

STATE OF WISCONSIN Assembly Journal

One-Hundredth Regular Session

WEDNESDAY, January 5, 2011

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

COMMITTEE APPOINTMENTS

Each committee is followed by the number of Republicans, Democrats and Independent serving on the committee, meeting day and meeting week. The ranking minority party member of each committee is designated by an asterisk. The Independent member is designated by (I).

Aging and Long-Term Care (4, 2) Thursday (Even)

Knodl, Dan (Chair) Petryk, Warren (Vice-chair) Van Roy, Karl Bernier, Kathy Krusick, Peggy * Coggs, Elizabeth

Agriculture (9, 6) Thursday (Even)

Nerison, Lee (Chair) Tranel, Travis (Vice-chair) Ott, Alvin Mursau, Jeffrey Murtha, John Tauchen, Gary Brooks, Ed Ripp, Keith Marklein, Howard Vruwink, Amy Sue * Molepske Jr., Louis Jorgensen, Andy Radcliffe, Mark Danou, Chris Steinbrink, John

Assembly Organization (5, 3)

Fitzgerald, Jeff (Chair) Suder, Scott (Vice-chair) Knodl, Dan Kramer, Bill Gunderson, Scott (resigned 1-4-11) Barca, Peter * Seidel, Donna Roys, Kelda

Children and Families (5, 3) Wednesday (Even)

Pridemore, Don (Chair) Krug, Scott (Vice-chair) Kestell, Steve Williams, Mary Thiesfeldt, Jeremy Berceau, Terese * Seidel, Donna Pope-Roberts, Sondy

Colleges and Universities (7, 4) Thursday (Odd)

Nass, Stephen (Chair) Knudson, Dean (Vice-chair) Ballweg, Joan Pridemore, Don Knodl, Dan Farrow, Paul Wynn, Evan Toles, Barbara * Berceau, Terese Molepske Jr., Louis Hintz, Gordon

<u>Consumer Protection and Personal Privacy (5, 3)</u> <u>Tuesday (Even)</u>

Ripp, Keith (Chair)

August, Tyler (Vice-chair) Huebsch, Mike (resigned 1-3-11) Spanbauer, Richard Kooyenga, Dale Roys, Kelda * Hebl, Gary Coggs, Elizabeth

Criminal Justice and Corrections (6, 3) Thursday (Even)

Bies, Garey (switched from Member to Chair effective 1-5-11) Kleefisch, Joel (resigned from Chair 1-5-11) Jacque, Andre (Vice-chair) Kestell, Steve Brooks, Edward Krug, Scott Kessler, Fred * Parisi, Joe Turner, Robert

Education (7, 4) Tuesday (Even)

Kestell, Steve (Chair) Marklein, Howard (Vice-chair) Nass, Stephen Pridemore, Don Knudson, Dean Thiesfeldt, Jeremy Wynn, Evan Pope-Roberts, Sondy * Sinicki, Christine Hintz, Gordon Clark, Fred

Elections and Campaign Reform (5, 3) Tuesday (Odd)

Tauchen, Gary (Chair) Bernier, Kathy (Vice-chair) Stone, Jeff Pridemore, Don Weininger, Chad Parisi, Joe * Roys, Kelda Kessler, Fred

Energy and Utilities (7, 4) Tuesday (Even)

Honadel, Mark (Chair) Klenke, John (Vice-chair) Petersen, Kevin Tauchen, Gary Larson, Tom Severson, Erik Weininger, Chad Zepnick, Josh * Steinbrink, John Staskunas, Tony Hulsey, Brett

Financial Institutions (8, 5) Wednesday (Odd)

Kramer, Bill (Chair) Kooyenga, Dale (Vice-chair) Kaufert, Dean Huebsch, Mike (resigned 1-3-11) Kerkman, Samantha Gottlieb, Mark (resigned 1-3-11) Marklein, Howard Tranel, Travis Fields, Jason * Zepnick, Josh Young, Leon Hintz, Gordon Richards, Jon

Forestry (4, 2) Tuesday (Odd)

Mursau, Jeffrey (Chair) Tiffany, Tom (Vice-chair) Williams, Mary Murtha, John Milroy, Nick * Bewley, Janet

Health (7, 4) Wednesday (Even)

Stone, Jeff (Chair) Severson, Erik (Vice-chair) Kaufert, Dean Van Roy, Karl Strachota, Pat Petersen, Kevin Litjens, Michelle Richards, Jon * Pasch, Sandy Pocan, Mark Seidel, Donna

