

Eighty-Ninth Regular Session

THURSDAY, July 5, 1990

The chief clerk makes the following entries under the above date.

PETITIONS AND COMMUNICATIONS

State of Wisconsin
Claims Board

June 27, 1990

To the Honorable the Senate

Enclosed is the report of the State Claims Board covering claims heard on June 13, 1990.

The amounts recommended for payment under \$2000 on claims included in this report have, under the provisions of s. 16.007, Wisconsin Statutes, been paid directly by the Board.

The Board is preparing the bill(s) on the recommended award(s) over \$2,000, if any, and will submit such to the Joint Finance Committee for legislative introduction.

This report is for the information of the Legislature. The Board would appreciate your acceptance and spreading of it upon the Journal to inform the members of the Legislature.

Sincerely,
EDWARD D. MAIN
Secretary

STATE OF WISCONSIN CLAIMS BOARD

The State Claims Board conducted hearings at the State Capitol Building, Madison, Wisconsin on June 13, 1990, upon the following claims:

Claimant	Amount
Janice Thomas	340.90
Cornelius & Charlseay De Lorenzo	23,954.72
Alan Fohr	7,127.61

In addition, the following claims were considered and decided without hearings:

David & Mary Luke	3,544.19
Frank Kokalj	1,514.77
Donald & Mary Kollatz	5,339.00
John Marks	794.28
Matthias & Cathy Rossmessl	2,630.82
Carl & Rona Loweth	4,727.06
Richard Scheviak Estate	3,799.86
Bathroom Center Distributors	142.56
Stephen Surinak	15,000.00
Timothy Morris	343.50
Shirley Moyes	352.50
Luigi Aiello	4,500.00
Martha Shaker	106.00
Creative Community Living Services, Inc.	1,898.00
Barbara Heth & Jerry Baier	2,000.00
Harry Russell	250,000.00
Gerald Bertin	433.84
	313.00

James Crain	1,002.52
Gregory Pilarski	100.00
Margaret Main	83.81
Donald Schopf	247.76

THE BOARD FINDS:

1. Janice Thomas of Kenosha, Wisconsin, claims \$340.90 for replacement of her eyeglasses allegedly stolen on October 5, 1989, while she was attending a meeting at the Racine Job Service Office as part of her duties as an employe of the Department of Industry, Labor and Human Relations. The Board concludes the claim should be paid in the reduced amount of \$100.00, based on equitable principles. The Board Further concludes, under authority of s. 16.007(6m), Stats., payment should be made from the Department of Industry, Labor and Human Relations appropriation s. 20.445(1)(gf), Stats.

2. Cornelous and Charlseay De Lorenzo of Birmingham, Michigan, claim \$23,954.72 for reimbursement of legal fees and capital gains taxes, plus interest, paid on the sale of their home when they moved out of the State of Wisconsin in 1981. Claimants contend the tax imposed on the gain realized on the sale of their Wisconsin residence violated the privileges and immunities clause of the United States Constitution as established in the case of Kuhnen v. Musolf, 143 Wis. 2d 134. The Board concludes there has been an insufficient showing of negligence on the part of the state, its officers, agents or employes and this claim is not one for which the state is legally liable, nor one which the state should assume and pay based on equitable principles.

3. Alan Fohr of Pewaukee, Wisconsin, claims \$7,127.61 for reimbursement of capital gains taxes, plus interest, paid on the sale of his home when he moved out of the State of Wisconsin in 1977. Claimant contends the tax imposed on the gain realized on the sale of his Wisconsin residence violated the privileges and immunities clause of the United States Constitution as established in the case of Kuhnen v. Musolf, 143 Wis. 2d 134. The Board concludes there has been an insufficient showing of negligence on the part of the state, its officers, agents or employes and this claim is not one for which the state is legally liable, nor one which the state should assume and pay based on equitable principles.

4. David and Mary Luke of Port Charlott, Florida, claim \$3,544.19 for reimbursement of capital gains taxes, plus interest, paid on the sale of their home when they moved out of the State of Wisconsin in 1981. Claimants contend the tax imposed on the gain realized on the sale of their Wisconsin residence violated the privileges and immunities clause of the United States Constitution as established in the case of Kuhnen v. Musolf, 143 Wis. 2d 134. The Board concludes there has been an insufficient showing of negligence on the part of the state, its officers, agents or employes and this claim is not one for which

the state is legally liable, nor one which the state should assume and pay based on equitable principles.

