



STATE OF WISCONSIN

Senate Journal

Ninety–Third Regular Session

10:00 A.M.

THURSDAY, July 17, 1997

The Senate met.

The Senate was called to order by Senator Fred Risser.

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 261

Relating to: replacing the property tax exemption for benevolent retirement homes for the aged with a property tax exemption for charitable retirement homes for the aged.

By Senator Wineke.

To joint survey committee on **Tax Exemptions**.

Senate Bill 262

Relating to: the regulation of massage therapists and bodyworkers, creating a massage therapy and bodywork examining board, granting rule-making authority and providing a penalty.

By Senators Plache, Wirch, Weeden, Roessler, C. Potter, Farrow, Burke, Huelsman, George and A. Lasee; cosponsored by Representatives Harsdorf, Schafer, Robson, Urban, Wasserman, Nass, Baldwin, Kaufert, Murat, Hanson, Sykora, Porter and J. Lehman.

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

PETITIONS AND COMMUNICATIONS

State of Wisconsin Department of Administration

July 8, 1997

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 June, 1997.

On June 27, 1997 the **Wisconsin Health Education Loan Repayment Fund** balance was –\$7 thousand. This shortfall increased to –\$8 thousand on June 30. This shortfall was due to the timing of revenues.

On June 19, 1997 the **Wisconsin Petroleum Inspection Fund** balance was –\$1.56 million. This shortfall continued until June

23, 1997 when the balance reached \$6.88 million. This shortfall was due to the timing of revenues.

The Wisconsin Health Education Loan Repayment 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

Referred to the committee on **Finance**

State of Wisconsin Ethics Board

July 15, 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.

Badger State Cemetery Assn.

Subject(s): All areas of legislative or administrative policy which affect the ownership, administration or operation of a Wisconsin cemetery.

Goyke, Gary R

Blind Inc Wisconsin Council of The

Subject(s): All areas of administrative or legislative policies which affect the lives and businesses of individuals who are blind or visually impaired.

Goyke, Gary R

Electrical Contractors Assn.–Milwaukee Chapter NECA Inc

Subject(s): The areas of state legislation and administrative rules the Electrical Contractors Assn.–Milwaukee Chapter, NECA Inc. may attempt to influence include, but are not limited to, utility deregulation, small business, taxation, government

operations, employment, labor and job training and workers' compensation issues.

Penno, Timothy A

Game Preserve Assn. Wisconsin

Subject(s): All areas of administrative or legislative policy that affect the ownership, management or operation of a Wisconsin licensed game farm.

Goyke, Gary R

Lake Como Sanitary District

Subject(s): All actions affecting the Clean Water Fund and related provisions.

Brown, George

Self-Service Laundry Assn. Wisconsin

Subject(s): All areas of administrative or legislative policy which affect the ownership, management or operation of a self-service laundry.

Goyke, Gary R

Taxicab Owners Wisconsin Assn. of

Subject(s): All areas of administrative or legislative policy which affect the ownership, management and operation of a taxi or shared ride system.

Goyke, Gary R

Urban Transit Assn. Wisconsin

Subject(s): All areas of administrative or legislative affairs which may affect the administration or operation of a municipal or county transit system.

Goyke, Gary R

Video Software Dealers Assn.

Subject(s): Regulation of motion picture distribution; restrictions on civil liberties; protection of commercial rights and opportunities for retailers.

Goyke, Gary R

Viking Voyageur Gas Transmission Company LLC

Subject(s): Any requirements/regulations relating to the siting, construction, maintenance and operation of natural gas pipelines.

Hough, James E

Osborne, Patrick

Steinmetz, Amy

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:

AT&T Corporation

Klauser, James R

Bar of Wisconsin, State

Bromley, Matthew

CNA Insurance Companies

Osborne, Patrick

Distilled Spirits Council of the United States Inc

Moore, Thomas E

Infiltrator Systems Inc

Moore, Thomas E

Madison Gas and Electric Co.

Klauser, James R

Termination of lobbying authorizations:

The following individuals are no longer authorized to lobby on behalf of the organizations listed below, as of the dates indicated.

Barr Laboratories

Intrater, Michelle 7/15/97

Blood Center of Southeastern Wisconsin, Inc

Intrater, Michelle 7/15/97

Children's Health System, Inc.