Homeland Security and State Affairs (6, 3) Thursday

<u>(Odd)</u>

Van Roy, Karl (Chair) Kuglitsch, Mike (Vice-chair) Ballweg, Joan Kleefisch, Joel August, Tyler Kooyenga, Dale Danou, Chris * Zamarripa, JoCasta Bewley, Janet

Housing (5, 3) Wednesday (Odd)

Murtha, John (Chair) Litjens, Michelle (Vice-chair) Farrow, Paul Rivard, Roger Steineke, Jim Young, Leon * Pope-Roberts, Sondy Bewley, Janet

Insurance (8, 5) Thursday (Odd)

Petersen, Kevin (Chair) Weininger, Chad (Vice-chair) Kestell, Steve Nygren, John August, Tyler Kapenga, Chris Tranel, Travis Ziegelbauer, Bob (I) Cullen, David * Berceau, Terese Molepske Jr., Louis Fields, Jason Young, Leon

Jobs, Economy and Small Business (9, 6) Tuesday

<u>(Even)</u>

Williams, Mary (Chair) Endsley, Mike (Vice-chair) Stone, Jeff Kapenga, Chris Klenke, John Knilans, Joe Kuglitsch, Mike Loudenbeck, Amy Petryk, Warren Molepske Jr., Louis * Bernard Schaber, Penny Fields, Jason Toles, Barbara Krusick, Peggy Mason, Cory

Judiciary and Ethics (5, 3) Thursday (Odd)

Ott, Jim (Chair) Larson, Tom (Vice-chair) Kerkman, Samantha Kleefisch, Joel Jacque, Andre Hebl, Gary * Staskunas, Tony Cullen, David

Labor and Workforce Development (6, 3) Wednesday (Odd)

Ballweg, Joan (Chair) Kapenga, Chris (Vice-chair) Nass, Stephen Honadel, Mark Kuglitsch. Mike Litjens, Michelle Sinicki. Christine * Toles. Barbara Parisi, Joe

Natural Resources (10, 6) Wednesday (Odd)

Gunderson, Scott (Chair) (resigned 1-4-11) Mursau, Jeffrey (switched from Member to Chair effective 1-5-11) Rivard, Roger (Vice-chair) Williams, Marv Kleefisch, Joel Nerison, Lee Ott, Jim Severson, Erik Steineke, Jim Tiffany, Tom Mason, Cory * Molepske Jr., Louis Danou, Chris Clark, Fred Milroy, Nick Hulsey, Brett

Public Health and Public Safety (5, 3) Tuesday (Even)

Bies, Garey (Chair) Knilans, Joe (Vice-chair) Petrowski, Jerry Loudenbeck, Amy Ziegelbauer, Bob (I) Bernard Schaber, Penny * Pasch, Sandy Zamarripa, JoCasta

Rules (7, 5)

Suder, Scott (Chair) Fitzgerald, Jeff (Vice-chair) Kramer. Bill Knodl. Dan Gunderson, Scott (resigned 1-4-11) Murtha, John Williams, Mary Barca. Peter * Seidel. Donna Roys, Kelda Clark, Fred Turner, Robert

Rural Economic Development and Rural Affairs (9, 6) Wednesday (Even)

Ott, Alvin (Chair) Steineke, Jim (Vice-chair) Petrowski, Jerry Murtha, John Tauchen, Gary Ripp, Keith

Krug, Scott Larson, Tom Rivard, Roger Danou, Chris * Jorgensen, Andy Ringhand, Janis Vruwink, Amv Sue Radcliffe, Mark Roys, Kelda Tourism, Recreation and State Properties (8, 5) Wednesday (Even) Kaufert, Dean (Chair) Loudenbeck, Amy (Vice-chair) Gunderson, Scott (resigned 1-4-11) Bies. Garev Meyer, Dan Bernier, Kathy Klenke, John Tiffany, Tom Clark. Fred * Steinbrink, John Mason, Cory Young, Leon Zepnick, Josh Transportation (9, 6) Tuesday (Odd) Petrowski, Jerry (Chair) Farrow, Paul (Vice-chair) Ott, Alvin Stone, Jeff Van Roy, Karl Honadel, Mark Ripp, Keith Endsley, Mike Knilans, Joe Steinbrink, John * Vruwink, Amy Sue Bernard Schaber, Peggy Jorgensen, Andy Bewley, Janet Hulsey, Brett

Urban and Local Affairs (6, 3) Tuesday (Odd)

