



# STATE OF WISCONSIN

# Senate Journal

## Ninety–Third Regular Session

10:00 A.M.

TUESDAY, May 27, 1997

The Senate met.

The Senate was called to order by Senator Robert Wirch.

The Chair, with unanimous consent, asked that the proper entries be made in the journal.

### INTRODUCTION, FIRST READING AND REFERENCE OF BILLS

Read first time and referred:

#### Senate Bill 218

Relating to: health insurance coverage requirements, including preexisting condition exclusions, guaranteed issue, guaranteed acceptance, portability, rating restrictions, contract termination and renewability and fair marketing standards; eliminating the small employer health insurance plan and board; collective bargaining of certain health care coverage requirements; granting rule–making authority; and requiring the exercise of rule–making authority.

By Senators Moen, Wirch, Decker, Risser and Clausing; cosponsored by Representatives Lorge, Musser, Dobyns, Staskunas, Hanson, Ward, R. Young, Gronemus, Ainsworth, Robson, Meyer, Baumgart, Plouff, Travis, Murat, Hasenohl and Reynolds.

To committee on **Health, Human Services, Aging, Corrections, Veterans and Military Affairs.**

#### Senate Bill 219

Relating to: priority of support–related obligations as tax setoffs.

By Senator Clausing; cosponsored by Representatives Musser, Powers, Bock, Plouff and Notestein.

To committee on **Economic Development, Housing and Government Operations.**

#### Senate Bill 220

Relating to: operating an unregistered vehicle, temporary operation plates and creating presumption that certain motor vehicles located on a highway are unregistered or improperly registered vehicles.

By Senator Adelman; cosponsored by Representative Rutkowski.

To committee on **Labor, Transportation and Financial Institutions.**

#### Senate Bill 221

Relating to: the issuance of alternative teaching permits and teaching licenses.

By Senators Farrow, Huelsman and Welch; cosponsored by Representatives Duff, Underheim, Ainsworth, Grothman, Owens, Jensen, Goetsch, Seratti and Nass.

To committee on **Education.**

### REPORT OF COMMITTEES

The committee on **Agriculture and Environmental Resources** reports and recommends:

#### Senate Bill 130

Relating to: sale of rabies vaccine and rabies vaccination of dogs.

Passage.

Ayes, 4 – Senators Clausing, Shibilski, Wirch and Zien.

Noes, 1 – Senator A. Lasee.

Alice Clausing  
Chairperson

The committee on **Economic Development, Housing and Government Operations** reports and recommends:

#### Senate Bill 31

Relating to: the requirements for receiving an automatic joint survivor death benefit under the Wisconsin retirement system.

Passage.

Ayes, 5 – Senators Moore, Plache, Grobschmidt, Fitzgerald and Weeden.

Noes, 0 – None.

Gwendolynne Moore  
Chairperson

### PETITIONS AND COMMUNICATIONS

#### Senate Petition 7

A petition by 82 residents of Springbrook Village Mobile Home Park in Beloit, in support of Senate Bill 147, Relating to regulation of water/sewer charges.

By Senator Weeden.

To committee on **Utility Regulation.**

State of Wisconsin  
Investment Board

May 22, 1997

The Honorable, The Legislature:

Section 25.17(14r) of the Statutes 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 May 8, 1997, the Board approved the attached modifications to the Investment Policy Guidelines for the Market Evaluation Portfolio (MEP) and the Core Fixed Income Portfolio (CORE) currently managed by SWIB's Public Fixed Income Group. Investment guidelines were also slightly changed for the Real Estate Division. They are also attached.

Additions to the previous guidelines are [REDACTED] and deletions are the ~~stricken~~ material.

SWIB's public bonds are presently managed in three portfolios: (1) The CORE portfolio is invested primarily in U.S. government bonds and corporate bonds purchased in public markets. (2) The MEP portfolio, prior to the following guideline changes, has been weighted primarily toward corporate securities. (3) The Intermediate Duration portfolio invests in U.S. Treasury and agency securities, primarily in the three-to-seven year maturity range.

