

STATE OF WISCONSIN

Senate Journal

One-Hundredth Regular Session

FRIDAY, June 3, 2011

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

CHIEF CLERK'S ENTRIES

AMENDMENTS OFFERED

Senate amendment 1 to Senate substitute amendment 1 to **Senate Bill 45** offered by Senator Olsen.

Senate substitute amendment 1 to **Senate Bill 95** offered by Senator Olsen.

The Chief Clerk makes the following entries dated **Thursday, June 2, 2011**.

INTRODUCTION, FIRST READING, AND REFERENCE OF PROPOSALS

Read first time and referred:

Senate Joint Resolution 34

Relating to: collective bargaining by employees (first consideration).

By Senators Carpenter, Hansen, Wirch, Miller and C. Larson; cosponsored by Representatives Shilling, Pasch, Sinicki, Mason, Roys, Turner, Milroy, Staskunas, Doyle, Hebl, Pope-Roberts, Zepnick, Pocan, Kessler, Toles, Young, Fields, Berceau and Hulsey.

To committee on **Judiciary, Utilities, Commerce, and Government Operations**.

Senate Bill 119

Relating to: the appointment and term of service of the secretary of natural resources and vacancies on the Natural Resources Board.

By Senators Holperin, Wirch, Hansen, Miller, Vinehout, Risser, S. Coggs and Lassa; cosponsored by Representatives Bewley, Hulsey, Jorgensen, Pasch, Molepske Jr, Pocan, Hebl, Berceau, Kaufert and Ringhand.

To committee on **Natural Resources and Environment**.

PETITIONS AND COMMUNICATIONS

Pursuant to Senate Rule 17 (5), Representative Doyle added as a cosponsor of **Senate Bill 118**.

INTRODUCTION, FIRST READING, AND REFERENCE OF PROPOSALS

Read and referred:

Senate Joint Resolution 35

Relating to: declaring June 1 to 7, 2011, as Cardiopulmonary Resuscitation and Automated External Defibrillator Awareness Week.

By Senators Wanggaard, Carpenter, S. Coggs, Wirch, Olsen, Risser, Taylor, Lassa, Kapanke, Schultz, Galloway, Ellis and Darling; cosponsored by Representatives Kaufert, Ziegelbauer, Kerkman, Spanbauer, Ripp, Endsley, Brooks, Nerison, Wynn, Thiesfeldt, Ballweg and Jorgensen.

To committee on **Senate Organization**.

Read first time and referred:

Senate Bill 120

Relating to: an income and franchise tax credit for investments in a community development financial institution, increasing the credit amounts for the dairy manufacturing facility, meat processing facility, and food processing facility investment credits, and granting rule-making authority.

By Senators Lassa, Holperin, Hansen, Miller, Erpenbach and Taylor; cosponsored by Representatives Shilling, Clark, Barca, Jorgensen, Molepske Jr, Hebl, Vruwink, Staskunas, Seidel, Ringhand, Berceau and Doyle.

To committee on **Financial Institutions and Rural Issues**.

Senate Bill 121

Relating to: requiring the Wisconsin Economic Development Corporation to create and implement a business retention program, increasing the funding for skills enhancement grants, advanced manufacturing skills grants for technical colleges, and making an appropriation.

By Senators Lassa, Hansen, Wirch, Holperin, Miller, Erpenbach, Risser and Taylor; cosponsored by Representatives Shilling, Jorgensen, Barca, Molepske Jr, Roys, Staskunas, Turner, Berceau, Seidel, Ringhand and Steinbrink.

To committee on **Economic Development and Veterans and Military Affairs**.

Senate Bill 122

Relating to: the Wisconsin Small Company Advancement program, requiring the Wisconsin Economic Development Corporation to issue bonds and notes to raise capital for investment by venture capital funds in Wisconsin businesses, allowing refunds for the early stage seed and angel investment tax credits, authorizing positions for the University of Wisconsin, and making appropriations.

