

LRB or Bill No./Adm. Rule No.  
LRB-3303/2 SB 243

Amendment No. if Applicable

**FISCAL ESTIMATE**

DOA-2048 N(R10/96)

- ORIGINAL                       UPDATED  
 CORRECTED                       SUPPLEMENTAL

**Subject**

Changing requirements for provision of an audit report by providers of care and services purchased by the department of health and family services or county departments.

**Fiscal Effect**

State:  No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

- Increase Existing Appropriation                       Increase Existing Revenues  
 Decrease Existing Appropriation                       Decrease Existing Revenues  
 Create New Appropriation

Increase Costs - May be possible to Absorb Within Agency's Budget     Yes     No

Decrease Costs

Local:  No local government costs

1.  Increase Costs  
           Permissive     Mandatory  
2.  Decrease Costs  
           Permissive     Mandatory

3.  Increase Revenues  
           Permissive     Mandatory  
4.  Decrease Revenues  
           Permissive     Mandatory

5. Types of Local Governmental Units Affected:  
 Towns             Villages             Cities  
 Counties             Others \_\_\_\_\_  
 School Districts             WTCS Districts

**Fund Sources Affected**

- GPR     FED     PRO     PRS     SEG     SEG-S

**Affected Ch. 20 Appropriations**

**Assumptions Used in Arriving at Fiscal Estimate**

The bill increases the dollar threshold for requirement of audit reports for contracts for the purchase of care and services by DHFS or by a county department of social services, human services, developmental disabilities services or community programs. However, these audits may still be required for providers of care and services by request, if the purchaser has not previously contracted with the provider, if the purchaser has evidence that the provider has previously experienced significant financial management problems of if an audit is necessary to claim federal money.

Because fewer audit reports will be required under the proposal, audit review efforts can be more effectively focused on those audits for contracts over \$50,000. To the extent that care and service providers, including counties, can prepare and submit fewer audits, their efforts can be more effectively focused as well.

**Long-Range Fiscal Implications**

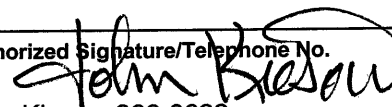
Agency/Prepared by: (Name & Phone No.)

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Authorized Signature/Telephone No.

John Kiesow 266-9622



Date

10/8/99