



STATE OF WISCONSIN

Assembly Journal

Ninety-Fourth Regular Session

3:00 P.M.

THURSDAY, August 5, 1999

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

Representative Walker in the chair.

The Assembly dispensed with the call of the roll.

ENROLLED BILLS

The following Assembly proposals, which have been approved by both the Assembly and Senate, have been enrolled by the Legislative Reference Bureau:

Assembly Joint Resolution 6
Assembly Joint Resolution 15
Assembly Joint Resolution 40
Assembly Joint Resolution 41
Assembly Joint Resolution 52
Assembly Joint Resolution 53
Assembly Joint Resolution 54
Assembly Joint Resolution 62

CHARLES R. SANDERS
Assembly Chief Clerk

AGENCY REPORTS

State of Wisconsin
Legislative Audit Bureau
Madison

July 28, 1999

To the Honorable, the Legislature:

In response to recent legislative inquiries, we have reviewed the administration and funding of the State's railroad crossing safety program. We had previously reviewed the railroad crossing safety program and reported our results in a January 29, 1996 letter report. We have updated selected information from that report and reviewed the State's use of federal funds for railroad crossing safety.

As of July 1999, Wisconsin has 7,999 railroad crossings. However, the State's primary safety concern is the 4,406 crossings that intersect with public roads at grade level. Responsibility for safety at crossings is shared by the Office

of the Commissioner of Railroads and the Wisconsin Department of Transportation. Both identify safety projects and fund them, but only the Commissioner has the authority to order safety improvements.

Although the number of accidents involving motor vehicles at railroad crossings has decreased from 165 in 1994 to 88 in 1998, safety concerns continue to be raised, in part because a number of safety projects that have been ordered for completion by the Commissioner of Railroads have not yet been funded. One list of pending projects maintained by the Office includes 165 warning device projects, with an estimated cost of \$14.0 million to complete, that will use all of the federal funding expected to be available to the Office through September 30, 2005. The other list includes 29 projects, with an estimated cost of \$2.4 million. The Commissioner has not yet determined when these projects will be funded.

On its own initiative, the Department also identifies railroad crossing safety projects for the federal funds it controls. In fiscal year 1998-99, the Department received federal approval to obligate \$6.0 million from federal railroad crossing safety funds for two large bridge projects. While these projects qualify for federal railroad crossing safety funding, they will make less funding available for more common railroad crossing safety projects, such as installing lights or gates at crossings.

The interplay between the federal and state appropriation process is complex, and some flexibility is needed to ensure the State receives the maximum amount of federal funding available. However, if the Legislature is concerned about the current project-selection process, it may wish to play a more active role in determining the use of federal funding for the railroad crossing safety program. To do this, it will need more complete information on the funding available and the Department's plans to use that funding.

Enclosed is a more complete discussion of our findings with regard to the railroad crossing safety program. We appreciate the courtesy and cooperation extended to us by staff of the Department of Transportation and the Office of the Commissioner of Railroads.

Respectfully submitted,
JANICE MUELLER
State Auditor

State of Wisconsin
Legislative Audit Bureau
Madison

July 30, 1999

To the Honorable, the Legislature:

We have completed our financial and compliance audit of the State of Wisconsin, as requested by state agencies to meet the audit requirements of the federal Single Audit Act of 1984, as amended, and the provisions of federal Office of Management and Budget Circular A-133. Our audit covered the period July 1, 1997 through June 30, 1998. In addition to satisfying federal audit requirements, the audit assists us in meeting state audit requirements under s. 13.94, Wis. Stats.

The audit procedures performed at the larger state agencies that administer federal financial assistance programs, including the University of Wisconsin System, consisted of gaining an understanding of the internal controls at the agencies, assessing the propriety of revenue and expenditures, and testing compliance with laws and regulations related to the administration of federal grant programs. For the smaller agencies and selected University of Wisconsin campuses, our audit procedures were limited to verifying information included in the federally required Schedule of Expenditures of Federal Awards and following up on prior-year audit findings. Our review focused on the 28 federal grants that either exceeded the \$14.4 million threshold used by the federal government to define major grants or were below this threshold but were selected for review based on the risk-based assessment criteria established by the federal government.

The first section of our report contains the auditor's reports on internal control and compliance. Next are the agency narratives that contain our comments on internal control deficiencies related to the administration of federal grants, findings of noncompliance for each agency, and the results of our follow-up to prior audit findings. A summary schedule of findings and questioned costs for the current year's audit is also provided, as well as a summary of the status of findings included in our prior audit report for the State of Wisconsin (report 98-12). We note that, overall, state agencies have

complied with federal grant requirements and that they have taken steps to address findings included in the prior year's single audit report. However, we do report internal control deficiencies and several areas of noncompliance, and we identify \$293,474 in questioned costs. This amount represents a small portion of the total federal financial assistance received by the State of Wisconsin.

Also included in this report is the Schedule of Expenditures of Federal Awards for the audited period, and related notes. Our audit opinion on the schedule is unqualified. The federal government will resolve the findings and questioned costs included in our report. Federal agencies are expected to contact state agencies regarding resolution. To assist federal officials in their efforts, state agency contact information is provided in appendices to this report.

In addition to the comments and recommendations included in our report, management letters will be issued to the larger state agencies addressing technical accounting issues, including those relating to the preparation of the State's financial statements.

We appreciate the courtesy and cooperation extended to us by agency staff during our audit. Agencies' comments on individual findings, along with their corrective action plans to address our concerns, are included within the agency narratives.

Respectfully submitted,
JANICE MUELLER
State Auditor

ADJOURNMENT

Representative Underheim moved that the Assembly stand adjourned until 10:00 A.M. on Tuesday, August 10.

The question was: Shall the Assembly stand adjourned?

Motion carried.

The Assembly stood adjourned.

3:01 P.M.