



# STATE OF WISCONSIN

# Assembly Journal

## One-Hundredth Regular Session

FRIDAY, June 8, 2012

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

### ADMINISTRATIVE RULES

#### **Assembly Clearinghouse Rule 12-021**

Relating to warehouses storing cemetery pre-need merchandise, changing trustees of care or pre-need trust funds, and alternative care funds investments.

Submitted by Department of Safety and Professional Services, Cemetery Board.

No action taken by committee on **Jobs, Economy and Small Business** on May 30, 2012.

To joint committee for **review of Administrative Rules, pursuant to s. 227.19 (5)(a)**, Wisconsin Statutes.

Referred on June 5, 2012.

### COMMUNICATIONS

State of Wisconsin  
Legislative Reference Bureau  
Madison

**DATE:** May 29, 2012

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

Jeff Renk  
Assistant Senate Chief Clerk

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

**SUBJECT:** Rules published in the May 31, 2012 Wisconsin Administrative [Register, No. 677](#).

The following rules have been published:

[Clearinghouse Rule 10-128](#) effective 6-1-2012  
[Clearinghouse Rule 11-047](#) effective 6-1-2012

### REFERRAL OF AGENCY REPORTS

State of Wisconsin  
Department of Administration  
Madison

May 31, 2012

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 2012.

On April 1, 2012, the Medical Assistance Trust Fund cash balance closed at a negative \$20.9 million (its intra-month low). The cash balance was intermittently negative through April 30, 2012, when it closed at a negative \$2.6 million.

On April 1, 2012, the Lottery Fund cash balance closed at a negative \$554 thousand. The cash balance was negative until April 6, 2012, when it closed at a positive \$13.2 million. The Lottery Fund cash balance reached its intra-month low of a negative \$1.4 million on April 5, 2012.

On April 16, 2012, the Environmental Fund cash balance closed at a negative \$327 thousand. The cash balance was negative through April 30, 2012, when it closed at a negative \$890 thousand (its intra-month low).

The Medical Assistance Trust Fund, Lottery Fund, and Environmental Fund shortfalls were due to the difference in the timing of revenues and expenditures, 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,  
**MIKE HUEBSCH**  
Secretary

Referred to committee on **Ways and Means** and joint committee on **Finance**

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State of Wisconsin  
Department of Revenue  
Madison

June 4, 2012

To the Honorable, the Legislature:

I am submitting the quarterly report of the Wisconsin Lottery for the quarter ending March 31, 2012, 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 \$142.8 million for the quarter, up 6.9% from the same quarter last year. For the year, sales are at \$398.3 million, up 7.9% over last year.

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,  
*RICHARD G. CHANDLER*  
Secretary

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

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## AGENCY REPORTS

State of Wisconsin  
Legislative Audit Bureau  
Madison

May 24, 2012

To the Honorable, the Assembly:

As required by s. [13.94 \(1\)\(dh\)](#), Wis. Stats., we have completed our annual financial audit of the Wisconsin Health Insurance Risk-Sharing Plan (HIRSP) Authority for 2011 and have provided an unqualified audit opinion on its financial statements. 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.

Enrollment in the state-based HIRSP Plan increased from 16,381 policyholders as of December 31, 2009, to 21,317 policyholders as of December 31, 2011, or by 30.1 percent. However, recent premium increases may slow the rate of future enrollment growth. More than 80 percent of policyholders are enrolled in options with higher deductibles and lower premiums.

For several years, the state-based HIRSP Plan had net asset balances in excess of target balances. Actions by the HIRSP Authority to reduce these balances, as well as increases in claims costs, decreased the net asset balance to \$9.5 million as of December 31, 2011, or \$6.7 million less than the target balance. The HIRSP Authority is accepting the lower level of net assets, in part, due to uncertainty about the future of the state-based HIRSP Plan as provisions of the 2010 federal health care reform legislation are implemented and the U.S. Supreme Court considers cases challenging the legislation.

In July 2010, as part of the federal health care reform efforts, the federal government contracted with the HIRSP Authority to operate a temporary high-risk insurance pool for individuals who are uninsured because of pre-existing medical conditions. The HIRSP Federal Plan enrolled 998 policyholders at the end of 2011. The federal government funds costs in excess of the premiums collected from policyholders.

We appreciate the courtesy and cooperation extended to us by the HIRSP Authority, the plan administrator, and the pharmacy benefit manager.

Respectfully submitted,  
*JOE CHRISMAN*  
State Auditor