



# STATE OF WISCONSIN Assembly Journal

Ninety–Second Regular Session

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WEDNESDAY, October 16, 1996

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

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## ADMINISTRATIVE RULES

### Assembly Clearinghouse Rule 96–63

Relating to plumbing plans and adopted standards.  
Submitted by Department of Industry, Labor and Human Relations.

Report received from Agency, October 10, 1996.  
To committee on **Labor and Employment**.  
Referred on October 16, 1996.

### Assembly Clearinghouse Rule 96–70

Relating to fee for title and registration processing contractors.

Submitted by Department of Transportation.  
Report received from Agency, October 15, 1996.  
To committee on **Highways and Transportation**.  
Referred on October 16, 1996.

### Assembly Clearinghouse Rule 96–85

Relating to turtle harvest.  
Submitted by Department of Natural Resources.  
Report received from Agency, October 8, 1996.  
To committee on **Natural Resources**.  
Referred on October 11, 1996.

### Assembly Clearinghouse Rule 96–100

Relating to soil erosion at one– and two–family dwelling construction sites.

Submitted by Department of Industry, Labor and Human Relations.  
Report received from Agency, October 10, 1996.  
To committee on **Housing**.  
Referred on October 16, 1996.

### Assembly Clearinghouse Rule 96–111

Relating to the definition of handicapping conditions, including significant development delay.

Submitted by Department of Public Instruction.  
Report received from Agency, October 8, 1996.  
To committee on **Education**.  
Referred on October 11, 1996.

### Assembly Clearinghouse Rule 96–119

Relating to operation of public swimming pools.  
Submitted by Department of Health and Family Services.  
Report received from Agency, October 14, 1996.

To committee on **Health**.  
Referred on October 16, 1996.

### Assembly Clearinghouse Rule 96–121

Relating to the method of resolving disputes concerning children with exceptional educational needs between school boards and the parents of those children.

Submitted by Department of Public Instruction.  
Report received from Agency, October 8, 1996.  
To committee on **Education**.  
Referred on October 11, 1996.

### Assembly Clearinghouse Rule 96–123

Relating to transcripts of undergraduate training, passing scores on examinations and abandonment of applications.

Submitted by Department of Regulation and Licensing.  
Report received from Agency, October 14, 1996.  
To committee on **Health**.  
Referred on October 16, 1996.

### Assembly Clearinghouse Rule 96–143

Relating to securities registration exemptions, securities registration procedures, substantive registration standards and disclosure requirements, securities broker–dealer, securities agent and securities investment adviser licensing requirements and procedures, franchise definitions, franchise registration exemptions, franchise registration procedures, substantive registration and disclosure requirements, franchise registration or exemption revocations and fraudulent practices, franchise fee–related provisions and franchise forms.

Submitted by Department of Financial Institutions.  
Report received from Agency, October 8, 1996.  
To committee on **Insurance, Securities and Corporate Policy**.  
Referred on October 11, 1996.

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## REFERRAL OF AGENCY REPORTS

TO: Charles R. Sanders  
Assembly Chief Clerk

FROM: J. Denis Moran  
Director of State Courts

DATE: October 1, 1996

Pursuant to s. 758.19(5)(i), Wis. Stats., the information reported to the Director of State Courts under s. 758.19(5)(e),

Wis. Stats., by Wisconsin's counties has been compiled and is herein submitted. Under s. 758.19(5)(e), Wis. Stats., each county is required to submit an annual report to the Director of State Courts which provides information on the actual amount expended in the previous calendar year for court costs relating to the circuit court support and the guardian ad litem payment programs.

Under the circuit court support payment program, counties received \$7,661,400 during 1995 to be used to offset the following court costs incurred during the calendar year:

- Juror fees under s. 59.77(8), Wis. Stats.;
- Fees for expert witnesses called by the guardian ad litem under s. 767.045(6), Wis. Stats., if either or both parties are unable to pay those fees;
- Witness fees set under s. 814.68(1)(b)1 and (c), Wis. Stats., for witnesses called by the court on its own motion or called by, or subpoenaed at the request of, a district attorney, the state public defender or private attorney appointed under s. 977.08, Wis. Stats.;
- Fees for expert witnesses appointed under s. 907.06, Wis. Stats., by the court on its own motion or by the court at the request of the district attorney, the state public defender, or a private attorney appointed under s. 977.08, Wis. Stats., or by the court upon agreement of the district attorney, the state public defender or a private attorney appointed under s. 977.08, Wis. Stats.;
- Fees for witnesses or expert witnesses subpoenaed by the court at the request of the district attorney, coroner, or medical examiner under s. 979.06(1) and (2), Wis. Stats.;
- Salaries and fringe benefits for judicial assistants for circuit court judges;
- Any other court costs, except costs related to courtroom security, including security personnel, and costs related to rent, utilities, maintenance, rehabilitation, and construction of court facilities.

