

STATE OF WISCONSIN
Assembly Journal
Ninety-First Regular Session

THURSDAY, July 14, 1994

The chief clerk makes the following entries under the above date:

ADMINISTRATIVE RULES

Read and referred:

Assembly Clearinghouse Rule 93-232

Relating to dairy plants and milk haulers.

Submitted by Department of Agriculture, Trade and Consumer Protection.

To committee on Agriculture, Forestry and Rural Affairs.

Referred on July 14, 1994.

Assembly Clearinghouse Rule 93-236

Relating to school district standards.

Submitted by Department of Public Instruction.

To committee on Education.

Referred on July 14, 1994.

Assembly Clearinghouse Rule 94-33

Relating to storm water discharge.

Submitted by Department of Natural Resources.

To committee on Environmental Resources.

Referred on July 14, 1994.

Assembly Clearinghouse Rule 94-58

Relating to grants for staff development.

Submitted by Department of Public Instruction.

To committee on Education.

Referred on July 14, 1994.

Assembly Clearinghouse Rule 94-72

Relating to suspensions of extended benefits and emergency unemployment compensation and to added efforts to secure work under the extended benefits program.

Submitted by Department of Industry, Labor and Human Relations.

To committee on Labor and Job Training.

Referred on July 14, 1994.

Assembly Clearinghouse Rule 94-73

Relating to definitions, work registration and work search.

Submitted by Department of Industry, Labor and Human Relations.

To committee on Labor and Job Training.

Referred on July 14, 1994.

Assembly Clearinghouse Rule 94-74

Relating to seasonal agricultural employers.

Submitted by Department of Industry, Labor and Human Relations.

To committee on Labor and Job Training.

Referred on July 14, 1994.

Assembly Clearinghouse Rule 94-75

Relating to wages for contribution purposes and lump sum pension payments.

Submitted by Department of Industry, Labor and Human Relations.

To committee on Labor and Job Training.

Referred on July 14, 1994.

Assembly Clearinghouse Rule 94-81

Relating to water-conserving fixtures.

Submitted by Department of Industry, Labor and Human Relations.

To committee on Labor and Job Training.

Referred on July 14, 1994.

Assembly Clearinghouse Rule 94-84

Relating to charter school instructional staff.

Submitted by Department of Public Instruction.

To committee on Education.

Referred on July 14, 1994.

Assembly Clearinghouse Rule 94-93

Relating to designating alternative accounting guidelines for the preparation of financial statements for certain governmental issuers of securities.

Submitted by Office of the Commissioner of Securities.

To committee on Insurance, Securities and Corporate Policy.

Referred on July 14, 1994.

Assembly Clearinghouse Rule 94-97

Relating to the business development initiative program.

Submitted by Department of Development.

To committee on Small Business and Economic Development.

Referred on July 14, 1994.

REFERRAL OF
AGENCY REPORTS

State of Wisconsin
Department of Corrections
Madison

May 19, 1994

To the Honorable the Legislature:

This is the annual report on Badger State Industries (BSI) for the fiscal year ending on June 30, 1993, as required by Wisconsin Stats. s. 303.018. This report includes the cash balance of each industry, the amounts expended by state agencies for wood furniture and printing and the portion of those amounts provided by BSI, a projection of the year end cash balance and, if negative, whether it will be offset by assets.

The cash deficit has increased by \$517,394.65 from \$-3,570,064.38 to \$-4,087,459.03 in fiscal year 1993. The increase in the deficit is the result of producing and shipping several large orders for which payment will be made in the next fiscal year. Total assets of plant, equipment and inventories of \$5,242,091 exceed the cash deficit by \$1,154,631.97.

See Appendix A for a summary of the cash balance for each industry and the overall financial condition of BSI.

The net income on the accrual accounting basis was \$554,887 for the fiscal year ending June 30, 1993.