Brooks, Edward (Chair) Thiesfeldt, Jeremy (Vice-chair) Spanbauer, Richard Jacque, Andre Knudson, Dean Ziegelbauer, Bob (I) Hintz, Gordon * Ringhand, Janis Coggs, Elizabeth

Veterans and Military Affairs (6, 4) Thursday (Odd)

Spanbauer, Richard (Chair) Wynn, Evan (Vice-chair) Petrowski, Jerry Bies, Garey Nerison, Lee Petryk, Warren Milroy, Nick * Radcliffe. Mark Sinicki, Christine Ringhand, Janis

Ways and Means (7, 4) Thursday (Even)

Huebsch, Mike (Chair) (resigned 1-3-11)

Kerkman, Samantha (switched from Vice-chair to Chair effective 1-5–11) Nass, Stephen Petersen, Kevin Knodl, Dan

Endsley, Mike Ziegelbauer, Bob Staskunas, Tony * Toles, Barbara Steinbrink, John Zamarripa, JoCasta

Joint Committee for Review of Administrative Rules (3, 2)

Ott, Jim (Co-chair) Meyer, Dan LeMahieu, Daniel Hebl, Gary * Kessler, Fred

Joint Committee on Audit (3, 2)

Kerkman, Samantha (Co-chair) Vos, Robin Petersen, Kevin Jorgensen, Andy * Richards, Jon

Joint Committee on Employment Relations (3, 1)

Fitzgerald, Jeff (Co-chair) Suder, Scott Vos, Robin Barca, Peter *

Joint Committee on Finance (6, 2)

Vos, Robin (Co-chair) Meyer, Dan (Vice-chair) Strachota, Pat LeMahieu, Daniel Nygren, John Kleefisch, Joel Grigsby, Tamara * Shilling, Jennifer

Joint Committee on Legislative Organization (3, 2)

Fitzgerald, Jeff (Co-chair) Suder, Scott Knodl, Dan Barca, Peter * Seidel, Donna

Joint Survey Committee on Retirement Systems (2) Kramer, Bill (Co-chair)

Ziegelbauer, Bob (I)

Joint Survey Committee on Tax Exemptions (2, 1)

Knodl, Dan (Co-chair) Van Roy, Karl Turner, Robert *

Joint Review Committee on Criminal Penalties (1, 1)

Kleefisch, Joel (Co-chair) Turner, Robert *

EXECUTIVE COMMUNICATIONS

January 3, 2011

The Honorable Jeff Fitzgerald Speaker of the Assembly Room 211 West, State Capitol Madison, WI 53708

The Honorable Michael Ellis President of the Senate Room 220 South, State Capitol Madison, WI 53707

Dear Speaker Fitzgerald and President Ellis:

I respectfully request your approval pursuant to sec. 16.45, Stats. of February 22, 2011 as the date that I will deliver my budget address to the Legislature.

> Sincerely, SCOTT WALKER Governor

State of Wisconsin Office of the Governor Madison

Executive Order Number 2

Relating to the Creation of the Governor's Commission on Waste, Fraud and Abuse

WHEREAS, Wisconsin's biennial budget has increased 33 percent to \$62 billion during Governor Doyle's two terms in office;

WHEREAS, a Pew Center for the States study found that Wisconsin is currently one of the nation's 10 states in the most perilous fiscal condition;

WHEREAS, waste, fraud and abuse in state government has gone largely unchecked during the last 8 years as evidenced by the following:

1. According to figures released by the Wisconsin Department of Workforce Development, fraudulent unemployment insurance claims rose from \$4.7 million in 2007 to \$17.7 million in 2009 while overpayments that did not result from fraud rose from \$13.4 million to \$33.4 million.

2. According to a report by the Wisconsin Legislative Audit Bureau, fraud in the Wisconsin Shares child care program cost the state \$20 million in 2008 due to problems like illegal immigrants receiving compensation and false child care logs.

3. According to federal data, while enrollment in Wisconsin's food stamp program, FoodShare, doubled to 700,000 between 2003 and 2008, fraud investigations fell from 5,400 to 3,200. Minnesota and Michigan performed at least 85% more fraud investigations and while Wisconsin prosecuted 20 fraud cases in 2007, Minnesota prosecuted over 1,000 and Michigan, 2,400.

4. According to a report by the Wisconsin Legislative Audit Bureau, the state paid \$66.5 million in overtime wages in 2008, with 25 state employees earning more than \$50,000 in overtime.