The guardian ad litem payment program allows counties to use payments to defray the costs of guardian ad litem compensation incurred under chs. 48, 55, 767, and 880. The Director of State Courts was appropriated \$4,738,500 for state fiscal year 1995-96 to make these payments to counties.

The annual report from counties under this statute was due July 1, 1996 for calendar year 1995. As of October 1, 1996, all counties have submitted the annual report to the Director of State Courts. A county which does not meet the annual reporting requirement under s. 758.19(5)(e), Wis. Stats., is not eligible to receive its circuit court support payment for one year after the July 1st due date or until the annual report is submitted, whichever is earlier.

**Circuit Court Support Payment Program.** Attachment A is a compilation of the information provided by counties for calendar year 1995 on the actual costs incurred during the year in the allowable categories. Based on these annual reports, counties reported incurring \$81,335,909 in these court costs throughout the calendar year. Specifically:

- salaries and fringe benefits for judicial assistants totaled \$6,514,329;
- juror fees totaled \$4,383,746;
- witness and expert witness fees totaled \$1,078,654; and
- other court costs except court room security, rent, utilities, maintenance, rehabilitation, and construction of court facilities totaled \$69,359,180.

The \$6.5 million reported in salaries and fringe benefits for judicial assistants actually represent the cost of providing clerical assistance to circuit court judges. Many counties continue not to provide their circuit court judges with a position exclusively identified as a judicial assistant. As a result, these counties reported a portion of the salaries and fringe benefits of the county personnel who may perform one or more of the duties described in the judicial assistant job description developed by the Director of State Courts as required by s. 758.19(h), Wis. Stats. Consequently, the reported salaries and fringe benefits of judicial assistants may be a percentage of the salaries and fringe benefits for register in probate staff or clerk of circuit court staff who also provide clerical assistance to the judge.

Counties reported expending almost \$4.4 million in juror fees during the past calendar year. Of this \$4.4 million, 70 percent or \$3.1 million relates to the daily fee paid to jurors for their attendance while the remaining fees relate to mileage and meal expenses paid for jurors. It also should be pointed out that the daily fees and mileage rates paid to jurors vary widely from county to county. According to s. 756.25(1), Wis. Stats., jurors are not to receive less than \$16 for each day's actual attendance at circuit court and an amount equal to the mileage rate set under s. 20.916(8), Wis. Stats., which was 26 cents per mile in 1995. The data collected on the calendar year 1995 annual reports show the juror daily rate paid by counties to range from \$16 to \$45. The mileage rate counties used to reimburse jurors ranged from 20 cents to 30 cents per mile. Twelve counties reported paying less than the statutory required mileage rate.

For calendar year 1995 counties reported expending over \$1 million for witness and expert witness fees. Not all counties were able to provide the same level of detail on the annual report for these fees. However, from the information available, 55 percent of the witness and expert witness fees paid during calendar year 1995 relate to witnesses and expert witnesses called or subpoenaed by the district attorney while four percent of the fees were paid to witnesses and expert witnesses of the state public defender.

Finally, counties reported incurring over \$69 million in other eligible court costs under the circuit court support payment program. The comparability among counties of the information reported in this category is questionable. When reviewing the detail counties provided to support the amount reported as "other" court costs, it appears that they do not categorize them consistently. For example, some counties reported the total costs of the circuit court, clerk of court, register in probate, and the court commissioner(s) while other counties included costs of other areas as part of the county's court budget (i.e. costs associated with corporation counsel, family mediation/counseling, child support, etc.).

Furthermore, counties do not typically include the same type of expenditures in court budgets which makes it difficult to compare court costs among counties. As an example, one county may have reported the cost of providing indigent counsel while another county may not because it was included in another county department's budget.

**Guardian Ad Litem Payment Program.** Counties were also required to report the costs of those guardian ad litem fees which are listed under s. 758.19(6), Wis. Stats. Attachment B provides the information counties were able to report for calendar year 1995. Of the \$8,068,190 counties reported guardian ad litem services paid during 1995:

- \$3,061,616 were for guardian ad litem services provided under Chapter 48 of the Wisconsin Statutes;
- \$1,472,183 were for guardian ad litem services provided under Chapters 55 and 880 of the Wisconsin Statutes; and
- \$2,191,180 were for guardian ad litem services provided under Chapter 767 of the Wisconsin Statutes.

The remaining \$1,343,211 was reported as "other guardian ad litem services" mainly because counties could not identify easily the proper category where these costs belonged. Moreover, counties also reported that they recouped at least \$1,396,040 in guardian ad litem fees from those parties which were provided the services.