5. Frank Kokalj of Alpharetta, Georgia, claims \$1,514.77 for reimbursement of capital gains taxes, plus interest, paid on the sale of his home when he moved out of the State of Wisconsin in 1979. Claimant contends the tax imposed on the gain realized on the sale of his Wisconsin residence violated the privileges and immunities clause of the United States Constitution as established in the case of Kuhnen v. Musolf, 143 Wis. 2d 134. The Board concludes there has been an insufficient showing of negligence on the part of the state, its officers, agents or employes and this claim is not one for which the state is legally liable, nor one which the state should assume and pay based on equitable principles.

6. Donald and Mary Kollatz of Cudahy, Wisconsin, claim \$5,339.00 for reimbursement of capital gains taxes, plus interest, paid on the sale of their home when they moved out of the State of Wisconsin in 1979. Claimants contend the tax imposed on the gain realized on the sale of their Wisconsin residence violated the privileges and immunities clause of the United States Constitution as established in the case of Kuhnen v. Musolf, 143 Wis. 2d 134. The Board concludes there has been an insufficient showing of negligence on the part of the state, its officers, agents or employes and this claim is not one for which the state is legally liable, nor one which the state should assume and pay based on equitable principles.

7. John Marks of Greenfield, Wisconsin, claims \$794.28 for reimbursement of capital gains taxes, plus interest, paid on the sale of his home when he moved out of the State of Wisconsin in 1975. Claimant contends the tax imposed on the gain realized on the sale of his Wisconsin residence violated the privileges and immunities clause of the United States Constitution as established in the case of Kuhnen v. Musolf, 143 Wis. 2d 134. The Board concludes there has been an insufficient showing of negligence on the part of the state, its officers, agents or employes and this claim is not one for which the state is legally liable, nor one which the state should assume and pay based on equitable principles.

8. Matthias and Cathy Rossmessl of Burlington, Washington, claim \$2,630.82 for reimbursement of capital gains taxes, plus interest, paid on the sale of their home when they moved out of the State of Wisconsin in 1980. Claimants contend the tax imposed on the gain realized on the sale of their Wisconsin residence violated the privileges and immunities clause of the United States Constitution as established in the case of Kuhnen v. Musolf, 143 Wis. 2d 134. The Board concludes there has been an insufficient showing of negligence on the part of the state, its officers, agents or employes and this claim is not one for which the state is legally liable, nor one which the state should assume and pay based on equitable principles.

9. Carl and Rona Loweth of Bettendorf, Iowa, claim \$4,727.06 for reimbursement of capital gains taxes, plus interest, paid on the sale of their home when they

moved out of the State of Wisconsin in 1979. Claimants contend the tax imposed on the gain realized on the sale of their Wisconsin residence violated the privileges and immunities clause of the United States Constitution as established in the case of Kuhnen v. Musolf, 143 Wis. 2d 134. The Board concludes there has been an insufficient showing of negligence on the part of the state, its officers, agents or employes and this claim is not one for which the state is legally liable, nor one which the state should assume and pay based on equitable principles.

10. Ronald Scheviak, Personal Representative of the Estate of Richard Scheviak, of Kenosha, Wisconsin, claims \$3,799.86 for refund of an overpayment of Wisconsin inheritance taxes in 1988. The inheritance tax was computed using the full value of real estate held jointly with a surviving brother of the decedent. Only one-half of the real estate was properly includible for inheritance tax purposes. As a result of that mistake, the inheritance tax was overpaid in the amount of \$3,799.86. The Board recommends, as an advisory opinion, that the claim be paid under the provisions of s. 16.007(6)(b)2, Stats.

11. Bathroom Center Distributors, Inc., of West Allis, Wisconsin, claims \$142.56 for replacement of the carpeting in its display in the north exhibit hall at the Wisconsin State Fair Park allegedly damaged by a collapsed underground sewer on February 11, 1990. The Board concludes the claim should be paid based on equitable principles. The Board further concludes, under authority of s. 16.007(6m), Stats., payment should be made from the State Fair Park appropriation s. 20.190(1)(h), Stats.