5. According to a 2007 Wisconsin Legislative Audit Bureau report, the Doyle Administration officials halted an incomplete IT overhaul at the Department of Workforce Development after five years of work and \$23.6 million. Another \$28.2 million was spent on the Department of Revenue's Integrated Tax System and \$26 million on the University of Wisconsin payroll system before the state abandoned both projects.

6. The Wisconsin voter database required by the federal Help American Vote Act (HAVA) suffered delays and cost overruns, ultimately costing \$14.1 million. Once completed, the Government Accountability Board request \$1 million annually to maintain it.

7. In 2007, the Department of Health Services announced that an upgrade of the state's computer system that processes claims for BadgerCare, SeniorCare and other Medicaid programs was 39,000 worker hours behind schedule and at least \$9.3 million over budget – 28.8% more than the original projections.

8. According to a 2009 Wisconsin Legislative Audit Bureau Report, the Doyle Administration was off by nearly \$100 million when it estimated in 2005 that consolidating state computer servers would cost \$12.8 million. With costs exceeding \$100 million, the administration announced plans to stop tracking expenditures in June, 2010;

WHEREAS, Wisconsin has the nation's 10th worst tax climate for business according to the Washington, D.C.-based Tax Foundation and Wisconsin's total tax burden ranks 14th, with taxpayers paying 5 percent more than the national average, according to U.S. Census Bureau Data;

WHEREAS, reducing Wisconsin's unsustainable tax burden requires reining in runaway government spending by making government smaller and ending the practice of deficit spending;

Now therefore, I, Scott Walker, Governor of the State of Wisconsin, by virtue of the authority vested in me by the Constitution and laws of this State, and specifically by Wis. Stat. s. 14.019., do hereby:

Establish the Governor's Commission on Waste, Fraud and Abuse; and

1. Provide that the Commission shall consist of seven members consisting of the following:

a. One member serving at the pleasure of the Governor who shall represent private employers in Wisconsin, and who shall also be the Chairperson of the Commission;

b. A second member serving at the pleasure of the Governor;

c. The Secretary of the Department of Administration or his or her designee;

d. One member of the majority party and one member of the minority party in each house of the Legislature, appointed in the same manner as members of standing committees are appointed; and

2. Provide that the Commission shall have the following mission:

a. To identify waste, fraud and abuse in state government programs and state appropriations and recommend solutions.

b. To obtain and review all budget documentation for each state agency, including detailed information regarding the appropriations and programs administered and the related personnel costs.

c. To advise the governor about the long and short-term impact of the Commission's recommendations on state appropriations, efforts to make government smaller and more efficient, and ongoing economic development initiatives; and

3. Require the Commission to meet no later than seven days after this Executive Order has been deposited with the Secretary of State; and

4. Require the Commission to submit a report to the Governor with its findings and recommendations on July 1, 2011 and on January 1, 2012, and provide that the Commission shall dissolve when its final report is accepted by the Governor.

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of Wisconsin to be affixed. Done at the Capitol in the City of Madison this third day of January in the year two thousand eleven.

SCOTT WALKER Governor

By the Governor:

DOUGLAS LA FOLLETTE Secretary of State

COMMUNICATIONS

State of Wisconsin Legislative Reference Bureau Madison

DATE: December 29, 2010

TO: Patrick E. Fuller Assembly Chief Clerk

> Robert Marchant Senate Chief Clerk

FROM:	Bruce J. Hoesly
	Code Editor

SUBJECT: Rules published in the December 31, 2010 Wisconsin Administrative Register, No. 660.

The following rules have been published:

