



STATE OF WISCONSIN Assembly Journal

Ninety-Fifth Regular Session

TUESDAY, August 13, 2002

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

ADMINISTRATIVE RULES

Assembly Clearinghouse Rule 01–124

Relating to dairy plants.
Submitted by Department of Agriculture, Trade and Consumer Protection.
Report received from Agency, August 2, 2002.
To committee on **Agriculture**.
Referred on August 13, 2002.

Assembly Clearinghouse Rule 01–125

Relating to dairy farms.
Submitted by Department of Agriculture, Trade and Consumer Protection.
Report received from Agency, August 2, 2002.
To committee on **Agriculture**.
Referred on August 13, 2002.

Assembly Clearinghouse Rule 02–038

Relating to complaint procedures.
Submitted by Department of Corrections.
Report received from Agency, August 6, 2002.
To committee on **Corrections and the Courts**.
Referred on August 13, 2002.

Assembly Clearinghouse Rule 02–052

Relating to the definition of “ownership” for the purpose of determining eligibility of firms for a license as a certified public accounting firm.
Submitted by Department of Regulation and Licensing.
Report received from Agency, August 2, 2002.
To committee on **Small Business and Consumer Affairs**.
Referred on August 13, 2002.

Assembly Clearinghouse Rule 02–083

Relating to operation of the health insurance risk-sharing plan (HIRSP).
Submitted by Department of Health and Family Services.
Report received from Agency, August 1, 2002.
To committee on **Health**.
Referred on August 13, 2002.

Assembly Clearinghouse Rule 02–088

Relating to the extension of the time period allowed for filing an initial claim for unemployment insurance benefits.

Submitted by Department of Workforce Development.
Report received from Agency, August 1, 2002.
To committee on **Labor and Workforce Development**.
Referred on August 13, 2002.

REFERRAL OF AGENCY REPORTS

State of Wisconsin
Department of Veterans Affairs
Madison

October 15, 2001

To the Honorable, the Legislature:

The 1999-2001 biennium marked the opening of important new facilities operated by the Wisconsin Department of Veterans Affairs and a renewed effort to improve existing benefits and services for veterans and their families.

The Northern Wisconsin Veterans Cemetery near Spooner was dedicated in 2001 as the third state veterans cemetery operated by my department, and the Wisconsin Veterans Home at Union Grove became the state’s second veterans home.

I also undertook the long-term goal of helping more Wisconsin veterans obtain the federal benefits to which they are entitled. The “I Owe You” Campaign and Supermarkets of Veterans Benefits were successful outreach initiatives to increase awareness about federal and state benefits and to help veterans apply for them.

Our department and the veterans we serve have enjoyed tremendous support from your administration and the Legislature. I know that this support will continue as we embark on new challenges and opportunities.

Sincerely,
RAYMOND G. BOLAND
Secretary

Referred to committee on **Veterans and Military Affairs**.

State of Wisconsin
Department of Health and Family Services
Madison

July 30, 2002

To the Honorable, the Legislature:

This report is submitted pursuant to s. [46.27\(11g\)](#) and s. [46.277\(5m\)](#), of the Wisconsin Statutes, which requires

summary reporting on state funds appropriated in the biennial budget process for the Community Options Program. The Community Options Program (also known as COP-Regular or Classic COP) serves all client groups in need of long-term care and is entirely state-funded.

The statutes also permit Community Options Program funds to be used with the flexibility to expand Medicaid waiver programs. The federal government grants waivers of Medicaid rules to permit states to provide longterm care at home to a population that qualifies for Medicaid coverage of nursing home care. State funds are matched by federal Medicaid dollars at a ratio of about 40:60. The Community Options Program-Waiver (COP-W) is limited to persons who are elderly and/or persons with a physical disability. The Community Options Program-Waiver also includes the Community Integration Program II (CIP II).

Other Medicaid waiver programs are targeted to specific populations in need of long-term care services. Community Integration Program 1A (CIP 1A), Community Integration Program 1B (CIP 1B), Community Supportive Living Arrangements (CSLA) and Brain Injury Waiver (BIW) all serve the community needs for long-term care participants with developmental disabilities. The Community Options Program state funding is often used as a match for federal funds through these waivers.