State agencies spent \$1,235,823 on wood furniture in FY 93. Of that amount, \$862,161 or seventy percent was purchased from BSI. During the same period, state agencies purchased \$35,495,965 in printing from all sources. Of that amount, \$1,051,826 or three percent was purchased from BSI. State printing bulletins now require that all forms for which BSI has negotiated a contract be purchased from BSI. Appendix B provides comparisons with FY 92.

Sincerely,

MICHAEL J. SULLIVAN

Secretary

Department of Corrections

JAMES R. KLAUSER

Secretary

Department of Administration

Referred to committee on Elections, Constitutional Law and Corrections.

State of Wisconsin
Commissioner of Insurance
Office of Health Care Information
Madison

June 1994

To the Honorable the Legislature:

Pursuant to the requirements of section 153.10(1), Wis. Stats., I am pleased to submit to the Governor and to the Legislature the quarterly *Health Care Data Report*. This report is based on hospital inpatient discharge data reported to the Office of Health Care Information by all operating general medical-surgical and specialty hospitals in Wisconsin for the third quarter of 1993 (*July - September*). It also contains selected outpatient surgery utilization and charge data from general medical-surgical hospitals and freestanding ambulatory surgery centers in Wisconsin during the same quarter.

This report fulfills the statutory requirement to report "*in a manner that permits comparisons among hospitals...the charges for up to 100 health care services or diagnostic-related groups selected by the office.*"

Sincerely,

JOSEPHINE W. MUSSER

Commissioner of Insurance

Referred to the committee on Health.

State of Wisconsin
Department of Health and Social Services
Madison

June 24, 1994

To the Honorable the Assembly:

The following summarizes the result of audit adjustments made during 1993 for County Social Service Departments and County Departments of Community Programs. This annual report is mandated and issued pursuant to Wisconsin Statutes Section 49.52(2) (b) to the Chief Clerk of each house by June 30 of each year.

For 1993, there were no audit payments or collections made.

Sincerely,

GERALD WHITBURN

Secretary, DHSS

Referred to committee on Children and Human Services.

JOURNAL OF THE ASSEMBLY [July 14, 1994]

State of Wisconsin
Department of Health and Social Services
Madison

June 30, 1994

To the Honorable the Assembly:

Section 46.972(4) of the statutes, requires the Department of Health and Social Services to submit to the Legislature a report on June 30 of each year on the allocation and expenditure of funds for services for homeless individuals with severe and persistent mental illnesses, including individuals who are dually diagnosed with a mental illness and substance abuse. Attached is the report for calendar year 1993.

Departmental staff are available to answer any questions.

Sincerely,
GERALD WHITBURN
Secretary, DHSS

Referred to committee on Children and Human Services.

State of Wisconsin
Department of Health and Social Services
Madison

June 30, 1994

To the Honorable the Assembly:

Section 9126(13) of Act 16 requires the Department of Health and Social Services to submit to the Legislature before July 1, 1994, a report on the progress made by other states, the federal government and societies of medical specialists in establishing health care practice protocols for appropriate treatment, adherence to which would create a legal presumption against liability for malpractice. Attached is this report.

Sincerely,
GERALD WHITBURN
Secretary, DHSS

Referred to the committee on Health.

State of Wisconsin
Wisconsin Housing & Economic Development
Authority
Madison

June 30, 1994

To the Honorable the Assembly:

Pursuant to Section 234.93(5) of the *Wisconsin Statutes*, I am providing you with a copy of the annual report due on or before November 1 on the guarantee activity

within the Wisconsin Development Reserve Fund (the "Fund").

Sincerely,
RICHARD J. LONGBAUGH
Executive Director, WHEDA

Referred to committee on Housing.

State of Wisconsin
Department of Health and Social Services
Madison

June 30, 1994

To the Honorable the Assembly:

As required by Chapter 140.05(16)(h) of the Wisconsin Statutes, we are pleased to provide the annual report on the statewide immunization program. Please distribute this report to the appropriate standing committees.