12. Stephen Surinak of San Diego, California, claims \$15,000.00 for loss of income allegedly caused by the wrongful denial of his Wisconsin real estate broker's license in 1987 and 1988. Claimant was granted a license on November 1, 1974. On June 15, 1987, the Department of Regulation and Licensing denied claimant's application for renewal based on his failure to submit evidence that he met the requirements for a nonresident broker under s. 452.11, Wis. Stats., and RL 20.01, Wis. Admin. Code. On July 10, 1987 claimant requested a hearing before the Real Estate Board on the denial of his license. In a proposed decision dated August 26, 1988, the Real Estate Board recommended claimant's license be renewed as a result of an Attorney General Opinion dated May 23, 1988, which concluded that s. 452.11, Wis. Stats., was unconstitutional. As a result, the Department of Regulation and Licensing renewed claimant's license for the 1989-90 renewal period. The Board concludes there has been an insufficient showing of negligence on the part of the state, its officers, agents or employes and this claim is not one for which the state is legally liable, nor one which the state should assume and pay based on equitable principles. (Member Wilker not participating).

13. Timothy Morris of Waupun, Wisconsin, claims \$343.50 for reimbursement of wages and reinstatement

of vacation and sick leave benefits under s. 230.36, Stats., while he was recovering from an injury. Claimant is employed as correctional officer at the Waupun Correctional Institution and was injured while attending a training session on September 23, 1989. Participation in training activities is not a hazardous duty specified for coverage under s. 230.36(3)(c), Stats. However, the collective bargaining agreement in effect at the time between the state and the Wisconsin State Employees Union, expanded the coverage of that statute to include injuries sustained during "riot training activities." If claimant were a represented employe, he could rely on that contract language to claim hazardous duty benefits under s. 230.36, Stats. The Board concludes the claim should be paid based on equitable principles. The Board further concludes, under authority of s. 16.007(6m), Stats., payment should be made from the Department of Corrections appropriation s. 20.410(1)(a), Stats.

14. Shirley Moyes of Madison, Wisconsin, claims \$352.50 for damages relating to an injury she allegedly sustained when she fell at the North Hamilton exit of the State Capitol building on December 9, 1989. Claimant alleges that as she exited the revolving door at the Capitol, she misstepped and fell, breaking her ankle. The Board concludes there has been an insufficient showing of negligence on the part of the state, its officers, agents or employes and this claim is not one for which the state is legally liable, nor one which the state should assume and pay based on equitable principles.

15. Luigi Aiello of Waupun, Wisconsin, claims \$4,500.00 for attorney fees and emotional stress related to his legal defense because of a murder charge against him in 1987. Claimant sought private counsel, allegedly due to the ineffective assistance by State Public Defender Ellen Berz. Claimant alleges that Attorney Berz did not perform as a competent lawyer. The Board concludes there has been an insufficient showing of negligence on the part of the state, its officers, agents or employes and this claim is not one for which the state is legally liable, nor one which the state should assume and pay based on equitable principles.

16. Martha Shaker of Waunakee, Wisconsin, claims \$106.00 for the replacement cost of two pairs of shoes and other personal items allegedly misplaced by the Mendota Mental Health Institute in June, 1989, while she was on an unanticipated leave of absence from employment. Claimant stored her personal belongings in a staff locker in Goodland Hall at the Institute. While she was away from work, the contents of the staff lockers were moved from Goodland Hall to Stovall Hall. When claimant returned to work, she discovered that her personal belongings were missing. The Board concludes the claim should be paid in the reduced amount of \$84.55, based on equitable principles. The Board further concludes, under authority of s. 16.007(6m), Stats., payment should be made from the Department of Health and Social Services appropriation s. 20.435(2)(gk), Stats.

17. Creative Community Living Services, Inc. of Watertown, Wisconsin, claims \$1,898.00 for legal fees and \$2,000.00 for settlement payment allegedly resulting from a discrimination complaint filed against claimant in 1989. Claimant rejected an individual's application for employment in compliance with HSS 3.13(5), Wis. Admin. Code, an administrative rule promulgated by the Department of Health and Social Services. The individual filed a discrimination complaint against claimant with the Department of Industry, Labor and Human Relations, Equal Rights Division. It was subsequently determined that HSS 3, Wis. Admin. Code, was in conflict with the Fair Employment Act, s. 111.34(2), Stats. Claimant settled the discrimination complaint by payment of \$2,800.00 to the individual and incurred legal fees in the amount of \$1,000.00. The Board concludes the claim should be paid in the reduced amount of \$2,000.00 based on equitable principles. The Board further concludes, under authority of s. 16.007(6m), Stats., payment should be made from the Department of Health and Social Services appropriation s. 20.435(6)(jm), Stats.