Clearinghouse Rule 08–022	effective 1–1–2011
Clearinghouse Rule 08–034	effective 1-1-2011
Clearinghouse Rule 09–054	effective 1-1-2011
Clearinghouse Rule 09–096	effective 1-1-2011
Clearinghouse Rule 09–102	effective 1-1-2011
Clearinghouse Rule 09–104	effective 1-1-2011
Clearinghouse Rule 09–105	effective 1-1-2011
Clearinghouse Rule 09–112	effective 1-1-2011
Clearinghouse Rule 10–006	effective 1-1-2011
Clearinghouse Rule 10–013	effective 1-1-2011
Clearinghouse Rule 10–038	effective 1-1-2011
Clearinghouse Rule 10–042	effective 1-1-2011
Clearinghouse Rule 10–045	effective 1-1-2011
Clearinghouse Rule 10–046	effective 1-1-2011
Clearinghouse Rule 10–047	effective 1-1-2011
Clearinghouse Rule 10–051	effective 1-1-2011
Clearinghouse Rule 10–053	effective 1-1-2011
Clearinghouse Rule 10–058	effective 1-1-2011
Clearinghouse Rule 10–059	effective 1-1-2011
Clearinghouse Rule 10–060	effective 1-1-2011
Clearinghouse Rule 10–061	effective 1-1-2011
Clearinghouse Rule 10–063	effective 1-1-2011
Clearinghouse Rule 10–064	effective 1-1-2011
Clearinghouse Rule 10–066	effective 1-1-2011
Clearinghouse Rule 10–068	effective 1-1-2011
Clearinghouse Rule 10–069	effective 1-1-2011
Clearinghouse Rule 10–077	effective 1-1-2011
Clearinghouse Rule 10–079	effective 1-1-2011
Clearinghouse Rule 10–080	effective 1-1-2011
Clearinghouse Rule 10–081	effective 1-1-2011
Clearinghouse Rule 10–082	effective 1-1-2011
Clearinghouse Rule 10–088	effective 1-1-2011
Clearinghouse Rule 10–084	effective 1-1-2011
Clearinghouse Rule 10–085	effective 1-1-2011
Clearinghouse Rule 10–086	effective 1-1-2011
Clearinghouse Rule 10–091	effective 1-1-2011
Clearinghouse Rule 10–092	effective 1-1-2011
Clearinghouse Rule 10–097	effective 1-1-2011

January 3, 2011

The Honorable Jeff Fitzgerald Speaker, Wisconsin State Assembly Room 211 West State Capitol Madison, WI 53708

Dear Speaker Fitzgerald:

I submit my resignation as the State Representative of the 94th Assembly District and any committees on which I serve as a result of that position, effective at 4:30 P.M. on Monday, January 3, 2011.

I am leaving the Legislature with tremendous gratitude toward the people of western Wisconsin who allowed me to represent them for sixteen years. I am honored to have been their State Representative.

It has been my pleasure to work with so many committed public servants over the years and I look forward to continuing our work in my new capacity as the Secretary of the Department of Administration.

> Sincerely, *MIKE HUEBSCH* State Representative 94th Assembly District

> > January 3, 2011

The Honorable Jeff Fitzgerald Speaker, Wisconsin State Assembly Room 211 West State Capitol Madison, WI 53708

Dear Speaker Fitzgerald:

I hereby resign the office of representative to the Assembly (60th district), effective at 4:30 P.M. today.

Sincerely, MARK GOTTLIEB State Representative 60th Assembly District

January 4, 2011

The Honorable Jeff Fitzgerald Speaker, Wisconsin State Assembly Room 211 West State Capitol Madison, WI 53708

Dear Speaker Fitzgerald:

Pursuant to Wisconsin State Statutes, this letter is to inform you that I am officially submitting my resignation as a State Representative for the Eighty-Third Assembly District, effective at 11:59 P.M. on January 4, 2011.

> Sincerely, SCOTT GUNDERSON State Representative 83rd Assembly District

Referral of Agency Reports

State of Wisconsin Department of Administration Madison

December 14, 2010

To the Honorable, the Legislature:

As required by §16.75 (3m)(c) 4, Wis. Stats., enclosed is the State of Wisconsin Minority Business Report for Fiscal Year 2010 (FY10). The report provides data on state agency and University of Wisconsin purchasing with certified minority business enterprises (MBE) during the period of July 1, 2009 through June 30, 2010.

I am pleased to report that for the first time since the program's inception in 1983, state government expended over \$100 million with MBE firms. In FY10, MBE purchasing totaled \$107,722,387, or a 5.76 percent participation rate. In addition, the FY10 rate was the second highest in program history.

After decades of failed attempts to reach the statutory MBE purchasing goal, state government exceeded the five percent goal twice during your administration. Moreover, we are seeing signs of consistent performance as state government had an overall 5.06 percent MBE participate rate during the past four years.

Through your leadership, we have achieved ongoing growth and reached significant milestones in the MBE program. State agencies will continue to build on this success, looking for better and more effective ways to open access to minority-owned businesses interested in doing business with the State.

> Sincerely, DANIEL J. SCHOOFF Secretary

Referred to committee on Jobs, Economy and Small Business.

State of Wisconsin Department of Children and Families Madison

December 22, 2010

To the Honorable, the Legislature:

Enclosed is a copy of the Child Abuse and Neglect Report, 2009 Data, pursuant to s. 48.981. The report includes a statistical analysis of suspected child abuse and neglect reports received and investigated by county child protective services (CPS) agencies and the State Bureau of Milwaukee Child Welfare in calendar year 2009. The report also contains information on child fatalities due to child abuse or neglect and data regarding children who are identified as victims of abusive head trauma.

