



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

10:40 A.M.

TUESDAY, October 2, 2007

The Senate met.

The Senate was called to order by Chief Clerk Marchant, pursuant to Senate Rule 5 (4)(b).

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

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**CHIEF CLERK'S ENTRIES**

**AMENDMENTS OFFERED**

Senate amendment 1 to **Senate Bill 260** offered by Senator Lassa.

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**INTRODUCTION, FIRST READING, AND  
REFERENCE OF PROPOSALS; REFERENCE OF  
APPOINTMENTS**

Read first time and referred:

**Senate Bill 276**

Relating to: service by a lobbyist as the state chairperson of a political party.

By Senators S. Fitzgerald, Darling, A. Lasee and Leibham; cosponsored by Representatives Ballweg, Hahn, Honadel, Nygren, Townsend, Van Roy and Vos.

To committee on **Ethics Reform and Government Operations**.

**Senate Bill 277**

Relating to: a speed limit for the operation of snowmobiles during the hours of darkness.

By Senators Erpenbach, Breske, Cowles, Wirch, Risser, Olsen, Lassa and Grothman; cosponsored by Representatives Kaufert, Musser, Albers, Benedict, Boyle, Cullen, Gottlieb, Hahn, Hraychuck, Jeskewitz, Kerkman, LeMahieu, Nelson, A. Ott, Sheridan, Turner and Ziegelbauer.

To committee on **Transportation, Tourism and Insurance**.

**State of Wisconsin  
Office of the Governor**

September 28, 2007

The Honorable, The Senate:

I am pleased to nominate and with the advice and consent of the Senate, do appoint WEIRICH, LISABETH, of

Middleton, as a member of the Real Estate Board, to serve for the term ending July 1, 2011.

Sincerely,  
*JIM DOYLE*  
Governor

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

**State of Wisconsin  
Office of the Governor**

October 2, 2007

The Honorable, The Senate:

I am pleased to nominate and with the advice and consent of the Senate, do appoint WRIGHT, RICHARD, of Sun Prairie, as a member of the Optometry Examining Board, to serve for the term ending July 1, 2011.

Sincerely,  
*JIM DOYLE*  
Governor

Read and referred to committee on **Health and Human Services**.

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**PETITIONS AND COMMUNICATIONS**

**State of Wisconsin  
Department of Public Instruction**

September 27, 2007

The Honorable, The Senate:

The following individual should be removed from confirmation to serve on the Professional Standards Council for Teachers:

Hilary Pollack (for the term ending June 30, 2010)

Thank you for your consideration.

Sincerely,  
*ELIZABETH BURMASTER*  
State Superintendent

**State of Wisconsin  
Legislative Audit Bureau**

September 21, 2007

The Honorable, The Legislature:

We have completed a biennial performance evaluation of the Department of Administration's Division of Gaming, as required by s. 13.94(1)(eg), Wis. Stats. The Division oversees Indian gaming, pari-mutuel racing, and charitable gaming activities in Wisconsin. In fiscal year (FY) 2005–06, its expenditures to regulate all three types of gaming activities totaled \$3.3 million in program revenue.

Indian gaming represents the most significant gaming activity in Wisconsin. In 2006, tribal gaming revenue was \$1.3 billion, tribal gaming expenses were \$770.3 million, and tribal gaming profits were \$555.9 million. The 2003 compacts between the State and the tribes expanded the types of games that tribes may offer, lengthened the duration of the compacts, and changed the method tribes use to calculate payments they make to the State. In FY 2005–06, the State received \$118.7 million from ten tribes. Compact disputes with several tribes remain unresolved.

Compacts contain several provisions designed to ensure the integrity of Indian gaming in Wisconsin and compliance with regulations. One important control requires tribes to identify instances in which amounts recorded by electronic meters in electronic gaming devices differ from amounts collected from those devices and counted by casino staff. We reviewed 2006 data maintained by the Division in the State’s Data Collection System and found differences in these amounts for every day of the year. The Division asserts most of these differences were caused by programming errors in the Data Collection System and the casinos’ electronic accounting systems.

Although the Division reviews many important financial controls implemented by casinos, it has not routinely used the Data Collection System to identify differences between amounts recorded by electronic meters and amounts counted by casino staff. These data are important in identifying potential irregularities in gaming operations and financial reporting that cannot be identified from other controls the Division reviews. Moreover, we found that from March 2006 through April 2007, the Division did not review data maintained by casinos to determine whether the tribes identified, investigated, and documented these differences, as required by their compacts.

We appreciate the courtesy and cooperation extended to us by the Division. The Division’s response follows the appendices.

Respectfully submitted,  
*JANICE MUELLER*  
 State Auditor

**State of Wisconsin  
 Legislative Audit Bureau**

September 21, 2007

The Honorable, The Legislature:

At the request of the Department of Health and Family Services (DHFS), we have completed a financial audit of the Health Insurance Risk–Sharing Plan (HIRSP) for fiscal year (FY) 2005–06. HIRSP provides medical and prescription drug insurance for individuals who are unable to obtain coverage in the private market or who have lost employer–sponsored group health insurance. We have provided an unqualified opinion on HIRSP’s financial statements.

Policyholder enrollment and claims costs are beginning to moderate. Enrollment decreased 3.8 percent during FY

2005–06 and 5.6 percent during FY 2006–07, to reach 17,612 as of June 30, 2007. Following four years of double–digit increases, net claims costs decreased by 1.2 percent during FY 2005–06. Most notably, prescription drug costs decreased by \$2.0 million. The creation of the federal Medicare Part D prescription drug coverage program has been a major contributing factor to these recent trends.

Correspondingly, HIRSP has maintained a sound financial position. The decrease in costs as well as an increase in revenues resulted in a \$4.2 million dollar increase in HIRSP’s unrestricted net asset balance, which totaled \$3.9 million as of June 30, 2006.

A balance of excess policyholder premiums increased by \$10.0 million during FY 2005–06 and reached \$19.5 million as of June 30, 2006. At the direction of HIRSP’s governing board, \$13.3 million of that amount was applied toward the policyholders’ share of costs, which has helped to limit premium increases for policyholders.

[2005 Wisconsin Act 74](#) made significant changes to HIRSP. Among the most significant is the creation of the HIRSP Authority, which assumed oversight responsibility from DHFS on July 1, 2006. The Authority is currently pursuing several additional statutory changes, which are pending in the Legislature.

We appreciate the courtesy and cooperation extended to us by DHFS and the HIRSP plan administrator.

Respectfully submitted,  
*JANICE MUELLER*  
 State Auditor

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

**Senate Clearinghouse Rule 07–070**

Relating to use of the 2001 CSO Preferred Class Structure mortality Table in determining reserve liabilities.  
 Submitted by Insurance Commissioner.  
 Report received from Agency, September 27, 2007.  
 Referred to committee on **Transportation, Tourism and Insurance**, October 2, 2007.

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**ADJOURNMENT**

Chief Clerk Marchant, with unanimous consent, asked that the Senate adjourn until Thursday, October 4, 2007.

Adjourned.

10:41 A.M.