



STATE OF WISCONSIN

Assembly Journal

Ninety–Third Regular Session

THURSDAY, October 29, 1998

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

ADMINISTRATIVE RULES

Assembly Clearinghouse Rule 98–067

Relating to the printing industry.
Submitted by Department of Revenue.
Report received from Agency, October 20, 1998.
To committee on **Ways and Means**.
Referred on October 29, 1998.

Assembly Clearinghouse Rule 98–098

Relating to revising requirements for Medicare supplement policies to comply with recent federal and state laws.
Submitted by Office of the Commissioner of Insurance.
Report received from Agency, October 23, 1998.
To committee on **Health**.
Referred on October 29, 1998.

Assembly Clearinghouse Rule 98–107

Relating to the issuance and use of administrative warnings.
Submitted by Department of Regulation and Licensing.
Report received from Agency, October 21, 1998.
To committee on **Consumer Affairs**.
Referred on October 29, 1998.

Assembly Clearinghouse Rule 98–132

Relating to real estate appraisers.
Submitted by Department of Regulation and Licensing.
Report received from Agency, October 21, 1998.
To committee on **Consumer Affairs**.
Referred on October 29, 1998.

Assembly Clearinghouse Rule 98–137

Relating to codifying a policy authorizing savings banks and savings and loan associations to invest in limited liability companies.
Submitted by Department of Financial Institutions.
Report received from Agency, October 22, 1998.
To committee on **Financial Institutions**.
Referred on October 29, 1998.

REFERRAL OF AGENCY REPORTS

State of Wisconsin
Department of Health and Family Services
Madison

October 23, 1998

To the Honorable, the Assembly:

Section 46.277 (5m) directs the Department of Health and Family Services to submit a report, by October 1 each year, to the Joint Committee on Finance, and to the Chief Clerk of each house of the Legislature for distribution to the appropriate standing committees, describing the cost and quality of services used under the Medicaid Home and Community-Based Waivers and the extent to which existing services have been used under the program in the preceding calendar year. The Department has completed the programmatic and demographic sections of the report. Information on the cost of community care and institutional care is based on a report submitted annually to the federal Health Care Financing Administration (HCFA). The completion of this report, which normally occurs in late summer after the close of the state fiscal year, has been delayed due to technical computer and data compilation–related problems. HCFA has provided the Department an extension to complete the report by the end of December 1998. The Department will then be able to complete the Medicaid Home and Community-Based Waivers report and submit it to the Legislature in January 1999.

Please contact me or my staff with any question.

Sincerely,
JOE LEEAN
Secretary, DHFS

Referred to committee on **Health**.

AGENCY REPORTS

State of Wisconsin
Legislative Audit Bureau
Madison

October 23, 1998

To the Honorable, the Assembly:

We have compiled a review of Career Youth Development (CYD), as directed by the Joint Legislative Audit Committee.

CYD is a nonprofit agency that provides a variety of services to youth in Milwaukee County, including substance abuse prevention and treatment programs, alternative schooling, and mental health services. CYD is funded primarily by grants from governments and other agencies. It spent approximately \$3.5 million on programs in 1997.

Recent audits conducted by the state Department of Health and Family Services, Milwaukee County, and Milwaukee Public Schools have questioned \$361,000 in charges CYD made to five of its grants. Our review of agency records for 1997 and the first six months of 1998 confirmed the problems identified in earlier audits and found they exist in other grants as well. Most of the agency's 31 grant programs have unreliable financial records. In addition, we found inadequate financial management and inadequate procedures to safeguard cash and other assets.

CYD has recently taken some steps to improve its financial operations, including engaging an accounting firm to develop financial controls and provide interim financial management, hiring a program compliance manager, expanding the size of its governing board, and increasing fundraising efforts. Because most of these efforts have just begun, we could not determine whether they will be sufficient to correct all of the problems identified. Consequently, we have included a number of recommendations to improve financial control and reporting. In addition, because CYD's expenditures have exceeded revenues in three of the past four years by a total of \$231,400, we include a number of suggestions for addressing the agency's deteriorating financial condition in the future.

Respectfully submitted,
JANICE MUELLER
State Auditor