Sincerely, *REGGIE BICHA* Secretary

Referred to committee on Children and Families.

State of Wisconsin Department of Administration Madison December 27, 2010

To the Honorable, the Legislature:

Please find enclosed the Service Award Program 2010 Annual Report. The Service Award Board approved the report at its meeting on November 16, 2010. The report provides an overview of the program and outlines the accomplishments for the program year.

Wisconsin State Statute 16.25 (6) requires the Department to submit the report to the Chief Clerk of each house annually describing the activities of the board.

If you have any questions regarding the report, please contact Dawn Vick at the Department of Administration, Division of Intergovernmental Relations at (608) 266-7043.

> Sincerely, BRIAN VIGUE Secretary, Service Award Board

Referred to committee on Urban and Local Affairs.

State of Wisconsin Department of Health Services Madison

December 27, 2010

To the Honorable, the Legislature:

The Wisconsin State Legislature is to be commended for taking steps to address a dangerous and costly threat to Wisconsin's children. In spring 2010, the Wisconsin State Legislature approved Senate Joint Resolution 65 (SJR65) calling for the Wisconsin Childhood Lead Poisoning Elimination Implementation and Oversight Committee (IOC) within the Department of Health Services, to report on three lead poisoning elimination components: 1) ways to evaluate the costs borne by Wisconsin's educational and criminal justice systems attributable to childhood lead poisoning; 2) alternative methods to prevent lead poisoning and abating lead paint hazards in housing; and 3) various sources of funds to achieve those goals.

Senate Joint Resolution 65 requires the IOC to submit its report to the legislature's standing committees dealing with the public health and welfare of Wisconsin citizens. Due to the prevalence and severe impact of lead poisoning in Wisconsin, this report also is being shared with all Wisconsin legislators. For Wisconsin, the cost benefit of ending lead poisoning amounts to billions of dollars.

Each year, more than 1,500 children across Wisconsin are identified with lead poisoning. Lead-poisoned children are found in all 72 counties and 11 Tribal communities in the state. There are undoubtedly more lead-poisoned children who have not been identified because they have not been tested. Wisconsin can prevent the lead poisoning of children by controlling lead-based paint hazards in Wisconsin homes built before 1950, which are the primary source of poisoning. Over time, chipping and peeling lead-based paint creates dust, especially on windows, floors and porches that gets on children's hands and into their mouths. Lead poisoning causes permanent brain damage that research has linked to reduced school performance, juvenile delinquency, adult criminality and life-long physical health problems. As a result, society is faced with increased costs in special education services, criminal justice, medical services, and other harder to measure outcomes like teen pregnancy due to lack of behavioral control.

The IOC, including public and private partners, is committed to eliminating childhood lead poisoning. On behalf of the Implementation and Oversight Committee, we thank you for your interest in creating a solution that eliminates lead poisoning among our children.

> Sincerely, CHARLES WARZECHA, DIRECTOR Environmental and Occupational Health Bureau Public Health Co-chair, IOC

> KAREN ORDINANS, EXECUTIVE DIRECTOR Children's Health Alliance of WI DHS Division of Co-chair, IOC

Referred to committee on Public Health and Public Safety.

State of Wisconsin Department of Corrections Madison

December 28, 2010

To the Honorable, the Legislature:

Attached in compliance with s. 301.03 (6t) is the Department's information on the use of overtime in each state adult correctional institutions for fiscal year 2010, with the stated reasons for the overtime. Should you have any questions related to this information please contact Roland Couey at 608-240-5405.

Sincerely, *RICK RAEMISCH* Secretary

Referred to committee on Corrections and the Courts.

State of Wisconsin Department of Health Services Madison

December 29, 2010

To the Honorable, the Legislature:

In accordance with Section 51.06 (8), Wisconsin Statutes, enclosed is a copy of the report on people relocated and diverted from nursing homes, intermediate care facilities for the mentally retarded (ICFs-MR), and State Centers for the

Developmentally Disabled in state fiscal year (SFY) 2010. This report provides information related to four programs, the ICF-MR Restructuring Initiative, Relocations from the State Centers for the Developmentally Disabled, the Community Relocation Initiative, and the Nursing Home Diversion Initiative.