18. Barbara Heth and Jerry Baier of Rhinelander, Wisconsin claim \$250,000.00 for damages allegedly resulting from injuries Ms. Heth sustained in an automobile accident on November 1, 1988. Ms. Heth is employed by the Department of Transportation and was injured while she was an occupant in a state vehicle which collided with another vehicle. As a state employe injured on the job, Ms. Heth received all of the benefits entitled to her pursuant to Chapter 102, Stats. Claimants contend worker's compensation does not provide compensation for the full extent of Ms. Heth's damages. The Board concludes there has been an insufficient showing of negligence on the part of the state, its officers, agents or employes and this claim is not one for which the state is legally liable, nor one which the state should assume and pay based on equitable principles.

19. Harry Russell of Rockford, Illinois, claims \$433.84 for the cost of repairing his vehicle allegedly damaged when he drove over a bump on the entrance ramp to I-43 off I-90 going to Milwaukee on October 29, 1989. Claimant alleges that when his vehicle hit the bump, immediate engine failure resulted. The Board concludes there has been an insufficient showing of negligence on the part of the state, its officers, agents or employes and this claim is not one for which the state is legally liable, nor one which the state should assume and pay based on equitable principles.

20. Gerald Bertin of Fredonia, Wisconsin, claims \$313.00 for replacement cost of his wallet and miscellaneous items allegedly stolen by unknown persons on February 7, 1990. Claimant was a victim of an armed robbery after leaving the Milwaukee Northeast Driver Exam Station, where he is employed. The Board concludes there has been an insufficient showing of negligence on the part of the state, its officers, agents or employes and this claim is not one for which the state is

legally liable, nor one which the state should assume and pay based on equitable principles.

21. James Crain of Milwaukee, Wisconsin, claims \$1,002.52 for the cost of a linear bow and related accessories which he purchased after being incorrectly advised by the Department of Natural Resources that the bow could legally be used for hunting in Wisconsin. However, the bow does not meet the legal definition of a crossbow and claimant is not able to use it for hunting in Wisconsin. The Board concludes the claim should be paid in the reduced amount of \$790.85, based on equitable principles. The Board further concludes, based on the authority of s. 16.007(6m), Stats., payment should be made from the Department of Natural Resources appropriation s. 20.370(3)(mu), Stats.

22. Gregory Pilarski of West Allis, Wisconsin, claims \$100.00 for the uninsured amount of repair his vehicle allegedly damaged by an unknown person while it was parked in the Department of Natural Resources Southeast district parking lot on February 24, 1989. Claimant is employed by the Department of Natural Resources and had parked his vehicle in the secured lot provided for use by employees while traveling overnight on state business. An unknown person gained access to the fenced area during a time when the alarm had been disarmed. Claimant has received payment from his insurance company for the damages to the his vehicle, less the \$100.00 deductible. The Board concludes the claim should be paid, based on equitable principles. The Board further concludes, under authority of s. 16.007(6m), Stats., payment should be made from the Department of Natural Resources appropriation s. 20.370(8)(mu), Stats.

23. Margaret Main of Mena, Arkansas, claims \$83.81 as the difference between her real estate taxes for 1989 and the amount that would have been due for that year if her land in Washburn County, Wisconsin, had been properly entered under the managed forest law (MFL). Due to a data entry error by the Department of Natural Resources, the original MFL order erroneously omitted five acres of eligible land for which application had been made. The error has been corrected by the Department of Natural Resources. The Board concludes the claim should be paid in the amount of \$84.87, which is the correct amount of the overpayment for 1989, based on equitable principles. The Board further concludes, under authority s. 16.007(6m), Stats., payment should be made from the Department of Natural Resources appropriation s. 20.370(1)(mu), Stats.

24. Donald Schopf of Sturgeon Bay, Wisconsin, claims \$247.76 as the difference between his real estate taxes for 1987, 1988 and 1989, and the amount that would have been due if his land in Door County, Wisconsin, had been correctly entered under the woodland tax law. Claimant requested a correction in his woodland tax entry during 1987. The paperwork was

misrouted between the Department of Natural Resources field office and its headquarters. As a result, the correction was not entered until January, 1990. Even if the correction had been made immediately after claimant's request, the change would not have resulted in a reduction of taxes until 1988. The Board concludes the claim should be paid in the reduced amount of \$161.46, which reflects the overcharge for the tax years 1988 and 1989, based on equitable principles. The Board further concludes, under authority of s. 16.007(6m), Stats., payment should be made from the Department of Natural Resources appropriation s. 20.370(1)(mu), Stats.