MEP GUIDELINE CHANGES

The MEP was originally established in 1988 as a subset of the CORE portfolio. Since then, it has grown in size from \$400 million to over \$1.2 billion and is now a stand-alone portfolio. Substantive changes to its investment guidelines have not been made since its origination. Given its present size and the complexity of the public fixed income market, broader guidelines are warranted.

The attached guideline changes to the MEP were enacted in order to take better advantage of the available investment opportunities across public fixed income sectors, provide greater liquidity, and enhance risk management within SWIB's MEP portfolio. The changes are summarized below:

- The new guidelines broaden the MEP portfolio mandate by removing the explicit focus on the corporate market. This change will enhance overall risk management of the portfolio as it will provide for greater diversification and increased liquidity of MEP investments. By and large, this will position the portfolio to react more quickly to market fluctuations as they occur.
- The guideline changes widen the duration range of the MEP portfolio to  $\pm 20\%$  of the portfolio's benchmark, up from  $\pm 10\%$  of the target. Duration is defined as a general measure of interest rate and market sensitivity. In essence, the widening of the duration range will allow a greater response to anticipated market changes. The revised benchmark has a fixed duration of 6.5 which is consistent with the average duration of the previous benchmark. With the implementation of the new guidelines, the overall duration structure of the fixed income portfolios remains unchanged.
- The new guidelines set forth an overall portfolio credit quality restriction while removing such restriction from the individual issuer and security levels. An addition to the guidelines also allows opportunistic investment of up to 15% of the portfolio in issues rated BB+ and below. The primary purpose of this change is to allow investment in issues which are on the cusp of becoming investment grade securities and expected returns are commensurate with risk. As the overall quality restriction at the broader portfolio level is unchanged, the portfolio will have greater flexibility in issue selection without subjecting the portfolio to any additional aggregate risk.
- With an increased spectrum of allowable investments, the percent allowed in any one investment grade issuer was decreased from 10% to 5% of the portfolio, investment in issuers with ratings below BB+ is limited to 3% of the portfolio.
- Changes were also made to the portfolio's benchmark accordingly.

CORE GUIDELINE CHANGES

The attached changes to the CORE portfolio guidelines are relatively minor and have no material impact on the present portfolio. The first change substitutes the term "duration" for

maturity. This change updates the guidelines to reflect the industry standard of measurement. Duration is widely accepted as a better measure of interest rate sensitivity and relative risk. The second minor change was initiated in order to set forth CORE guidelines which are consistent with some of the language in the new MEP guidelines. This change specifies limits on the investment which can be made in any one issuing company. Again, this change is anticipated to have little effect on current practices.

REAL ESTATE GUIDELINE CHANGES

Minor technical changes were made to the investment guidelines for the National Industrial Discretionary Account Program (NISDAP) with SWIB's Real Estate Division. NISDAP's purpose is to establish a program which allows SWIB to build portfolios of industrial properties within selected markets. The revisions are non-material and come as a result of Trustee requests for clarification of NISDAP wording. The revisions better define qualifying investments and remove some ambiguity within the former investment guidelines. The overall effect of these changes has been a slightly greater restriction in investment policy without having any material effect on current investment practices.

Please contact me if you have any questions.

Sincerely,

PATRICIA LIPTON  
Executive Director

**State of Wisconsin  
Southeast Wisconsin Professional Baseball Park District**

May 22, 1997

The Honorable, The Senate:

Enclosed is your copy of the Miller Park Monthly Progress Report for April 1997. Please feel free to contact me if you have any question or comments.

Thank you for your continued assistance and cooperation

Sincerely,

MICHAEL DUCKETT  
Executive Director

**State of Wisconsin  
Office of the Commissioner of Insurance**

May 20, 1997

The Honorable, The Legislature:

In accordance with s. 601.427(9), Wis. Stat., I am pleased to submit this report to the Wisconsin Legislature. This report is to evaluate the impact that 1995 Wisconsin Act 10 has had on the following:

- (a) The number of health care providers practicing in Wisconsin.
- (b) The fees that health care providers pay under s.655.27(3).
- (c) The premiums that health care providers pay for health care liability insurance.

