STATE OF WISCONSIN
Senate Journal
Ninety–Third Regular Session

The Senate met.

The Senate was called to order by Senator Charles Chvala.

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 265

Relating to: leaves of absence for certain state employes to participate in providing certain disaster relief services.

By Senator Roessler; cosponsored by Representatives Schneider, Musser, Hasenohrl, Boyle, Bock and Gronemus.

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

Senate Bill 266

Relating to: state agent status for certain psychiatrists who are county employes or provide services under certain county contracts.

By Senators Risser, Plache, Huelsman and Grobschmidt; cosponsored by Representatives Dobyns, Gronemus, Boyle, Black, Wasserman, Murat and Turner.

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

Senate Bill 267

Relating to: election of school board members from apportioned areas by the electors of those areas.

By Senator Roessler.

To committee on **Education**.

PETITIONS AND COMMUNICATIONS
State of Wisconsin
Legislative Audit Bureau

July 23, 1997

The Honorable, The Legislature:

We have completed an audit of the State's process to select bond underwriting firms when issuing general obligation bonds and revenue bonds, as requested by the Joint Legislative Audit Committee. Between January 1, 1994 and April 30, 1997, the State sold underwriting firms over $1.8 billion par value of general obligation and revenue bonds, which the firms, in turn, sold to investors.

The State sells bonds to underwriters either through a competitive bidding process or through negotiated sales. Competitive bidding accounted for 15 of 20 sales and 76 percent of the par value of the bonds sold to underwriters during the period of our audit. Sales through competitive bidding totaled $1,404,765,000 par value. Negotiated sales totaled $440,300,000, or 24 percent of the total bonds sold to underwriters.

We reviewed materials for each of the bonds issued between January 1, 1994 and April 30, 1997, as well as the State's process for selecting bond underwriting firms and the advantages and disadvantages of negotiated sales. We noted nothing in our audit to indicate that the underwriter selection process during this period was not fair and equitable. However, the Department of Administration's Capital Finance Office needs to better document the basis for selecting the underwriter firms with which it negotiates bond sales. Although a Request for Proposal process is used to select firms, three of eight evaluator score sheets to rank the firms were not available for our review.

Analysis by the Capital Finance Office, which advises the State of Wisconsin Building Commission in issuing debt, indicates that regardless of whether they have been issued through competitive bidding or negotiated sales, the State's bonds have been issued at interest rates comparable to other municipal issues with the same Aa bond rating as the State's. In addition, it costs $4.04 to issue every $1,000 of competitively bid bonds and $6.64 for every $1,000 of negotiated bonds. These costs are less than those of other states for which issue cost data were available for our review period.

We appreciate the courtesy and cooperation extended to us by the Department of Administration's, Capital Finance Office. The response from the Department is Appendix III.

Sincerely,

DALE CATTANACH
State Auditor

REFERRALS AND RECEIPT OF COMMITTEE REPORTS CONCERNING PROPOSED ADMINISTRATIVE RULES

Senate Clearinghouse Rule **97–044**

Relating to continuing education requirements for assessors.

Submitted by Department of Revenue.

Withdrawn by Agency, July 23, 1997.

ADJOURNMENT

Senator Chvala, with unanimous consent, asked that the Senate adjourn until Tuesday, July 29 at 10:00 A.M..

Adjourned.

10:01 A.M.