By Senators Lassa, C. Larson, Taylor, Holperin, Miller and Erpenbach; cosponsored by Representatives Pasch, Jorgensen,

Roys, Barca, Staskunas, Turner, Berceau, Seidel, Ringhand and Steinbrink.

To committee on **Economic Development and Veterans and Military Affairs**.

PETITIONS AND COMMUNICATIONS

Pursuant to Senate Rule 17 (5), Senator Grothman added as a coauthor of **Senate Bill 103**.

LEGISLATIVE REFERENCE BUREAU CORRECTIONS

CORRECTIONS IN:

2011 SENATE BILL 116

Prepared by the Legislative Reference Bureau

(June 2, 2011)

1. Page 4, line 10: delete "Maintain" and substitute "The board shall maintain".
 2. Page 4, line 14: delete "Designate" and substitute "The board shall designate".
 3. Page 28, line 1: delete "September partisan" and substitute "September".
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State of Wisconsin Government Accountability Board

May 24, 2011

The Honorable, The Senate:

The following lobbyists have been authorized to act on behalf of the organizations set opposite their names.

For more detailed information about these lobbyists and organizations and a complete list of organizations and people authorized to lobby the 2011–2012 session of the legislature, visit the Government Accountability Board's web site at <http://gab.wi.gov/>.

Berndt, William

Coalition For St. Croix River Crossing

Neitzel, Scott

Madison Gas & Electric Company

Thompson, Anna

Medtronic, Inc.

Also available from the Wisconsin Government Accountability 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 organizations that employ lobbyists.

Sincerely,

KEVIN KENNEDY

Director and General Counsel

State of Wisconsin Investment Board

May 25, 2011

The Honorable, The Legislature:

As required by section 25.17 (14m), WI Stats., I am submitting the 2010 Goals, Strategies and Performance Report for the State of Wisconsin Investment Board (SWIB). This report provides information about how SWIB invested the assets we manage and how the investments performed. The

report primarily focuses on the Wisconsin Retirement System's (WRS) Core Trust Fund (CTF) and Variable Trust Fund (VTF), which comprised 94% of all assets we invested in 2010.

Following the worst down market since the Great Depression, the markets and the WRS both continued to rebound in 2010. The CTF returned 12.4%, exceeding its benchmark by 0.2%, and the VTF returned 15.6%, exceeding its benchmark by 0.3%. With the exception of real estate, all asset classes outperformed the markets.

The additional positions that SWIB secured in 2008 and 2009 played a key role in outperforming the markets. Because of those positions, SWIB was able to increase the amount of assets invested internally from 21% to 47% by the end of 2010. Because the cost of internal management is considerably less than external, SWIB saved approximately \$13 million in 2010 in fees charged to the funds.

The WRS has a shared risk and reward feature whereby employees, retirees and employers share the investment gains and losses. The CTF's earnings or losses are smoothed over five years, while the VTF's are recognized for the year earned. As a result of the devastating losses in 2008, retirees saw a 2.1% reduction in 2009 in the CTF portion of their benefit, followed by further reductions in 2010 and 2011 of 1.3% and 1.2%, respectively.

Although the markets have made a significant recovery in the past two years, they remain volatile and no one can predict if the recovery will continue. To protect the funds in future down or flat markets, we are taking steps and implementing strategies, discussed in the report, to reduce our risk exposure and better prepare the funds for both good and bad markets.

Please let me know if you have any questions about the report or the markets in general.

Sincerely,

KEITH BOZARTH

Executive Director

Referred to joint committee on **Audit**.

Referred to joint committee on **Finance**.

State of Wisconsin Public Service Commission

May 25, 2011

The Honorable, The Legislature:

The enclosed report on all Wisconsin holding companies and their impact on the operations of the Wisconsin public utilities within their holding company systems was prepared as required by Wis. Stat. 196.795(7)(ar) for distribution to the Legislature under Wis. Stat. 13.172(2).

