



# STATE OF WISCONSIN

# Assembly Journal

## Ninety-Fourth Regular Session

10:00 A.M.

TUESDAY, April 18, 2000

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

Representative Handrick in the chair.

The Assembly dispensed with the call of the roll.

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### REFERENCE BUREAU CORRECTIONS

#### Assembly Resolution 27

In enrolling, the following correction was made:

1. Page 1, line 9: delete "Grande" and substitute "Grand".

#### Assembly Resolution 29

In enrolling, the following correction was made:

1. Page 1, line 12: delete "11,500,00" and substitute "11,500,000".

#### Assembly Resolution 30

In enrolling, the following correction was made:

1. Page 2, line 11: delete "Long Term" and substitute "Long-Term".

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### REFERRAL OF AGENCY REPORTS

State of Wisconsin  
Department of Revenue  
Madison

April 18, 2000

To the Honorable, the Legislature:

I am submitting the quarterly report of the Wisconsin Lottery for the quarter ending March 31, 2000. As required by § 565.37(3), Wis. Stats., the attached materials contain unaudited Wisconsin Lottery year to date Sales and Expenditure information.

The summary information reported here is not intended to be a complete financial accounting of the Wisconsin Lottery Fund. It reflects current law, including provisions of [1999 Wisconsin Act 5](#).

The 1999-01 biennial budget provides for the payment of retailer commissions, vendor fees and administrative expenses from the General Fund, rather than from the Lottery Fund. Administrative expenditures that were encumbered in fiscal year 1998-99, however, are reported as Lottery Fund expenditures. Pending adjustments to ensure compliance with provisions of the 1999-01 biennial budget are noted as such.

Year-to-date transfers of \$1,744,634 recorded in the first three quarters of the current fiscal year for Farmland Tax Credit Distributions will be reversed in the fourth quarter of the fiscal year.

The Lottery Fund Balance customarily becomes negative during the third fiscal quarter due to the Property Tax Credit distribution made in March. By the end of the fiscal year, the fund balance returns to a positive position.

If you have any questions or comments regarding this report, please feel free to contact me at (608) 266-6466.

Sincerely,  
*CATE ZEUSKE*  
Secretary of Revenue

Referred to committee on **State Affairs**.

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### AGENCY REPORTS

State of Wisconsin  
Legislative Audit Bureau  
Madison

April 12, 2000

To the Honorable, the Legislature:

At the request of the Department of Public Instruction (DPI), we have completed a limited-scope audit of federal reimbursements the Community Relations-Social Development Commission (SDC) received under the Child and Adult Care Food Program from March 1, 1997 through March 31, 1999. During our audit period, SDC received \$3.9 million in federal reimbursements for meals served to eligible children at 83 after-school, day care, and Head Start centers under its sponsorship.

Because SDC did not require the centers to maintain adequate meal service records and did not monitor them sufficiently, we found substantial noncompliance with state and federal

documentation requirements. We question \$1,242,000, or almost 32 percent of the federal funds received under the food program during our audit period, for over 646,000 meals that were not adequately documented and almost 56,000 meals for which sufficient effort was not made to adjust quantities ordered to reflect anticipated absences. However, we also found that SDC was eligible for an additional \$3,000 in federal funding and has repaid DPI for \$154,000 in questioned costs. Therefore, the net amount questioned for the audited period is \$1,085,000.

Except for the absence of documentation that SDC did not require centers to maintain, we have no reason to believe that centers did not serve meals to children. However, our role as auditors is to question all meals for which attendance and other records were not available or for which centers did not appropriately adjust meal orders. It is DPI's responsibility to resolve our audit findings with SDC and the federal government. The actual amount SDC may be required to repay may be more or less than the amount we question. It should be noted that on April 5, 2000, after we had provided our audit report to the agency, SDC suggested additional attendance information for children may be available from Milwaukee County, which may have collected the information for other program purposes. DPI may wish to consider this new information in resolving SDC's questioned costs.

A recent federal audit also raised concerns about SDC's administration of the food program. We found that SDC has taken reasonable actions to address these concerns, although we note the need to credit food program accounts for an additional \$2,276 for interest earned on program cash

balances. In addition, at the request of DPI, we reviewed SDC's recording of work effort to the Child and Adult Care Food Program and the federal Summer Food Service Program. SDC has reasonable procedures to ensure work effort is fairly and accurately recorded between the two programs.

The attachment summarizes our findings regarding SDC's administration of the federal food program. A separate report to SDC's executive director, dated April 12, 2000, details the number of undocumented meals claimed by each participating child care center under SDC's sponsorship, as well as recommendations for improved control.

We appreciate the courtesy and cooperation extended to us by SDC staff.

Respectfully submitted,  
*JANICE MUELLER*  
State Auditor

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### ADJOURNMENT

Representative Spillner moved that the Assembly stand adjourned until 10:00 A.M. on Thursday, April 20.

The question was: Shall the Assembly stand adjourned?

Motion carried.

The Assembly stood adjourned.

10:01 A.M.