THE BOARD CONCLUDES:

1. The claims of the following claimants should be denied:

Cornelius and Charlseay De Lorenzo
 Alan Fohr
 David and Mary Luke
 Frank Kokalj
 Donald and Mary Kollatz
 John Marks
 Matthis and Cathy Rossmeissl
 Carl and Rona Loweth
 Stephen Surinak
 Shirley Moyes
 Luigi Aiello
 Barbara Heth and Jerry Baier
 Harry Russell
 Gerald Bertin

2. Payment of the following amounts to the following claimants is justified under s. 16.007, Stats.

Janice Thomas	\$100.00
Bathroom Center Distributors	\$142.56
Timothy Morris	\$343.50
Martha Shaker	\$84.55
Creative Community Living Services, Inc.	\$2,000.00
James Crain	\$790.85
Gregory Pilarski	\$100.00
Margaret Main	\$84.87
Donald Schopf	\$161.46

3. Payment of the following amount to the following claimant is justified under s. 16.007(6)(b)2, Stats.

Richard Scheviak Estate	\$3,799.86
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Dated at Madison, Wisconsin this 25th day of June, 1990.

GARY R. GEORGE
 Senate Finance Committee

WALTER J. KUNICKI
 Assembly Finance Committee

RAYMOND P. TAFFORA
 Representative of Governor

EDWARD D. MAIN
Representative of Secretary of
Administration

WILLIAM H. WILKER
Representative of Attorney
General

State of Wisconsin
Department of Natural Resources

June 19, 1990

To the Honorable the Legislature:

The attached plan for the preservation of the Historic McGilvray Road Bridges located within the Van Loon Wildlife Area is being submitted pursuant to a legislative mandate contained in Section 30.40(116) of Wisconsin Act 31 of 1989. This plan is to be forwarded by you to the legislature by July 1, 1990.

Sincerely,
JIM LISSACK

State of Wisconsin
Department of Natural Resources

June 29, 1990

To the Honorable the Legislature:

This report outlines the study the Department of Natural Resources has conducted regarding contracting with private nurseries licensed under section 94.10 of the statutes to supply the state with nursery stock as directed by Section 3040(4) of the 1989 Wisconsin Act 31.

A copy of this report is on file in the office of the Senate Chief Clerk.

Sincerely,
C. D. BESADNY
Secretary

State of Wisconsin
Department of Health and Social Services

June 29, 1990

To the Honorable the Legislature:

1989 Wisconsin Act 31, Section 1118i, requires the Department of Health and Social Services to submit to the chief clerk of each house of the Legislature a report on June 30 annually on the allocation and expenditure of funds for services for homeless individuals. Attached is the Department's first annual report.

Department staff are available if you have any questions or desire any additional information.

Sincerely,
PATRICIA A. GOODRICH
Secretary

State of Wisconsin
Department of Health and Social Services

July 1, 1990

RE: Section 3024(16m)(e) of 1987 Wisconsin Act 399
- Office of Health Care Information

To the Honorable the Legislature:

Pursuant to the requirements of section 3024(16m)(e) of 1987 Wisconsin Act 399 as amended by 1989 Wisconsin Act 18, "The office of health care information shall, by July 1, 1990 submit to the chief clerk of each house of the legislature for distribution to the legislature under section 13.172(2) of the statutes a report concerning the feasibility and cost-effectiveness of action by the office of health care information with respect to all of the following:

1. Obtaining more detailed information that is permitted under chapter 153 of the statutes, as created by this act, concerning the numbers of times during a hospital's entire fiscal year that the hospital charges patients for each of up to 100 charge elements, as defined in section 153.01(3) of the statutes, as selected by the office.
2. Establishing methods by formula under which net hospital revenue increases or decreases may be identified in increases or decreases charged by hospitals for charge elements, as defined in section 153.01(3) of the statutes."

Attached for your review, please find the report by the Office as outlined above. Please address any questions you may have regarding this report to my attention.

