investment Fund decreased 81.4 percent, from \$82.6 million in FY 2008-09 to \$15.4 million in FY 2009-10 because of lower interest rates in the markets. After factoring in net investment income and net deposits and withdrawals, the State Investment Fund had a net asset balance of \$6.5 billion as of June 30, 2010.

The Investment Board is also responsible for investing the assets of five insurance and trust funds: the Injured Patients

and Families Compensation Fund, the State Life Insurance Fund, the Local Government Property Insurance Fund, the Historical Society Trust Fund, and the EdVest Tuition Trust Fund. Each of these funds has different investment policies, as established by the agency responsible for the fund and the Investment Board.

Enclosed is a management letter, which includes an auditor's report on internal control over financial reporting and on compliance and other matters, as required by Government Auditing Standards. As noted in this letter, which was provided to the Investment Board, we did not identify any control or compliance concerns that are required to be reported under these standards.

Sincerely,  
*JANICE MUELLER*  
State Auditor

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State of Wisconsin  
Legislative Audit Bureau  
Madison

December 17, 2010

To the Honorable, the Assembly:

We have completed a financial audit of the State of Wisconsin Educational Communications Board (ECB) Television Network to meet our audit requirements under s. 13.94, Wis. Stats., and as requested by ECB to fulfill the audit requirements of the Corporation for Public Broadcasting. The Corporation requires audited financial statements of public broadcasting entities to determine future funding levels.

ECB, which is an agency of the State of Wisconsin, operates a television network of 5 digital stations, as well as a radio network of 14 FM stations and 1 AM station. The ECB Television Network reported \$10.0 million in support and revenue during fiscal year 2009-10, including state support, member contributions, funding from the Corporation for Public Broadcasting, and various other grants.

Our audit report contains the ECB Television Network's financial statements and related notes as of and for the periods ending June 30, 2010, and June 30, 2009. We were able to issue an unqualified independent auditor's report on these statements. However, our report on internal control and compliance includes recommendations that ECB implement additional steps to simplify its financial reporting process to prevent and detect financial statement errors and take steps to improve program change controls over its invoice system.

We appreciate the courtesy and cooperation extended to us by ECB staff during the audit.

Respectfully submitted,  
*JANICE MUELLER*  
State Auditor

State of Wisconsin  
Legislative Audit Bureau  
Madison

December 17, 2010

To the Honorable, the Assembly:

We have completed a financial audit of the State of Wisconsin Educational Communications Board (ECB) Radio Network to meet our audit requirements under s. 13.94, Wis. Stats., and as requested by ECB to fulfill the audit requirements of the Corporation for Public Broadcasting. The Corporation requires audited financial statements of public broadcasting entities to determine future funding levels.

ECB, which is an agency of the State of Wisconsin, operates a radio network of 14 FM stations and 1 AM station, as well as a television network of 5 digital stations. The ECB Radio Network reported \$11.2 million in support and revenue during fiscal year 2009-10, including state support, member contributions, funding from the Corporation for Public Broadcasting, and various other grants.

Our audit report contains the ECB Radio Network's financial statements and related notes as of and for the periods ending June 30, 2010, and June 30, 2009. We were able to issue an unqualified independent auditor's report on these statements. However, our report on internal control and compliance includes recommendations that ECB implement additional steps to simplify its financial reporting process to prevent and detect financial statement errors and take steps to improve program change controls over its invoice system.

We appreciate the courtesy and cooperation extended to us by ECB staff during the audit.

Respectfully submitted,  
*JANICE MUELLER*  
State Auditor

State of Wisconsin  
Legislative Audit Bureau  
Madison

December 17, 2010

To the Honorable, the Assembly:

We have completed a financial audit of the Wisconsin Public Broadcasting Foundation, Inc.'s Television Fund and Radio Fund, as requested by the Wisconsin Educational Communications Board. The Foundation was organized by the Educational Communications Board under s. 39.12 and ch. 181, Wis. Stats., on September 29, 1983, for the exclusive purpose of raising funds for the Wisconsin educational television and radio networks.

We completed this audit in conjunction with our audits of the Wisconsin Educational Communications Board television

and radio networks, reports 10-16 and 10-17. The Foundation's financial operations are separate and independent from the State of Wisconsin. The Foundation's financial statements are presented in two separate funds (radio and television) to accommodate reporting requirements.

Our audit report contains the Foundation's financial statements and related notes as of and for the periods ending June 30, 2010, and June 30, 2009. We were able to issue an unqualified independent auditor's report on these statements.

We appreciate the courtesy and cooperation extended to us by Educational Communications Board staff during the audit.