The Department's relocation and diversion programs have been highly successful, providing the opportunity in SFY10 for 898 elderly individuals and people with physical and developmental disabilities to live in community based settings, who otherwise would have resided in ICFs-MR and nursing facilities. Since FY 2006, approximately 3,940 elders and people with physical and developmental disabilities have successfully relocated from institutional settings and an additional 812 individuals were diverted from admission to a nursing home through the Department's programs. The quality of life for these 4,752 individuals has been enhanced through the opportunity to live in the community and be near family and friends and more fully involved in community activities.

Highlights of the relocation and diversion initiatives include:

•735 people with developmental disabilities, many of whom resided in institutions for decades, moved to the community and participated in community activities that were not available to them when they resided in institutions.

•2,187 frail elders who resided in nursing facilities chose to live in the community near their families and friends. Prior to this initiative, these people would have been on a waiting list for home and community-based care, and few would have had the opportunity to return to the community.

Protecting and promoting the health and safety of the people of Wisconsin

•1,018 people with physical disabilities chose to live in the community where they were able to access community activities, rather than live in nursing facilities.

•People with developmental disabilities have been served in the community at a cost that is within the institutional budget for this population.

•Frail elders and people with physical disabilities are being served in the community at a cost below that of institutional care, resulting in a level of savings under the Medical Assistance Program in SFY 2010 of \$5.9 million for the people relocated during the year.

•567 elders and 245 people with physical disabilities, who were determined to be at imminent risk of having to move to a nursing facility, were able to remain in community-based settings because diversion funding was made available.

I trust you will find the enclosed report useful. Please contact Fredi-Ellen Bove, Deputy Administrator of the Division of Long Term Care at 608-261-5987 if you have any questions.

> Sincerely, KAREN E. TIMBERLAKE Secretary

Referred to committee on Aging and Long-Term Care.

State of Wisconsin Department of Health Services Madison

December 29, 2010

To the Honorable, the Legislature:

I am writing to report that, after six months in operation, BadgerCare Plus Basic is financially solvent and successfully meeting the health care needs of 5,066 Wisconsin residents.

This letter and the attached statistics fulfill the Department's legislative reporting requirements for Basic under section 49.67 of the Wisconsin Statutes.

With the successful launch of BadgerCare Plus Basic on July 1, 2010, uninsured Wisconsin residents gained another option for health care access. Basic was created to provide an affordable coverage choice to those on the waitlist for the BadgerCare Plus Core Plan. Core enrollment was capped in October 2009 due to limited federal funding. The Core wait list was established at that time.

For \$130 per month, Basic provides access to ten doctor's visits per year, a comprehensive generic drug benefit, one inpatient hospital stay and five outpatient hospital procedures before a hospital deductible is applied. Other professional medical services are also covered. Though the plan's benefits are very limited, Basic provides protection and peace of mind for those who have no other access to health insurance. Basic is self-funded, and state taxpayers pay nothing to support the program.

Per the specific reporting requirements identified in s. 49.67 (9g), claims payments for Basic totaled \$3,203,769 through December 13, 2010. Premium revenue totaling \$3,451,680 had been collected as of the same date. Additional reserve revenue of \$1 million remains available to support Basic through the federal State Health Access Program (SHAP) grant administered by the Health Resource Services Administration (HRSA). In short, BadgerCare Plus Basic is solvent after its first six months of operation.

In August, DHS notified members already enrolled in Basic of opportunities to pay premiums in advance at a discounted rate. Advance payments reduce adverse selection by increasing member longevity in the plan. Beginning with the October 2010 benefit month, Basic members have options to pay a \$360 quarterly premium, a \$660 semi-annual premium or a \$1,200 annual premium. More than 1,200 existing members have opted to make an advance premium payment.

No changes to premiums or provider payment rates have been implemented since the program began on July 1, 2010. Effective January 1, 2011, Basic benefits and cost-sharing are being adjusted as follows:

•Co-payments for brand name prescriptions are increasing from \$5 to \$10.

•Radiology co-payments, tiered at \$5 and \$20, will be implemented.

•Vaccination co-payments of \$10 will be implemented.

•Covered emergency room visits will be reduced from five to two per enrollment year.

As of December 14, 5,066 people were enrolled in BadgerCare Plus Basic. Member demographic information, including age, gender and county of residence, is attached. Enrolling in Basic requires beginning an application for the BadgerCare Plus Core Plan online at access.wi.gov or by phone. That process involves reporting income and insurance information to determine if the applicant is eligible to be added to the Core waitlist. Since enrollment for Basic began, 876 Basic applicants were determined ineligible at the point of applying for the Core waitlist.