Sincerely,
GERALD WHITBURN
Secretary, DHSS

Referred to committee on Health.

COMMUNICATIONS

State of Wisconsin
Department of Corrections
Madison

June 15, 1994

To the Honorable the Legislature:

Attached is the third quarter report on Badger State Industries for the fiscal year ending June 30, 1994, as required by Section 303.019 of the Wisconsin Statutes. This report includes the year-to-date cash balance of each industry.

The March 31, 1994, cash balance of each industry is detailed in Appendix A. On that date the total cash deficit was \$3,590,703.40. On a cash basis, Badger State Industries had a cash surplus of just under \$500,000 through the third quarter ending 3/31/94. This is a significant change from the \$500,000 deficit as of 12/31/93. Several large systems furniture orders totalling \$600,000 invoiced in December received payment in the third quarter of this fiscal year as well as a concerted effort to reduce accounts receivables resulted in this change. Badger State Industries has adequate fixed assets, inventories and receivables to cover the overdraft.

The projected profit on the accrual basis is \$133,000 for the fiscal year ending June 30, 1994. The projected statement is on the accrual basis and was prepared based on the best fiscal data available through March 31, 1994. The projection is based on the budget as of 3/31/94. Additional spending authority to increase sales was requested and approved in the Budget Adjustment Bill

and a 16.515 request in April of 1994. The increased expenditures authority is not reflected in the projections contained in this document.

Sincerely,
MICHAEL J. SULLIVAN
Secretary
Department of Corrections
JAMES R. KLAUSER
Secretary
Department of Administration

State of Wisconsin
Legislative Audit Bureau
Madison

June 30, 1994

To the Honorable the Legislature:

We have completed an evaluation of the Wisconsin School for the Deaf and the Wisconsin School for the Visually Handicapped, as requested by 1993 Wisconsin Act 16. In addition to providing a residential education program to visually or hearing impaired students, the two schools also operate summer programs and provide outreach services for such persons.

A significant trend affecting both schools has been declining enrollments; one-third fewer students are enrolled in the current school year than were enrolled 20 years ago. Currently, 173, or 9.7 percent of hearing impaired students statewide are enrolled in the School for the Deaf; 80, or 8 percent of the visually impaired students are enrolled in the School for the Visually Handicapped.

In reviewing the schools' staffing levels and facilities usage, we found that little has been done to make operational adjustments in response to declining enrollments. For example, staffing levels continue to be determined without guidelines and space is under-utilized. Given that it is unlikely enrollments will return to previous levels, both schools need to modify their current staffing and facilities management practices to reflect current demands.

Additionally, because more hearing and visually impaired students are being educated by local school districts, it may be appropriate for the state schools to provide additional support to efforts to educate these students. Both schools could, for example, place a greater emphasis on their summer school and outreach services programs.

We appreciate the courtesy and cooperation extended to us by staff and officials of the Department of Public Instruction, the School for the Deaf and the School for

the Visually Handicapped. The Department's response is the appendix.

Respectfully submitted,
DALE CATTANACH
State Auditor

State of Wisconsin
Wisconsin Housing & Economic Development
Authority
Madison

June 30, 1994

To the Honorable the Assembly:

Pursuant to Section 234.93(4)(b), I am providing a statement of the amounts deducted to pay outstanding claims and to fund guarantees under each of the programs guaranteed by funds from the Wisconsin Development Reserve Fund (the "Fund") along with an explanation as to how each amount was determined.

The Wisconsin Housing and Economic Development Authority (the "Authority") administers the Fund in accordance with *Wisconsin Statute* s. 234.93. The Authority is currently authorized to issue guarantees not to exceed \$64,087,000 for eleven initiatives.

Staff has performed the calculation for the balance transfer according to s. 234.93(4)(a). It is estimated that on June 30, 1994 all outstanding claims will have been paid and outstanding guarantees will total \$43,142,825. The Fund balance will total approximately \$15,500,429. As a result of the calculation, there will be no transfer of funds on June 30, 1994 to the general fund.