Respectfully submitted,  
*JANICE MUELLER*  
State Auditor

State of Wisconsin  
Legislative Audit Bureau  
Madison

December 17, 2010

To the Honorable, the Assembly:

We have completed our financial audit of the State of Wisconsin as of and for the fiscal year ended June 30, 2010. The State's financial statements, and our unqualified audit opinion on them dated December 10, 2010, were included in the State's Comprehensive Annual Financial Report, which can be found on the Department of Administration's Web site.

During the course of our audit, we identified internal control concerns that are required to be reported under Government Auditing Standards. The enclosed management letter includes our report on internal control over financial reporting and on compliance. In that report, we make recommendations for various state agencies to improve their financial reporting and to strengthen internal controls, including those over security of computer programs and electronic data. The management letter was provided to the Department of Administration and to other agencies to which we made recommendations for improvement. We will follow up during next year's audit to determine the extent to which state agencies have addressed these concerns.

In addition, early next year, we plan to report to the Joint Legislative Audit Committee certain budgetary accounting concerns identified during our audit.

We appreciate the courtesy and cooperation extended to us by the Department of Administration and other state agencies during the audit.

Sincerely,  
*JANICE MUELLER*  
State Auditor

State of Wisconsin  
Joint Legislative Council  
Madison

December 20, 2010

To the Honorable, the Assembly:

Enclosed is a copy of the General Report of the Joint Legislative Council to the 2009-2010 Legislature, prepared and submitted pursuant to s. 13.81 (3), Stats.

I would appreciate your noting in the Assembly Journal, pursuant to s. 13.172, Stats., that this report has been delivered to your office. Thank you.

Sincerely,  
*TERRY ANDERSON*  
Director

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State of Wisconsin  
Department of Health Services  
Madison

December 22, 2010

To the Honorable, the Legislature:

As required by 2009 Act 28, Section 1301e, this letter provides a brief summary of the Southeast Wisconsin HMO plans for implementing Patient-Centered Medical Homes for high-risk pregnant women in their service area. I have also attached a copy of each of the four complete plans for your information as well as a copy of the relevant HMO contract language.

The four BadgerCare Plus-contracted health plans in SE Wisconsin are: Abri Health Plan, Children's Community Health Plan, CommunityConnect Healthplan and United Healthcare. These four HMOs were selected through a Request for Proposal to serve BadgerCare Plus members enrolled in the Standard and Benchmark plans in Milwaukee County and the five surrounding counties.

I am pleased to report that all four health plans are working together on this initiative and have jointly recruited several clinics to serve as medical home pilot sites. The sites serve predominately low-income, minority populations and provide comprehensive prenatal and postpartum care for high-risk women. A list of the sites is enclosed for your information.

The medical home pilots will begin operation on January 1, 2011 and continue through the life of the current contract, December 30, 2013. By contract, each HMO is required to enroll a minimum of 100 women in the medical homes in year one, 200 per HMO in year two and 300 per HMO in year three.

DHS anticipates much higher enrollment rates by the second year of the pilot.

The implementation plans met and, often exceeded, requirements specified in the contract. DHS is pleased with proposed comprehensive efforts to identify women who may benefit from participating in a medical home, including extensive work with community-based organizations to assist with outreach. The plans include a range of incentives designed to help ensure that women remain enrolled in the medical home throughout their pregnancy and through the postpartum period. Centering Pregnancy, an evidence-based program providing group-based care for women with similar due dates, is a key component of patient engagement strategies.

Each implementation plan describes appropriate protocols for ensuring that women keep appointments and for follow-up for missed appointments, including home visits, personal phone calls and the use of collateral contacts. Each plan also emphasizes that an obstetric care provider will be the primary point of contact for the pregnant woman and will be responsible for coordinating all needed care among multi-disciplinary teams. Protocols appear to be in place for ensuring immediate access to care and 24/7 access to medical advice.

Each participating clinic follows prenatal and postpartum guidelines issued by the American College of Obstetrics and Gynecology and other nationally-recognized guidelines for treating women with chronic conditions such as diabetes and hypertension. Care coordinators will work with each clinic to ensure that each BadgerCare Plus member enrolled in the medical home receives the services and supports she needs to have a healthy baby.

Throughout the medical home initiative, the HMOs will monitor and report on a number of performance measures, including three HEDIS (Healthcare Effectiveness Data and Information Set) measures—early prenatal care, frequency of prenatal care and postpartum care—as well as patient satisfaction. Performance information will be shared regularly with practices, providers and patients.

DHS is working collaboratively with the HMOs to develop a comprehensive evaluation of the medical home pilots for high-risk pregnant women. We would be happy to share the evaluation plan when it is completed.

Please feel free to contact Jason Helgerson, Medicaid Director and Administrator, Division of Health Care Access and Accountability, [Jason.Helgerson@wi.gov](mailto:Jason.Helgerson@wi.gov) or 608-267-9466, if you have any questions or need additional information.

Sincerely,  
*KAREN E. TIMBERLAKE*  
Secretary