This report describes the persons served, program expenditures and services delivered through the Community Options Program, Community Options Program-Waiver and Community Integration Program II in calendar year 2000. Medicaid waiver funding combined with Medicaid card funded services (acute care) and COP, provide a comprehensive health care package to recipients. It is critical that these programs be closely coordinated in order to ensure that the most comprehensive and individualized care is provided. With this kind of coordination, Wisconsin residents are provided with a safe, consumer-controlled alternative to life in an institution. As this report demonstrates, these programs also help to contain the costs of providing long-term care to a fragile population.

Referred to committee on **Aging and Long-Term Care**.

State of Wisconsin
Department of Administration
Madison

August 5, 2002

To the Honorable, the Legislature:

Chapter 34, Laws of 1979, requires that when the Department of Administration maintains an office in Washington, DC, for the purpose of promoting federal/state cooperation, it should submit a report detailing the activities of the office and reporting the status of federal legislation of concern to the Legislature and other state agencies (Wis. Stats. 16.548 (2)).

The report for the period April, 2002, through June 2002, is attached.

Sincerely,
GEORGE LIGHTBOURN
Secretary

Referred to committee on **State Affairs**.

State of Wisconsin
Department of Health and Family Services
Madison

August 6, 2002

To the Honorable, the Assembly:

As required in Section 227.485 (9) of the Wis. Stats., I am submitting the report concerning decisions and resulting payments of attorney fees and related legal costs. Attorney fees and other legal costs are to be paid whenever the opposing party to an agency's Chapter 227 hearing prevails and it is determined the agency's position was not substantially justified. Payments for SFY 2002 are shown on the attached schedule.

In addition, under 814.245 (10) of the Wis. Stats., the Department is required to report any awards granted to the Department regarding frivolous motions brought against this Department. In SFY 2002, no motions of opposing parties were found to be frivolous. Consequently, the Department has no awards to report.

Sincerely,
PHYLLIS J. DUBE
Secretary

Referred to committee on **Health**.

AGENCY REPORTS

State of Wisconsin
Legislative Audit Bureau
Madison

July 30, 2002

To the Honorable, the Legislature:

At the request of the Joint Legislative Audit Committee, we have completed an evaluation of the Milwaukee Metropolitan Sewerage District. The District is a special-purpose municipal corporation that provides sewer services to the City of Milwaukee and most of Milwaukee County, as well as to all or parts of a number of municipalities in surrounding counties.

The District's \$2.3 billion sewer improvement program, including the 19.4 mile Deep Tunnel and related improvements, has significantly reduced both the number and the volume of sewer overflows, and the District has not violated the combined sewer overflow provisions of its wastewater discharge permit since 1994. However, the program has not achieved the results anticipated when it was

designed. Sanitary sewer overflows continue, and more than twice the predicted number of combined sewer overflows has occurred since the Deep Tunnel began operation. Since 1994, a total of 13.2 billion gallons of untreated wastewater has been discharged into Milwaukee-area waterways because of a combination of large storms, stormwater infiltration into sewers, capacity issues in the Deep Tunnel and the District's sewers and treatment facilities, and operational policies that have exacerbated overflows. For example, a total of 107 million gallons of untreated wastewater was discharged since June 1999 during six overflows that occurred because the District's contractor had temporarily turned off Deep Tunnel pumps while switching to a lower-cost source of electricity.

The District is in the process of implementing a \$786.4 million building program that is intended to reduce sewer overflows by constructing additional wastewater capacity, increasing treatment plant capacity, and improving the performance of the sewer system. It also plans to spend \$410.0 million on watercourse improvement projects. To date, completed projects have had significantly higher costs than the District anticipated.

We found that the District's sewer system and the Deep Tunnel have reduced the amount of pollutants entering waterways, and water quality has improved within the combined sewer area. However, water quality outside the combined sewer area has not improved since 1994 because of sewer overflows and nonpoint and other pollution sources. Neither Lake Michigan nor Milwaukee-area rivers currently meet designated water quality standards specified in federal and state law.