If you have any questions or comments about the report, please contact Ms. Jodee Bartels of the Commission staff by telephone at (608) 267-9856 or by e-mail at jodee.bartels@wisconsin.gov.

Sincerely,

SANDRA J. PASKE

Secretary

State of Wisconsin Department of Administration

May 31, 2011

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 April 2011.

On April 1, 2011, the Medical Assistance Trust Fund cash balance closed at a negative \$192.2 million. This negative balance continued through April 30, 2011, when the fund's cash balance closed at a negative \$211.0 million. The Medical Assistance Trust Fund cash balance reached its intra-month low of a negative \$215.3 million on April 7, 2011.

On April 1, 2011, the Police and Fire Protection Fund cash balance closed at a negative \$25.5 million (its intra-month low). This negative balance continued through April 30, 2011, when the fund's cash balance closed at a negative \$15.6 million.

On April 1, 2011, the Democracy Trust Fund cash balance closed at a negative \$901 thousand. This negative balance continued through April 30, 2011, when the fund's cash balance closed at a negative \$901 thousand.

On April 7, 2011, the Environmental Fund cash balance closed at a negative \$282 thousand. This negative balance continued through April 30, 2011, when the fund's cash balance closed at a negative \$10.9 million (its intra-month low).

On April 6, 2011, the Lottery Fund cash balance closed at a negative \$84 thousand. This negative balance continued through April 8, 2011, when the fund's cash balance closed at a positive \$5.0 million. The Lottery Fund cash balance reached its intra month low of a negative \$373 thousand on April 7, 2011.

The Medical Assistance Trust Fund, Police and Fire Protection Fund, Democracy Trust Fund, Environmental Fund, and Lottery Fund shortfalls were due to the difference in the timing of revenues and expenditures, 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,
MIKE HUEBSCH
Secretary

Referred to joint committee on **Finance**.

**State of Wisconsin
Government Accountability Board**

June 1, 2011

The Honorable, The Senate:

The following lobbyists have been authorized to act on behalf of the organizations set opposite their names.

For more detailed information about these lobbyists and organizations and a complete list of organizations and people authorized to lobby the 2011–2012 session of the legislature,

visit the Government Accountability Board's web site at <http://gab.wi.gov/>.

Barhorst, Bettsey	Madison Area Technical College
Casper, Tim	Madison Area Technical College
Elsdon, Mark	Pres House – Presbyterian Student Center Foundation
Fonfara, Thomas	Pres House – Presbyterian Student Center Foundation
Gardner, Brent	National Rifle Association of America
Handrick, Joe	C & N Corporation
Kahn, Carrie	Wisconsin Association of Health Plans
Kussow, Michelle	Wisconsin Health and Educational Facilities Authority (WHEFA)
O'Connor, Alice	Pres House – Presbyterian Student Center Foundation
Potts, Michael	Orion Energy Systems
Scholz, Brandon	Wisconsin Health and Educational Facilities Authority (WHEFA)
Venskus, Katherine	Metropolitan Milwaukee Association of Commerce
Webb, Terrance	Madison Area Technical College
Zastrow, Katja	Anheuser-Busch Companies Inc
Zavos, Nicholas	City of Madison

Also available from the Wisconsin Government Accountability 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 organizations that employ lobbyists.

Sincerely,
KEVIN KENNEDY
Director and General Counsel

**State of Wisconsin
Department of Health Services**

June 2, 2011

The Honorable, The Legislature:

The Department of Health Services (DHS) is submitting the attached State Annual Performance Report for the Birth to 3 Program to meet the requirement in s. 51.44 (5) (c) to report on the Department's progress in implementing this program. The report, which covers federal fiscal year 2009, was submitted to the federal government to meet grant requirements.

