



STATE OF WISCONSIN Assembly Journal

Ninety–Second Regular Session

FRIDAY, December 20, 1996

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

COMMUNICATIONS

December 9, 1997

Representative Jeff Plale
Room 220 North, State Capitol
P.O. Box 8953
Madison, WI 53708

Dear Representative Plale:

It is my pleasure to appoint you as a member of the Board of Directors of Forward Wisconsin, Inc. to fill the vacancy created by Representative Ziegelbauer's resignation. The appointment is effective immediately.

Sincerely,
DAVID PROSSER, JR.
Speaker

REFERRAL OF AGENCY REPORTS

DATE: December 2, 1996

TO: Charles R. Sanders
Assembly Chief Clerk

FROM: Steven D. Sell, Chair
State Emergency Response Board
Department of Military Affairs

RE: **Report on 1995 Wisconsin Act 13**

1995 WISCONSIN ACT 13 which was enacted on May 16, 1995 contained a nonstatutory provision directing that the State Emergency Response Board (SERB) submit a report to the legislature on the impact that this act has on local units of government, local emergency response committees and emergency response teams. A draft of this report was reviewed and approved by the SERB at their November 14, 1996 meeting.

In an effort to obtain direct input on the effect of the act, a survey addressing the various aspects of the act was developed and forwarded to County Emergency Government

Directors, Local Emergency Planning Committee Chairs, designated County Level B response teams and designated Regional Level A response teams. The attached report summarizes the survey responses received and makes a recommendation on behalf of the Board with regard to the two provisions in the Act which are scheduled to sunset.

While a summary chart, containing a synopsis of the comments made on the survey, was developed, it was not made a part of the formal report in an effort to hold down copying costs. However, the comments that are included in the report were taken from the summary chart. A copy of the summary chart has been provided to the respective clerks for information purposes. If anyone wishes to review the complete file of survey responses received, this file is available by contacting Christine Bacon, Director, Bureau of Technological Hazards, Wisconsin Division of Emergency Management. If you have questions regarding the report or the survey please feel free to contact me or Ms. Bacon at 242-3232.

Referred to committee on **Veterans and Military Affairs.**

State of Wisconsin
Department of Administration
Madison

December 9, 1997

To the Honorable, the Legislature:

With this letter, I am forwarding to you the annual report of the Bureau of Justice Information Systems (BJIS) in compliance with s. 16.971(9), Stats. The Bureau of Justice Information Systems is a key component of the State of Wisconsin's enterprise approach to technology and focuses specifically on improving public safety and justice through the efficient use of technology.

The enclosed report is the *first* BJIS Annual Report as the bureau is a new organization. BJIS was created to fulfill the Governor's and Legislatures' goal, as outlined in 1995 Wisconsin Act 27, to improve and coordinate the sharing of information among state and county justice agencies. I am pleased to report that the bureau has made great strides this past year both in relationships among diverse agencies. Particularly noteworthy is the landmark joint effort of the Wisconsin Supreme Court and the Department of Administration in working together to provide technical support for district attorney automation. This significant

partnership represents a new approach to government operations and reflects the bureau's unique purpose.

If additional copies are required, please contact Alison Poe, Director, Bureau of Justice Information Systems at 264-9212.

Sincerely,
MARK D. BUGHER
Secretary, DOA

Referred to committee on **Judiciary**.

AGENCY REPORTS

State of Wisconsin
Department of Employee Trust Funds
Madison

October, 1996

To the Honorable, the Legislature:

I am pleased to present you with the 1995 Comprehensive Annual Financial Report of the Wisconsin Department of Employee Trust Funds (ETF). We continue to accelerate the completion of our complicated financial audit following each year's receipt of the final opinion of the Legislative Audit Bureau. Improving the timeliness of these reports has been a main objective over the past few years.

ETF manages the public employe retirement program and a number of other fringe benefit programs for all state agencies and many local governments in Wisconsin. As the 1995 report shows, we manage retirement and benefit accounts for 88,998 retired persons living throughout the world, 236,274 active employes at all levels of public employment and another 88,437 former employes who have kept their accounts active and who will take future benefits.

The narrative summary of ETF's programs is found in the Introduction of this report. This year's report features the Wisconsin Deferred Compensation program, a fast growing benefit program available to state employes and to local government employes who choose to participate. Participation in Deferred Compensation has grown 160% in the past nine years.

The 1995 report contains audited financial data and statistical material, the all-important actuarial report and other related data. To meet the state's requirement for publication of a biennial or annual report we also include material on our objectives, accomplishments, legislation affecting our programs and other information.

Your comments are welcomed and can be directed to me at (608) 266-1071 or to Sandy Drew, our Director of Legislation and Planning, at (608)267-2929.

Sincerely,
ERIC O. STANCHFIELD
Secretary, ETF

State of Wisconsin
Investment Board
Madison

November 22, 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 November 7, 1996, the Board of Trustees approved a change to the investment guidelines for the Special Opportunities Portfolio (SOP). The change provides additional investment authority which is highlighted by the [REDACTED] material in the attached copy of the guidelines.

The SOP currently manages \$747 million for the Fixed Trust Fund of the Wisconsin Retirement System (approximately 2% of Fixed Fund assets). This portfolio has the authority to invest across asset classes in either domestic or international markets. Investments may be made in public and private equities and fixed income investments, partnerships, other funds and a variety of structured investments.