We appreciate the courtesy and cooperation extended to us by the District's staff during the course of our audit. The District's response is Appendix 5.

Respectfully submitted,
JANICE MUELLER
State Auditor

State of Wisconsin
Legislative Audit Bureau
Madison

August 8, 2002

To the Honorable, the Legislature:

As required by s. 229.8273(6), Wis. Stats., we have completed our first review of the Green Bay/Brown County Professional Football Stadium District's efforts to meet contracting and hiring goals for minorities and women in the Lambeau Field reconstruction project. Statutes require the District to establish goals for contracts awarded to minority-owned and women-owned businesses. In addition, statutes require the contractors hired for the project to establish goals for the employment of minorities and women. To meet these objectives and facilitate the involvement of targeted businesses and individuals in the reconstruction project, the District required the creation of the Targeted Business Participation and Workforce Diversity Program. The

Legislative Audit Bureau is required to review these efforts on an annual basis.

Based upon our initial review, we believe that to date, the District has made a good-faith effort to meet its statutory goals. Through December 2001, measurable progress had been made toward:

- * awarding 15 percent of the value of contracts that are financed by bond proceeds to minority-owned businesses, and 5 percent to women-owned businesses; and
- * working to hire minorities and women related to the construction project so that 15 percent of the new employees hired specifically for the project are minority group members and 5 percent are women.

Through December 2001, a total of \$9.1 million in professional and construction contract dollars has been paid to targeted businesses. Of this amount, 13.4 percent was paid to minority-owned businesses and 3.4 percent was paid to women-owned businesses. These percentages are somewhat lower than the statutorily established goals of 15.0 percent and 5.0 percent, respectively. Of the 610 new hires working on the project, 114 (18.7 percent) were minority group members, and 29 (4.8 percent) were women. This currently exceeds the statutory hiring goal for minorities and is slightly lower than the hiring goal for women.

We appreciate the courtesy and cooperation extended to us by the District and the project's contractors in conducting our review.

Respectfully submitted,
JANICE MUELLER
State Auditor

State of Wisconsin
Legislative Audit Bureau
Madison

August 13, 2002

To the Honorable, the Legislature:

As required by s. 39.15(2), Wis. Stats., we have completed our review of the Medical College of Wisconsin, Inc., for fiscal years (FYs) 1999-2000 and 2000-01. During this biennium, state general purpose revenue funds paid to the Medical College for tuition aid totaled approximately \$8.0 million, and the Medical College received an additional \$6.7 million in general purpose revenue for the development and operation of its family practice residency program.

Overall, we found that the Medical College was in compliance with statutory requirements related to tuition aid. Students for whom the Medical College claimed tuition aid were certified by the Higher Educational Aids Board as Wisconsin residents and were eligible to receive this state aid. We also found that the Medical College gave preference in admissions to Wisconsin residents and promoted minority student access.

However, when reviewing expenditures related to the family practice residency program, we identified \$13,420 in costs

that could be considered excessive or inappropriate entertainment expenditures. Because the Medical College was not specifically prohibited from using state funds for these types of expenditures, we do not believe the Medical College can be required to repay the State for them. However, we encourage the Medical College to ensure that in the future, state-funded expenditures are reasonable, directly benefit the family practice residency program, and are consistent with general purchasing guidelines for state agencies. To ensure the reasonableness of costs, the Legislature may also wish to further define the program's objectives and allowable costs in state statutes.

We appreciate the courtesy and cooperation extended to us by staff within the Medical College of Wisconsin and the Higher Educational Aids Board during our review.

Respectfully submitted,
JANICE MUELLER
State Auditor

State of Wisconsin
Legislative Audit Bureau
Madison

August 13, 2002

To the Honorable, the Legislature:

We have completed a limited-scope review of the dental education contract between the State of Wisconsin and the Marquette University School of Dentistry for fiscal years (FYs) 1999-2000 and 2000-01. In each of these two years, the State provided \$1,167,000 in tuition aid to Marquette University for 100 Wisconsin residents enrolled in the undergraduate dental education program. