



# STATE OF WISCONSIN

# Assembly Journal

## One-Hundredth Regular Session

12:55 P.M.

THURSDAY, February 10, 2011

The Assembly met in the Assembly Chamber located in the State Capitol.

Speaker Fitzgerald in the chair.

The Assembly dispensed with the call of the roll.

### AMENDMENTS OFFERED

Assembly amendment 1 to Assembly amendment 1 to **Assembly Bill 5** offered by Representative Molepske Jr.

Assembly amendment 2 to **Assembly Bill 5** offered by Representative Molepske Jr.

Assembly amendment 3 to **Assembly Bill 5** offered by Representative Molepske Jr.

### ADMINISTRATIVE RULES

#### **Assembly Clearinghouse Rule 10-118**

Relating to the Ice Age and North Country Trails.  
Submitted by Department of Natural Resources.  
Report received from Agency, February 4, 2011.  
To committee on **Natural Resources**.  
Referred on February 9, 2011.

### REFERRAL OF AGENCY REPORTS

State of Wisconsin  
Wisconsin Technical College System  
Madison

February 3, 2011

To the Honorable, the Legislature:

This letter certifies that all sixteen Wisconsin Technical Colleges have provided sexual assault and harassment orientation, materials and information to students as required under state statute 38.12 (11)(c) for the 2007-2008 school year.

Individual college letters assuring compliance are on file in our office at this time. If you have any questions or need additional information, please contact Norman Kenney,

Associate Vice President-Management Services, at 266-1766.

Sincerely,  
*DANIEL CLANCY, PRESIDENT*  
Wisconsin Technical College System

Referred to committee on **Colleges and Universities**.

### AGENCY REPORTS

State of Wisconsin  
Legislative Audit Bureau  
Madison

February 9, 2011

To the Honorable, the Assembly:

We have completed an evaluation of the Wisconsin Veterans Homes, as requested by the Joint Legislative Audit Committee. The homes are administered by the Department of Veterans Affairs (DVA). As of December 2009, they provided skilled nursing or assisted living care to a total of 887 veterans and their spouses. In fiscal year (FY) 2008-09, the homes' combined expenditures totaled \$89.7 million. Operating expenditures increased by 64.2 percent during the five-year period we reviewed, largely because Union Grove opened a new skilled nursing facility in September 2006.

We identified significant financial and program management issues at the veterans homes. For example, operating expenditures have exceeded revenues in four of the past five fiscal years, and the homes remain solvent largely because of a one-time Medical Assistance reimbursement rate adjustment of \$20.1 million received in FY 200506 for care provided at King. Staffing requirements established by state and federal law have been met, but the homes have relied on overtime and limited-term employees to help address long-term staffing needs. Funding for the Aid to Indigent Veterans program, which assists veterans who cannot afford the full cost of assisted living care, has also increased significantly, and the program operates under policies that have frequently changed and are unclear. In a review of 20 participants' files, we found 4 instances in which eligibility had not been appropriately assessed.

The veterans homes purchased \$17.0 million in goods and services in FY 2008-09. We found numerous violations of state purchasing requirements in the documentation we reviewed, including noncompliance with prescribed

procedures, expenditures made outside of statutory and budgetary authority, and inadequate oversight and monitoring. Turnover in key leadership positions has hampered oversight of veterans homes operations, and because of the homes' projected operating deficits in FY 2010-11, which we reported in August 2010, continuing legislative oversight will be important.

We appreciate the courtesy and cooperation extended to us by DVA in completing this evaluation. DVA's response follows the appendices.

Respectfully submitted,  
*JANICE MUELLER*  
State Auditor

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State of Wisconsin  
Legislative Audit Bureau  
Madison

February 9, 2011

To the Honorable, the Assembly:

We have completed our financial audit of the University of Wisconsin (UW) System for the years ended June 30, 2010 and 2009. UW System's financial statements and our unqualified audit opinion on them, dated December 10, 2010, have been included in UW System's 2010 Annual Financial Report, which is enclosed. This report will be presented to the UW Board of Regents at its meetings on February 10 and 11.

UW System unrestricted net assets, which represent the amount available to be used to meet ongoing obligations, increased by \$120.2 million to \$502.7 million as of June 30, 2010. According to UW System officials, these funds have been designated by the Board of Regents for purposes to fulfill UW System's responsibilities, including academic and research programs and capital projects.

General Purpose Revenue (GPR), which is shown as State Appropriations on UW System's financial statements, decreased 3.7 percent, from \$1,012.1 million in fiscal year (FY) 2008-09 to \$974.4 million in FY 2009-10. This funding

does not include GPR funding that is used to repay debt on academic facilities, which is technically debt of the State of Wisconsin and not UW System. Such debt service payments totaled \$52.7 million for FY 2009-10 and \$123.9 million for FY 2008-09.

Operating revenues increased by \$237.7 million, or 8.3 percent, from FY 2008-09. Federal grants and contracts revenue accounted for the largest portion of this change, increasing from \$733.4 million in FY 2008-09 to \$813.3 million in FY 2009-10. We also note that tuition and fees increased by \$73.1 million.

UW System's total operating expenses were \$4.1 billion in FY 2009-10. Operating expenses increased by \$92.5 million, or 2.3 percent from FY 2008-09. Salaries and fringe benefits increased by \$67.5 million and supplies and services expenditures decreased by \$27.3 million. Salaries and fringe benefits represented 66.7 percent of all UW System operating costs, while supplies and services accounted for 25.0 percent.

Enclosed is a management letter, which includes an auditor's report on compliance and internal control over financial reporting, as required by Government Auditing Standards. This letter was provided to the UW System and includes four internal control concerns we identified during our audit and that are required to be reported under these standards.

Sincerely,  
*JANICE MUELLER*  
State Auditor

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## ADJOURNMENT

Representative Suder moved that the Assembly stand adjourned until pursuant to **Senate Joint Resolution 1**.

The question was: Shall the Assembly stand adjourned?

Motion carried.

The Assembly stood adjourned.

12:56 P.M.