Sincerely,
R. NICHOLAS TRANE II
Director
Office of Health Care

Information

State of Wisconsin
Department of Health and Social Services

June 1990

To the Honorable the Legislature:

Pursuant to the requirements of section 153.10(1), Wis. Stats., I am pleased to submit to the Governor and to the Legislature this fourth quarterly *Health Care Data Report*. This report includes data based on hospital inpatient discharges reported to the Office of Health Care Information by all operating general medical-surgical and specialty hospitals in Wisconsin for the fourth quarter of 1989 (October - December).

This report fulfills the statutory requirement to report "in a manner that permits comparisons among hospitals ... the charges for up to 100 health care services or diagnostic-related groups selected by the office." The report goes beyond the statutory requirements by presenting several analyses of the Wisconsin hospital picture by distributions of patient discharges based on age, sex source of hospital reimbursement and length of stay. The average charges per patient discharged by diagnostic-related groups are also compared by modified health service areas and by hospital volume group.

I wish to express my appreciation to all Wisconsin hospitals for their cooperation in the collection of this

data which enabled us to prepare this report. Printed copies of this report are available from the Office. Please contact our office should you or your staff have any questions.

Sincerely,
R. NICHOLAS TRANE II
Director
Office of Health Care

Information

State of Wisconsin
Legislative Audit Bureau

July 2, 1990

To the Honorable the Legislature:

We have completed an evaluation of the administration of the Learnfare program as requested by the Joint Legislative Audit Committee. We reviewed administration by county social service agencies, local school districts, and the Departments of Health and Social Services and Public Instruction. Of special concern is Milwaukee County, where 48 percent of the 30,000 students subject to Learnfare requirements reside and 75 percent of program sanctions have been imposed.

Administrative problems have resulted in inequitable enforcement and in some students being inappropriately sanctioned while other students with poor school attendance were not sanctioned. Variations in school districts' attendance policies and procedures and inaccurate attendance reporting result in students being held to different attendance standards.

Attendance reporting in Milwaukee Public Schools is inadequate to administer compulsory attendance requirement, the Children-at-Risk program, or Learnfare. There also appear to be too few staff to work with students with attendance problems and too few alternative education programs.

County income maintenance staff make many errors in processing information submitted by school districts and clients. Milwaukee County Department of Social Services staff are unclear as to their responsibilities for Learnfare, correctly processing only 26 percent of the cases we reviewed.

The Department of Health and Social Services has made inadequate effort to identify and correct implementation problems or to eliminate conflicts between departmental policy and instructions provided to counties and schools. We have included recommendations to improve administration and reduce inequities.

We appreciate the courtesy and cooperation extended to us by the state, county and local agencies. Responses from the key agencies reviewed are Appendices III through VI.

Sincerely,
DALE CATTANACH
State Auditor

State of Wisconsin
Legislative Audit Bureau

June 29, 1990

To the Honorable the Legislature:

We have completed a financial and compliance audit of the State of Wisconsin as required by s. 13.94, Wis. Stats., and as requested by the state agencies to meet the audit requirements of the Single Audit Act of 1984 and the provisions of the federal Office of Management and Budget Circular A-128. The audit covered the period July 1, 1988, through June 30, 1989.

This report contains the Schedules of Federal Financial Assistance for the state agencies included within the scope of our audit, along with the independent auditor's report on these schedules. The Schedules of Federal Financial Assistance are presented differently than in past years. This year we present one schedule reporting federal financial assistance provided to the State by each federal agency. In another schedule, we summarize federal assistance received by each state agency. A separate compliance report (90-21) contains the auditor's reports on internal accounting and administrative controls and reports on compliance, as well as our comments on internal control deficiencies and findings of noncompliance for each state agency.

We appreciate the courtesy and cooperation extended to us by agency staff during our audit.

Sincerely,
DALE CATTANACH
State Auditor

State of Wisconsin
Legislative Audit Bureau

June 29, 1990

To the Honorable the Legislature:

We have completed our financial and compliance audit of the State of Wisconsin as requested by the state agencies to meet the audit requirements of the federal Single Audit Act of 1984 and the provisions of the federal Office of Management and Budget Circular A-128. Our audit covered the period July 1, 1988, through June 30, 1989. In addition to satisfying federal audit requirements, this audit assists us in meeting state audit requirements under s. 13.94, Wis. Stats.