Intrater, Michelle 7/15/97

Chiropractic Assn., Wisconsin

Gerrard, M William 7/11/97

Concerned Auto Recyclers of Wisconsin

Intrater, Michelle 7/15/97

County Police Assn., Wisconsin

Intrater, Michelle 7/15/97

Curative Rehabilitation Services

Intrater, Michelle 7/15/97

EDS Electronic Data Systems Corp.

Intrater, Michelle 7/15/97

Electric Power Co., Wisconsin

Intrater, Michelle 7/15/97

Labor Assn. of Wisconsin, Inc

Intrater, Michelle 7/15/97

Milwaukee Deputy Sheriffs Assn.

Intrater, Michelle 7/15/97

Milwaukee Metropolitan Sewerage District

Intrater, Michelle 7/15/97

Prosecutors, Assn. of State

Intrater, Michelle 7/15/97

Speech Language Hearing Assn. Inc Wisconsin

Intrater, Michelle 7/15/97

Waste Management of Wisconsin, Inc

Intrater, Michelle 7/15/97

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.A

Sincerely,

R. ROTH JUDD

Executive Director

**State of Wisconsin
Legislative Audit Bureau**

July 14, 1997

The Honorable, The Legislature:

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, 1995 through June 30, 1996. In addition to satisfying audit requirements, the single audit assists us in meeting state audit requirements under section 13.94, Wis. Stats.

Report 97-11 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 \$745,134 in questioned costs. However, it is unclear the amount the State may be required to repay the federal government and it is likely to be significantly less than the total costs we questioned.

The largest single item of question cost relates to Unemployment Insurance benefit overpayments. Federal rules require that a state that made an overpayment to immediately repay any other states that helped finance the overpayment. Instead, Wisconsin makes repayment to other states only when the overpaid recipient repays Wisconsin. The questioned cost for this area of noncompliance is \$381,386. This finding has been discussed in prior audit reports but has not been addressed by the federal government.

The next largest area of questioned costs relates to interest charges. The federal government has rules prohibiting states from claiming reimbursement for some types of interest charges. One rule is that it will not pay interest charges in financing buildings constructed prior to October 1, 1980. We questioned the \$92,791 that the Department of Workforce Development claimed for such interest charges. We also questioned the \$127,071 in interest costs the Department of Workforce Development charged the federal government relating to financing arrangements for internal service funds, such as the one providing computing services to state agencies. However, internal service fund interest charges did become allowable costs subsequent to our audit period.

In addition, we questioned \$127,164 in costs claimed by the Department of Commerce because it did not fully document payroll and related costs charged to federal and state matching accounts, as required by federal grant rules. Finally, we questioned \$16,722 in costs for a variety of findings at various state agencies.

Although questioned costs were not at issue, we disagree with how the Department of Natural Resources accounts for some federally reimbursed costs. For certain federal programs, part of the reimbursed costs are charged to state general purpose revenue appropriations, while the reimbursement is credited to the account for federal programs. If both the reimbursement and the reimbursed costs were assigned to the federal program account, general purpose revenue could be available to be lapsed. This lapse would be on a one-time basis. The amount of potential lapse is not known, though our analysis of one large project suggested that the recommended treatment could have allowed the lapse of \$220,211 in general purpose revenues during fiscal year 1995-96.

Our unqualified audit opinion on the State's financial statements was included in the Comprehensive Annual Financial Report for the fiscal year ended June 30, 1996. This

report was published by the Department of Administration in December 1996 and is available from the State Controller's Office in the Department of Administration.

Our single audit report is lengthy and detailed. We are, therefore, limiting our initial distribution of the report to those required by law to receive copies, the audited state agencies, and the federal agencies providing funding to the State. However, if you are interested in receiving a copy of the single audit report, please contact our office and request report number 97-11.

Sincerely,

DALE CATTANACH
State Auditor

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

Senate Clearinghouse Rule 97-076

Relating to an increase in 1997-98 premium rates for the health insurance risk-sharing plan.

Submitted by Office of the Commissioner of Insurance.

Report received from Agency, July 15, 1997.

Referred to committee on **Health, Human Services, Aging, Corrections, Veterans and Military Affairs**, July 17, 1997.

Senate Clearinghouse Rule 97-059

Relating to the administration of the forest crop law and the managed forest law.

Submitted by Department of Natural Resources.

Report received from Agency, July 16, 1997.

Referred to committee on **Agriculture and Environmental Resources**, July 17, 1997.

ADJOURNMENT

Senator Risser, with unanimous consent, asked that the Senate adjourn until Tuesday, July 22 at 10:00 A.M..

Adjourned.

10:01 A.M.