Attached is a fifteen year projection of the activity of the state programs within the Fund along with the assumptions used to prepare the projections. The relatively low interest rates which have been available have not had a positive impact on the earnings of the Fund. Staff has been working diligently to improve the longevity of the Fund by investing in higher yielding investments, charging fees and only approving tourism subsidies where a significant need for the subsidy is demonstrated.

It should be noted that fiscal year 2000 is the last year that guarantee activity as compared to the Fund balance would be in compliance with the 4:1 leverage ratio implemented by the Authority. We believe this is a situation to be closely monitored. Due to our limited experience in issuing guarantees, we believe the 4:1 ratio is prudent. We recognize that it might be appropriate to modify this ratio as we gain additional experience in administering these funds. The other alternatives include limiting guarantees issued and increasing the Fund balance.

Sincerely,
RICHARD J. LONGABAUGH
Executive Director, WHEDA

State of Wisconsin
Department of Health and Social Services
Madison

June 30, 1994

To the Honorable the Assembly:

Wisconsin Act 122 of 1989 provided the Department of Health and Social Services with funding to establish Intensive Aftercare Pilots. The Pilots were used to provide intensive supervision to juveniles upon their release from child care institutions or from the Department's two secure juvenile correctional institutions. Pilot participants were to be provided with daily face-to-face contacts, educational services and other programming as appropriate for a minimum of 90 days. The Department awarded grants to four single county Pilots in Kenosha, Racine, Rock and Waukesha counties and also funded a combined county Pilot in Vilas and Oneida counties.

The enabling legislation directed the Department to conduct an evaluation of the Pilots. The attached report is intended to meet this reporting mandate. This report includes information on the recidivism experiences of participants within one year of termination from Intensive Aftercare supervision. The Department also issued an interim report in January, 1993 which summarized the per capita costs of the program, the types of programs and services provided to participants and participants' outcomes, including arrests and recidivism, during Intensive Aftercare supervision.

Sincerely,
GERALD WHITBURN
Secretary, DHSS

State of Wisconsin
Department of Transportation
Madison

June 30, 1994

To the Honorable the Assembly:

1993 Wisconsin Act 16 required DOT and the new Railroad Commissioner to conduct a study to identify statutes relating to transportation regulation, particularly those previously administered by the Office of the Commissioner of Transportation. The Act requires the agencies to identify statutes that are obsolete, antiquated, preempted by federal law and to determine whether references to "farm crossing" in the statutes should be replaced with "private crossing," and to report to the Governor and the Legislature by July 1, 1994.

Initial study by the agencies indicates a substantial number of statutory provision, primarily in Chapters

191, 192 and 195, that fall within the mandate of Wisconsin Act 16. Due to the large number of statutory provisions under consideration and the varying and complex issues to be considered, the agencies submit this letter and the enclosed document as an initial update to the Governor and Legislature.

DOT and the Office of the Commissioner of Railroads plan to continue to meet to pursue final recommendations on the issues generated by a review of this magnitude and we will be submitting a final report to you and the Legislature before the 1995 legislative session commences.

Sincerely,
CHARLES H. THOMPSON
Secretary, DOT

State of Wisconsin
Department of Administration
Madison

July 1, 1994

To the Honorable the Assembly:

On behalf of the Wisconsin Acid Deposition Research Council and pursuant to 1985 Wisconsin Act 296, I am pleased to submit our 1994 Biennial Report, *A Status Report of Wisconsin Acid Rain Research in Wisconsin*.

The report speaks directly to the State's accomplishments in acid rain research over the last two years and our expectations for the future. The report also demonstrates that Wisconsin continues to lead the nation in both acid deposition policy and research commitments.