Referred to committee on **Criminal Justice and Corrections.**

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State of Wisconsin  
Office of the Commissioner of Insurance  
Madison

July, 1996

To the Honorable, the Legislature:

Pursuant to the requirements of section 153.20, Wis. Stats., we are pleased to submit to the Governor and the Legislature **Uncompensated Health Care, Wisconsin Hospitals, FY 1995**. This report, prepared by the Office of Health Care Information, sets forth the total charges for charity care, bad debt, and total uncompensated health care for hospital fiscal year 1995; the projected total charges for hospital fiscal year 1995; and the projected number of patients who will receive uncompensated health care in hospital fiscal year 1996.

The information contained in this report was obtained from data submitted by Wisconsin hospitals on the annual *FY 1995 Hospital Uncompensated Health Care Plan* and their annual *FY 1995 Hospital Fiscal Survey*.

Sincerely,  
**JOSEPHINE W. MUSSER**  
Commissioner of Insurance

Referred to committee on **Health.**

**AGENCY REPORTS**

State of Wisconsin  
Department of Corrections  
Madison

September 1, 1996

To the Honorable, the Assembly:

I am pleased to provide you with the first annual report for the Bureau of Correctional Enterprises. The report highlights the accomplishments of the Prison Industries, Correctional Farms and Institutional Work Projects for fiscal year 1996.

Beyond that I believe the reader will obtain a better understanding of the Mission and Goals of our organization. The Governor and Secretary have designated work as a critical part of their correctional program. The Bureau's "reason for being" is to provide work experience and training to offenders. This report reflects our efforts to meet the expectations of our leaders.

The first annual report is totally a product of Bureau staff. The articles, data, pictures, art work and printing were produced entirely by staff of the Bureau. I thank them for an excellent product.

Sincerely,  
**STEVE KRONZER**, Director  
Bureau of Correctional Enterprises

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State of Wisconsin  
Investment Board  
Madison

October 4, 1996

To the Honorable, the Legislature:

Section 25.17(14r) of the Statutes, as created by 1995 Wisconsin Act 274, requires that the State of Wisconsin Investment Board (SWIB) submit a report to the Joint Committee on Audit, Joint Committee on Finance, and Chief Clerks of each House summarizing any change in the Board's investment policies, upon adoption of the change.

On October 3, 1996, the Board of Trustees approved a change to the investment guidelines for our Real Estate portfolios. The changes are highlighted on the attached copy of the guidelines. Additions to the guidelines are [redacted] and deletions are ~~stricken~~.

SWIB manages over \$1.3 billion in real estate assets for the Fixed Trust Fund of the Wisconsin Retirement System. The guidelines for real estate investments have been modified in three ways:

1. **Statement of General Goals and Objectives (page 3).** The new guidelines establish that the purpose of the real estate program is prudent investment to create a diversified portfolio of high quality assets which will enhance long-term investment performance, generate attractive risk-adjusted returns and diversify SWIB's asset base. Language in the previous guidelines specified that SWIB should "retain control over major investment and management decisions."

This language has been deleted because it does not reflect the risk in an investment and is not relevant to current industry practice.

2. New Definition of Core and Non-Core Assets (page 5). SWIB's real estate investments are managed in two portfolios. The Core portfolio was previously defined to include properties which offered relatively predictable rates of return with minimal levels of risk, and for which SWIB retained discretion (control) over major decisions. The Non-Core portfolio was previously defined to include properties which produced increased rates of return commensurate with additional levels of risk, including investments in which SWIB delegated authority to outside managers.

The new definitions emphasize the nature of the underlying investments in each portfolio. Core investments have relatively stable and predictable income returns, come from four major property types, and will likely be held for more than three years. Non-Core investments have a higher risk profile and greater potential for appreciation. The amount of manager discretion no longer affects the classification of a property as Core or Non-Core. These changes were made at the request of the Board's Real Estate Committee so that the definitions correlate more with the degree of risk in the properties.

3. Allocation Between Core and Non-Core Assets (page 6). Changed in definitions increased the share of assets classified

as Core from 66.6% to 74.3%. The Non-Core share decreased accordingly from 33.4% to 25.7%. The minimum allocation was reduced from 75% to 65% for the Core portfolio and increased from 25% to 35% for the Non-Core portfolio because of the current state of the real estate market. There are many investment products classified as Non-Core that offer substantial risk-adjusted returns to SWIB.

The new guidelines also provide authority to staff to seek approval from the Real Estate Committee of the Board of Trustees to exceed the allocations limits in order to take advantage of opportunities in the market. Typically, this approval would be requested as part of our annual strategic planning process. In light of the extraordinary opportunities in the market for the coming year, the Board has approved an allocation of 40% to Non-Core assets. The Real Estate Committee must approve the acquisition of Non-Core investments.

These changes were made to more accurately reflect the objectives and risk profile of the real estate portfolios. SWIB's real estate consultant (Institutional Property Consultants) has confirmed that the changes are consistent with industry practice.

Please feel free to contact me if you have any questions about this item.

Sincerely,  
*PATRICIA LIPTON*  
Executive Director, SWIB