

STATE OF WISCONSIN  
**Senate Journal**  
Ninety–Sixth Regular Session

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WEDNESDAY, December 1, 2004

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

**PETITIONS AND COMMUNICATIONS**

**State of Wisconsin  
Legislative Audit Bureau**

November 22, 2004

The Honorable, The Legislature:

We have completed an evaluation of the State of Wisconsin Investment Board, as directed by s. 25.17(51m), Wis. Stats. As of December 31, 2003, the Investment Board managed a total of \$69.1 billion in investments that included assets of the Wisconsin Retirement System, the State Investment Fund, and five smaller insurance and trust funds.

Despite negative returns from 2000 through 2002, the Investment Board continues to exceed its long-term actuarial investment expectations for the Fixed Retirement Trust Fund. In 2003, both retirement funds—the Fixed Retirement Trust and the Variable Retirement Trust—outperformed their benchmarks, and the Fixed Retirement Trust Fund’s 2003 performance ranked highly among ten pension funds surveyed for one- and five-year periods.

The Investment Board’s costs to manage investments have increased from \$87.4 million in 1999 to \$156.7 million in 2003, or by 79.3 percent. Most of the increase is related to increased costs paid to external investment managers and advisors. In addition, a new compensation plan has increased salaries and bonuses for the Board’s 100.5 unclassified staff. We include a recommendation for the Investment Board to regularly evaluate the added value provided by external investment managers relative to their costs and in comparison to other investment options.

Currently, the Investment Board’s budget for internal operating costs and the percentage of investments that may be externally managed are limited by statute. Under these limits, investment management decisions are not necessarily driven by the most cost-effective options available. In light of increasing costs and increasing use of external managers and advisors, changes to these limits may be warranted to further promote the most effective use of resources and to increase accountability over the Investment Board’s costs.

We appreciate the courtesy and cooperation extended to us by the Investment Board. A response from the Board’s Executive Director follows the appendices.

Sincerely,

JANICE MUELLER  
State Auditor

**State of Wisconsin  
Department of Agriculture, Trade and Consumer  
Protection**

November 24, 2004

The Honorable, The Legislature:

As required by section 20.907(1m), Wis. Stats., I am submitting our agency report for FY 2003-2004 expenditures from funds received as gifts.

We received a gift from the schools around Wisconsin for a training book and seminar on Integrated Pest Management a gift for the Weights and Measures program to send inspectors to seminars on various issues, registration fees to host the Annual Conference for Control Officials for Feed, Fertilizer, Pesticide, and Plant Food, and a gift for the Food & Meat Safety programs to send inspectors to seminars as well as receive training and serve on several committees.

We received a gift to address the mental health needs in the farming community.

We hosted several Farmstead Dairy Field Days events. We collected fees to cover the costs of the meetings.

We received funding from the Slow the Spread foundation for the Gypsy Moth Program.

We also received grants from WEM and OJA for Homeland Security and emergency preparedness preparation.

If you need further information, please contact me at 224-4800.

Sincerely,

KAREN VAN SCHOONHOVEN  
Director, Bureau of Finance

**ADVICE AND CONSENT OF THE SENATE**

**State of Wisconsin  
Office of the Governor**

November 19, 2004

The Honorable, The Senate:

I am pleased to nominate and with the advice and consent of the Senate, do appoint BORCA, GREGORY, of Mequon, as a member of the Wisconsin Professional Baseball Park District Board for a term ending July 1, 2005.

Sincerely,

JIM DOYLE  
Governor

Read and referred to committee on **Economic  
Development, Job Creation and Housing.**

**State of Wisconsin  
Office of the Governor**

November 29, 2004

The Honorable, The Senate:

I am pleased to nominate and with the advice and consent of the Senate, do appoint NORMAN, DIANE, of McFarland, as a member of the Tax Appeals Commission, to serve for the term ending March 1, 2007.

Sincerely,

JIM DOYLE

Governor

Read and referred to committee on **Homeland Security, Veterans and Military Affairs and Government Reform.**

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

The committee on **Homeland Security, Veterans and Military Affairs and Government Reform** reports and recommends:

**Senate Clearinghouse Rule 04-070**

Relating to definitions of administrative expenses and substantial compliance.

No action taken.

Ronald Brown  
Chairperson

**State of Wisconsin  
Revisor of Statutes Bureau**

December 1, 2004

To the Honorable, the Senate:

The following rules have been published:

<b>Clearinghouse Rules</b>	<b>Effective Date(s)</b>
<b>03-097</b>	1-1-2005
<b>04-010</b>	12-1-2004
<b>04-022</b>	12-1-2004
<b>04-026</b>	(part) 1-1-2005 (part) 10-1-2005
<b>04-033</b>	12-1-2004
<b>04-035</b>	12-1-2004
<b>04-040</b>	(part) 12-1-2004
<b>04-047</b>	12-1-2004
<b>04-051</b>	12-1-2004
<b>04-054</b>	12-1-2004
<b>04-075</b>	12-1-2004
<b>04-080</b>	12-1-2004
<b>04-082</b>	12-1-2004

Sincerely,  
GARY L. POULSON  
Deputy Revisor