The evaluation performed included the collection and analysis of statistics regarding the number of health care providers and premiums charged for health care liability insurance. While analysis of these statistics determined that not enough time has elapsed since the enactment of Act 10 to allow for a conclusive analysis of its impact, it should be emphasized that explicit recognition of the cap has been made in the annual fee setting process for the Fund. Specifically, a reduction in the loss costs resulted in an estimated \$36.1 million reduction in fees paid by Wisconsin health care providers for fiscal years 1995-1996 through 1997-1998.

The attached report provides information regarding the background of Act 10, the statistics collected and the analysis performed.

Sincerely,

JOSEPHINE W. MUSSER  
Commissioner of Insurance

**State of Wisconsin  
Ethics Board**

May 27, 1997

To the Honorable the Senate:

At the direction of s. 13.685(7), *Wisconsin Statutes*, I am furnishing you with the names of organizations recently registered with the Ethics Board that employ one or more individuals to affect state legislation or administrative rules, and notifying you of changes in the Ethics Board's records of licensed lobbyists and their employers. For each recently registered organization I have included the organization's description of the general area of legislative or administrative action that it attempts to influence and the name of each licensed lobbyist that the organization has authorized to act on its behalf.

**Organizations recently registered:**

Below are the names of organizations recently registered with the Ethics Board as employing one or more individuals to affect state legislation or administrative rules.

**All American Financial Services LLC**

Subject(s): Any legislative activity relating to consumer finance and the Pawn Broker industry.

Essie, Patrick

**Property Valuation Associates Inc**

Subject(s): The treatment of federal funding reimbursement to schools for health care services, for purposes of school aids and equalization.

Brown, George

Driessen, Anthony

**Service Employees International Union, Wis State Council #4**

Subject(s): S.E.I.U., State Council #4 may attempt to influence any state legislation and administrative rule that has an impact on its members.

Farley, Patrick

**Organization's authorization of additional lobbyists:**

The following organizations previously registered with the Ethics Board have authorized to act on their behalf these additional licensed lobbyists:

**DuPont Merck Pharmaceutical Co, MultiState Associates on behalf of**

McChesney, Jean

Also available from the Wisconsin Ethics Board are reports identifying the amount and value of time state agencies have spent to affect legislative action and reports of expenditures for lobbying activities filed by the organizations that employ lobbyists.

Sincerely,

R. ROTH JUDD  
Executive Director

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**EXECUTIVE COMMUNICATIONS**

**State of Wisconsin  
Office of the Governor**

May 19, 1997

The Honorable, The Senate:

I am pleased to nominate and with the advice and consent of the Senate, do appoint TYLER, BIANCA S., of Amery, as a member of the Judicial Commission, to serve for the term ending August 1, 2000.

Sincerely,

TOMMY G. THOMPSON  
Governor

Read and referred to committee on **Judiciary, Campaign Finance Reform and Consumer Affairs.**

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**REFERRALS AND RECEIPT OF  
COMMITTEE REPORTS CONCERNING  
PROPOSED ADMINISTRATIVE RULES**

**Senate Clearinghouse Rule 95-062**

Relating to the certification and regulation of telecommunications resellers and providers of alternative operator services.

Submitted by Public Service Commission.

Report received from Agency, May 23, 1997.

Referred to committee on **Utility Regulation**, May 27, 1997.

**Senate Clearinghouse Rule 97-036**

Relating to operation of the uniform fee system including determination of parental liability for the cost of court-ordered substitute care of a child.

Submitted by Department of Health and Family Services.

Report received from Agency, May 22, 1997.

Referred to committee on **Health, Human Services, Aging, Corrections, Veterans and Military Affairs**, May 27, 1997.

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**MESSAGES FROM THE ASSEMBLY**

By Charles Sanders, chief clerk.

Mr. President:

I am directed to inform you that the Assembly has passed and asks concurrence in:

**Assembly Bill 158**

**Assembly Bill 174**

**Assembly Bill 220**

**Assembly Bill 268**

**Assembly Bill 338**

Adopted and asks concurrence in:

**Assembly Joint Resolution 38**

Concurred in:

**Senate Joint Resolution 19**

**Assembly Bill 186** Senate substitute amendment 1

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**MESSAGES FROM THE ASSEMBLY  
CONSIDERED**

**Assembly Bill 158**

Relating to: increasing the fees charged by a register of deeds for recording certain plats.