Once individuals have enrolled, the Basic verification process uses a variety of wage, income and insurance databases to verify the information members have reported. Disparities trigger DHS follow-up and potential disenrollment. As of September 15, DHS had determined 91 individuals ineligible for Basic due to other insurance.

In July, the Centers for Medicare and Medicaid Services (CMS) approved the Department's amendment to the Core Plan waiver to create a waitlist bypass into Core for Basic members based on medical severity. This policy allows Basic members to be tracked into a benefit more appropriate to their health care needs. The initial medical criterion for this policy was a cancer diagnosis. This month, the Department expanded the criteria to include severe cardiac conditions. More than 100 Basic members have transitioned to Core as a result of these policies. Other Basic members are being transitioned to Well Woman Medicaid and SSI Medicaid, as appropriate.

In its second quarter of operation, BadgerCare Plus Basic continues to be an important and successful link to health care for thousands of Wisconsin residents.

Sincerely, KAREN E. TIMBERLAKE Secretary

Referred to committee on Health.

State of Wisconsin Department of Children and Families Department of Health Services Madison

December 29, 2010

To the Honorable, the Assembly:

In 1997 Act 27, the 1997-99 Biennial Budget, the Legislature established requirements in state law intended to strengthen protections for children and vulnerable adults in organized care settings. The provisions require, among other things, that designated caregivers conduct background checks on all new and existing staff and bar them from employing anyone who has committed certain crimes or acts. Effective July 1, 2008, the Department of Health and Family Services (DHFS) became the Department of Health Services (DHS) and the DHFS Division of Children and Family Services became the Department of Children and Family Services became the Department of Children and Families (DCF) as a result of 2007 Act 20 (the 2007-09 biennial budget bill). DHS, DCF and (for certain child care providers) counties and local school boards must perform checks on a provider before issuing a

license or other credential. Individuals who have committed prohibited crimes or acts may apply to DHS and/or DCF, counties, or school boards for a waiver of the employment or licensing bans upon evidence of rehabilitation.

Sections 48.685 (5g) and 50.065 (5g) of the Wisconsin Statutes direct DHS and DCF to submit an annual report to the legislature that specifies the number of persons who have sought waivers of employment or licensing bans by requesting to demonstrate that they have been rehabilitated. The report must also specify the number of requests that were approved and the reasons for the success or failure of the requests. DHS has continued to utilize the skills, support and knowledge of its personnel to process all rehabilitation review applications and we are, therefore, submitting a joint report. Attached is the report for 2010.

Questions about this report should be referred to the Department of Health Services, Diane Welsh, Chief Legal Counsel, at 608-266-9622.

Sincerely, *KAREN E. TIMBERLAKE* Secretary, DHS

Sincerely, *REGGIE BICHA* Secretary, DCF

Referred to committee on Health.

State of Wisconsin Department of Administration Madison

December 30, 2010

To the Honorable, the Legislature:

This report is transmitted as required by s. 20.002 (11)(f), Wisconsin Statutes, (for distribution to the appropriate standing committees under s. 13.172 (3), Wisconsin Statutes) 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 cash balances during the month of November 2010.

On November 1, 2010, the Worker's Compensation Fund cash balance closed at a negative \$1.6 million (its intra-month low). This negative balance continued through November 16, 2010, when the fund's cash balance closed at a positive \$45 thousand. The negative balance was due to the difference in the timing of revenues and expenditures.

On November 1, 2010, the Mediation Fund cash balance closed at a negative \$35 thousand. This negative balance continued through November 19, 2010, when the fund's cash balance closed at a positive \$300 thousand. The Mediation Fund cash balance reached its intra-month low of a negative \$52 thousand on November 18, 2010. The negative balance was due to the difference in the timing of revenues and expenditures.

On November 22, 2010, the Police and Fire Protection Fund cash balance closed at a negative \$47.6 million (its intra-month low). This negative balance continued through November 30, 2010, when the fund's cash balance closed at a negative \$43.3 million. The negative balance was due to the difference in the timing of revenues and expenditures.

The Worker's Compensation Fund, Mediation Fund, and Police and Fire Protection Fund shortfalls were not in excess of the statutory interfund borrowing limitations 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, and as a result, the funds requiring the use of the authority will effectively bear the interest cost.

> Sincerely, DANIEL J. SCHOOFF Secretary

Referred to committee on Ways and Means and joint committee on Finance.