During the remaining two years of the Council, the major emphasis will be to assess the effectiveness of sulfur dioxide reductions and to address any remaining related research issues and concerns. The Council is also exploring the option of using its structure as a model for addressing other issues such as renewable energy and climate change. In any event, long term monitoring of acid deposition will be required to fully evaluate the impacts on the environment and on the overall quality of life of Wisconsin's citizens.

We thank you for your support in our efforts. We are available to further discuss this report and its implications at your convenience.

Sincerely,
NATHANIEL E. ROBINSON
Chair, WI Acid Deposition
Research Council

State of Wisconsin
Legislative Audit Bureau
Madison

July 6, 1994

To the Honorable the Assembly:

We have completed a financial and compliance audit of the State of Wisconsin as requested by state agencies to meet the audit requirements of the Single Audit Act of 1984 and provisions of the federal Office of Management and Budget Circular A-128. Our audit covers the period July 1, 1992 through June 30, 1993. In addition to satisfying audit requirements, the single audit assists us in meeting state audit requirements under section 13.94, Wis. Stats.

Report 94-12 contains the auditor's reports on internal control structure and compliance; findings of noncompliance with federal requirements and the results of our follow up to prior audit findings; agencies' responses to our recommendations and their plans for corrective action; and the Schedules of Federal Financial Assistance and accompanying notes. We have identified \$114,779 in questioned costs, plus an additional, undetermined amount of questioned costs.

Our audit opinion on the State's financial statements was included in the Comprehensive Annual Financial Report for the fiscal year ended June 30, 1993. This report was published by the Department of Administration in May 1994 and is available from the Bureau of Financial Operations in the Department of Administration. Our opinion was qualified because we were unable to determine the fair presentation of interfund transactions and other receivables and payables.

Our single audit report is lengthy and detailed. We are, therefore, limiting our initial distribution to those persons required by law to receive copies and to those who have an obvious and direct interest in our detailed findings. However, if you are interested in receiving a copy of the single audit report, please contact our office and request report number 94-12.

Sincerely,
DALE CATTANACH
State Auditor

State of Wisconsin
Department of Public Instruction
Madison

July 8, 1994

To the Honorable the Legislature:

Wisconsin Act 122 of 1989 made funds available to the Department of Public Instruction (DPI) to enable and encourage public schools to develop comprehensive programs to prevent or ameliorate alcohol and other drug abuse (AODA) among minors. The most recent

biennial budget bill has allowed these grant programs to continue supporting schools' efforts.

The Department was required to collect and analyze information about the programs funded through the Act and to evaluate their effectiveness. The enclosed preliminary report provides an overview of the programs administered by the department, the research that supports them as effective prevention or intervention strategies and the emerging themes from numerous interviews conducted with project staff and participants. This report is being submitted as an interim report as many grant funded projects were not completed until June 30th and therefore complete and accurate information about those projects could not be provided at this time. You will note that tables have been set up to display the data from the just completed projects once it has been analyzed. A final report inclusive of data analysis, summary and recommendations regarding these grants will be submitted by September 1, 1994. This preliminary report also provides a foundation for the reader upon which to critically examine the findings of the final report.

Please contact me or my staff should you have any questions.

Sincerely,
JOHN T. BENSON
State Superintendent, DPI

State of Wisconsin
Legislative Audit Bureau
Madison

July 12, 1994

To the Honorable the Assembly:

We have completed an audit of the Department of Employee Trust Funds' financial statements as required by s. 13.94 Wis. Stats. and as requested by the Department. The audit covered the calendar year ended December 31, 1992.

Our audit report contains the financial statements, notes to the financial statements and related auditor's opinion for the year audited. We were able to express an unqualified opinion on the financial statements.

The audit report includes no major findings, conclusions, or recommendations and, in our judgment, is not likely to be of interest to most members of the Legislature.

Copies of the audit report have been distributed to members of the Joint Audit Committee and those required by law to receive detailed copies. If you are interested in receiving a copy of this report, please contact our office and request report number 94-13.

Respectfully submitted,
DALE CATTANACH
State Auditor