The change approved by the Trustees gives the SOP delegated authority to purchase a limited amount of privately placed securities under the Securities and Exchange Commission's (SEC) Rule 144A. This rule allows resale of unregistered and otherwise restricted debt and equity securities between qualified institutional buyers (generally with assets greater than \$100 million). This rule was established by the SEC to give institutional investors greater latitude in investing than the general public. It offers a measure of liquidity beyond most other private placement securities. As a result, a market for these securities is developing among large investors like SWIB.

The change approved by the Trustees gives the SOP delegated authority to take advantage of the opportunities in the markets. It brings the SOP in line with other portfolios at SWIB which already had certain authority pertaining to RULE 144A. The amount of 144 A securities purchased by the SOP could not exceed 25% of the portfolio value without approval of the Trustees. This change in authority was reviewed and recommended by the staff Risk Management Committee prior to consideration and approval by the Board.

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

Sincerely,
PATRICIA LIPTON
Executive Director, SWIB

State of Wisconsin
Reinstatement Assistance Pilot Program
Madison

November 27, 1996

To the Honorable, the Legislature:

Attached is the statutorily mandated evaluation of the Reinstatement Assistance Pilot Program. Act 27 (Biennial Budget Bill 1993–1995) requires that the State Public Defender’s Office and the Department of Transportation jointly oversee and evaluate this diver’s license reinstatement assistance training program, and submit a report to the Legislature prior to January 1, 1997.

Questions regarding this report may be directed to any of the Steering Committee members listed below.

Sincerely,
SALLY PEDERSON
State Public Defender’s Office
SHARON CAULUM
State Public Defender’s Office
GEORGE ESSER
Department of Transportation
CHRISTINE SMITH
Department of Transportation

State of Wisconsin
Department of Administration
Madison

December 9, 1996

To the Honorable, the Legislature:

This report is transmitted as required by sec. 20.002(11)(f) of the Wisconsin Statutes, (for distribution to the appropriate standing committees under sec. 13.172(3) Stats.), 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 balances during the month of November, 1996.

On November 1, 1996 the **Wisconsin Health Education Loan Repayment Fund** balance was –\$1 thousand. This shortfall increased to –\$2 thousand on November 18, 1996 and continued through the end of the month. This shortfall was due to the timing of revenues.

On November 1, 1996 the **Wisconsin Information Technology Services Fund** balance was –\$1.54 million. This shortfall continued until November 4, 1996 when the balance reached \$114 thousand. This shortfall was due to the timing of revenues.

On November 13, 1996 the **Wisconsin Petroleum Inspection Fund** balance was –\$842 thousand. This shortfall continued until November 21, 1996 when the balance reached

\$7.21 million. This shortfall was due to the timing of revenues.

The Wisconsin Health Education Loan Repayment Fund, Information Technology Services Fund and Petroleum Inspection Fund shortfalls were not in excess of the \$400 million ceiling 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.

Sincerely,
MARK D. BUGHER
Secretary, DOA

State of Wisconsin
Legislative Audit Bureau
Madison

December 18, 1996

To the Honorable, the Legislature:

We have completed a best practices review of local government operations as required by s. 13.94(8), Wis. Stats. Privatization of local government services was selected as the topic of our review with the assistance of the Local Government Advisory Council, which consists of representatives of counties, cities, villages, and towns.

Nearly 50 percent of the local governments responding to our survey reported that within the past seven years, they had initiated at least one contract for services with a private vendor. Survey respondents most often reported contracts for solid waste collection, recycling, building inspection, and road and street repair services.

Local governments commonly consider contracting with private vendors as a way to reduce service costs; however, careful assessment is necessary to ensure desired benefits will be achieved. In particular, before entering a contract, the full costs of government service delivery must be measured and compared to estimated contracting costs. In addition, service delivery decisions need to take into account whether a delivery system is consistent with the local government’s goals and objectives for the service, including quality, control, and long–term stability, as well as the requirements of existing laws and legal obligations.

Based on the contracting experiences of several counties and municipalities, as well as professional and academic literature, this report identifies best practices to follow when contracting for public services. Specific practices are identified for local governments to consider in selecting vendors, specifying service expectations and administrative responsibilities, and establishing monitoring procedures.

We thank the Local Government Advisory Council for its assistance in selecting the topic for our review, and we

appreciate the courtesy and cooperation extended to us by local government staff.

Respectfully submitted,
DALE CATTANACH
State Auditor

State of Wisconsin
Claims Board
Madison

December 18, 1996

To the Honorable, the Assembly:

Enclosed is the report of the State Claims Board covering the claims heard on December 4, 1996.

The amounts recommended for payment under \$5,000 on claims included in this report have, under the provision of s. 16.007, Stats., been paid directly by the Board.

The Board is preparing the bill(s) on the recommended award(s) over \$5,000, if any, and will submit such to the Joint Finance Committee for legislative introduction.

This report is for the information of the Legislature. The Board would appreciate your acceptance and spreading of it upon the Journal to inform the members of the Legislature.

Sincerely,
EDWARD D. MAIN
Secretary, Claims Board