By Representatives Ladwig, Turner, Duff, Gard, Goetsch, Gronemus, Gunderson, Hahn, Handrick, Jensen, Kreibich, M. Lehman, Linton, Porter, Powers and Vrakas; cosponsored by Senators Plache, Buettner and Rude.

Read first time and referred to committee on **Economic Development, Housing and Government Operations.**

**Assembly Bill 174**

Relating to: regulation of physician assistants and the authority of physician assistants to prescribe drugs and devices.

By Representatives Ourada, Underheim, Handrick, Meyer, Brandemuehl, Urban, Notestein, Duff, Vander Loop, F. Lasee, Dobyns, Carpenter, Gronemus, Goetsch, Huber, Springer, Sykora, Albers, Plouff, J. Lehman, Seratti, Owens, Gard, Hahn, Ladwig, Kaufert, Wieckert, Freese, Hasenohrl, Black, Gunderson, Ott, Olsen, Dueholm and Zukowski; cosponsored by Senators Moen, Rude, Breske, Clausing, Rosenzweig, Schultz, Welch and Jauch.

Read first time and referred to committee on **Health, Human Services, Aging, Corrections, Veterans and Military Affairs.**

**Assembly Bill 220**

Relating to: prohibiting performance of certain partial-birth abortions and providing a penalty.

By Representatives Goetsch, Wood, Ladwig, Seratti, Freese, Ryba, Green, Walker, Lorge, Lazich, Otte, Ziegelbauer, Duff, Huebsch, Hutchison, Staskunas, Handrick, Dobyns, Ainsworth, Owens, Hoven, Zukowski, Harsdorf, Urban, Nass, F. Lasee, Powers, Ward, Kreibich, Jeskewitz, Schafer, Ott, Gunderson, Vrakas, Sykora, Gard, Hahn, Kelso, Brandemuehl, Vander Loop, Porter, Olsen and Plale; cosponsored by Senators Fitzgerald, Grobschmidt, Zien, Huelsman, Buettner, Darling, Welch, A. Lasee, Cowles, Farrow, Schultz and Weeden.

Read first time and referred to committee on **Judiciary, Campaign Finance Reform and Consumer Affairs.**

**Assembly Bill 268**

Relating to: permitting the department of corrections to administer the juvenile correctional system under policies and procedures not promulgated as rules and providing an exemption from rule-making procedures.

By Representatives Vrakas, Ourada, Wood, Huber, Goetsch, Ladwig, Walker and Murat; cosponsored by Senators Moen, Huelsman, Breske, C. Potter and Panzer.

Read first time and referred to committee on **Health, Human Services, Aging, Corrections, Veterans and Military Affairs.**

**Assembly Bill 338**

Relating to: disclosure of personally identifiable information by the department of transportation, granting rule-making authority and providing penalties.

By Representative Brandemuehl; cosponsored by Senator Plache, by request of Department of Transportation.

Read first time and referred to **Judiciary, Campaign Finance Reform and Consumer Affairs.**

**Assembly Joint Resolution 38**

Relating to: commending African-American veterans.

By Representatives Turner, Williams, Musser, Schneider, Albers, Black, Bock, Boyle, Dobyns, Duff, Gard, Goetsch, Green, Gronemus, Grothman, Hanson, Hasenohrl, Kreuser, Ladwig, Lazich, J. Lehman, Linton, Lorge, Nass, Notestein, Owens, Plouff, R. Potter, Riley, Robson, Ryba, Staskunas, Vander Loop, R. Young and Kelso; cosponsored by Senators Moen, Breske, Buettner, Clausing, Cowles, Drzewiecki, Moore, Plache, Welch, Wineke and Wirch, by request of The National Association for Black Veterans and Vietnam Veterans of America.

read and referred to committee on **Health, Human Services, Aging, Corrections, Veterans and Military Affairs.**

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**ADJOURNMENT**

Senator Wirch, with unanimous consent, asked that the Senate adjourn until Thursday, May 29 at 10:00 A.M..

Adjourned.

10:01 A.M.