As part of our standard procedures at the various state agencies included in the scope of the audit, we reviewed internal accounting and administrative controls, assessed the propriety of receipts and disbursements, and tested compliance with laws and regulations related to the administration of federal grant programs. Our review focused on the 31 grants which exceeded the \$7 million major grant threshold identified by the federal government. However, we performed audit work at the various state agencies regardless of the amount of federal funds received.

The first section of our report contains the auditor's reports on internal accounting and administrative controls and reports on compliance. The remaining

sections of our report contain our comments on internal control deficiencies and our findings of noncompliance for each state agency. We noted several areas of noncompliance and identified \$489,910 in questioned costs. A separate financial report (90-22) contains the schedules of federal financial assistance for the audited period, along with the auditor's report on these schedules.

The federal government will resolve the findings and questioned costs contained in our report. In the state of Wisconsin, federal agencies are directed to contact affected state agencies regarding resolution. To assist federal officials in its efforts, state agency contact information is provided as the Appendix.

We appreciate the courtesy and cooperation extended to us by the agency staff during our audit. The agency comments on individual findings are included within the body of our report.

Sincerely,
DALE CATTANACH
State Auditor

EXECUTIVE COMMUNICATIONS

State of Wisconsin
Office of the Governor

June 21, 1990

To the Honorable, the Senate:

I am pleased to nominate and with the advice and consent of the Senate, do appoint BILL PFAFF of New Lisbon, as a member of the Snowmobile Recreational Council pursuant to the statute governing, to serve for the term ending July 1, 1993.

Respectfully,
TOMMY THOMPSON
Governor

Read and referred to committee on Educational Financing, Higher Education and Tourism.

SENATE CLEARINGHOUSE ORDERS

Senate Clearinghouse Rule 90-21

Relating to academic excellence higher education scholarships for those pupils who attend public and private high schools with enrollments of less than 80.

Submitted by Department of Public Instruction.
Report received from agency, July 2, 1990.
Referred to committee on Education, Economic Development, Financial Institutions and Fiscal Policies, July 5, 1990.

Senate Clearinghouse Rule 90-32

Relating to school district boundary appeals.
Submitted by Department of Public Instruction.
Report received from agency, July 2, 1990.
Referred to committee on Education, Economic Development, Financial Institutions and Fiscal Policies, July 5, 1990.

Senate Clearinghouse Rule 90-55

Relating to the alcohol and other drug abuse prevention and intervention program.

Submitted by Board of Vocational, Technical and Adult Education.

Report received from agency, June 28, 1990.
Referred to committee on Educational Financing, Higher Education and Tourism, July 5, 1990.

Senate Clearinghouse Rule 90-56

Relating to the nitrate removal pilot program for municipal water systems.

Submitted by Department of Natural Resources.
Report received from agency, June 28, 1990.
Referred to committee on Urban Affairs, Environmental Resources, Utilities and Elections, July 5, 1990.

Senate Clearinghouse Rule 90-72

Relating to physical therapy for pupils with exceptional educational needs.

Submitted by Department of Public Instruction.
Report received from agency, July 2, 1990.
Referred to committee on Education, Economic Development, Financial Institutions and Fiscal Policies, July 5, 1990.

Senate Clearinghouse Rule 90-78

Relating to public libraries.
Submitted by Department of Public Instruction.

Report received from agency, July 2, 1990.
Referred to committee on Education, Economic Development, Financial Institutions and Fiscal Policies, July 5, 1990.

The committee on Transportation, Conservation and Mining reports and recommends:

Senate Clearinghouse Rule 89-209

Relating to motor carrier safety regulations.
No action taken.

Senate Clearinghouse Rule 90-39

Relating to fees for counter service and special handling service for certificates of title and registration.
No action taken.

Lloyd Kincaid
Chair

The committee on Housing, Government Operations and Cultural Affairs reports and recommends:

Senate Clearinghouse Rule 89-159

Relating to burial sites.
No action taken.

John R. Plewa
Chair

The committee on Labor, Business, Insurance, Veterans' and Military Affairs reports and recommends:

Senate Clearinghouse Rule 90-41

Relating to electronic funds transfer payments for tickets purchased by nonprofit organization retailers.

JOURNAL OF THE SENATE [July 5, 1990]

No action taken.

No action taken.

Senate Clearinghouse Rule 90-71

Relating to various benefits available from the department of veterans affairs.

Jerome Van Sistine
Chair