The report highlights the very positive outcomes produced by the Birth to 3 Program. The vast majority, over 95 percent, of children are served in their homes or other settings for typically developing children, such as child care centers. Parent satisfaction with the program remains high. In addition, required compliance with federal indicators identified by the Department of Education, Office of Special Education Programs (OSEP) demonstrated compliance between 88 and 100 percent.

In the past year, the state and counties have engaged in a broad array of evidence-based practices to improve the quality of the program. These efforts will continue to ensure that children with disabilities and their families are well served by Wisconsin's Birth to 3 Program. Of particular interest was an intensive collaborative effort with the Department of Public Instruction (DPI) that includes ongoing improvement of transition processes for children leaving the Birth to 3 Program and beginning special education services provided by local school districts. These efforts have improved the successful transition to schools from 47 percent of children in federal fiscal year 2007 to 88 percent of children in 2009.

Wisconsin's Birth to 3 Program is recognized nationally as an innovative and exemplary program in support of families during their child's dynamic period of development.

Please contact Darsell Johns at (608) 267-3270 if you have questions regarding this report.

Sincerely,
DENNIS G. SMITH
 Secretary

**State of Wisconsin
Legislative Audit Bureau**

June 2, 2011

The Honorable, The Legislature:

As the first phase of our comprehensive evaluation of the Medical Assistance program requested by the Joint Legislative Audit Committee, we have completed a review of the Enrollment Services Center established by the Department of Health Services (DHS) in 2008 to centrally manage day-to-day operations of certain public assistance programs. As of March 2011, the center was staffed by 482 individuals, 432 of whom were employed by Hewlett-Packard (HP) Enterprise Services, Inc., under amendments to its contract as the State's fiscal agent for Medical Assistance. Since fiscal year (FY) 2008-09, HP Enterprise Services and another private contractor – Automated Health Systems, Inc. – have been paid nearly \$27.6 million for services related to the BadgerCare Plus plans that expand health care services to adults without dependent children, as well the FoodShare program for low-income, childless adults.

DHS appears to have established and rapidly expanded the Enrollment Services Center with little organized planning, limited legislative oversight, and no formal efforts to determine the appropriate mix of contract and state staff. We identified a number of concerns the Legislature may wish to consider as it deliberates a proposal that would create operations similar to those at the Enrollment Services Center for all BadgerCare Plus plans. For example, we noted a lack of quality assurance activities prior to 2011, the potential loss of federal funding under program rules that require public employees to make eligibility determinations, and mixed success in other states'

efforts to implement similar initiatives. The extent to which DHS has used an existing contract to staff the Enrollment Services Center also raises questions about the transparency of its contracting practices.

We appreciate the courtesy and cooperation extended to us by staff of DHS, HP Enterprise Services, and Automated Health Systems in completing this review.

Sincerely,
JANICE MUELLER
 State Auditor

ADVICE AND CONSENT OF THE SENATE

**State of Wisconsin
Office of the Governor**

June 3, 2011

The Honorable, The Senate:

I am pleased to nominate and with the advice and consent of the Senate, do appoint TOWNSEND, JOHN, of Fond Du Lac, as a member of the Board of Veterans Affairs to serve for the term ending May 1, 2013.

Respectfully submitted,
SCOTT WALKER
 Governor

Read and referred to committee on **Economic Development and Veterans and Military Affairs**.

REFERRALS AND RECEIPT OF COMMITTEE REPORTS CONCERNING PROPOSED ADMINISTRATIVE RULES

The committee on **Economic Development and Veterans and Military Affairs** reports and recommends:

Senate Clearinghouse Rule 11-004

Relating to certification of disabled veteran-owned businesses, and affecting small businesses.

No action taken.

RANDY HOPPER
 Chairperson

The committee on **Transportation and Elections** reports and recommends:

Senate Clearinghouse Rule 10-142

Relating to temporary operation plates or permits.

No action taken.

MARY LAZICH
 Chairperson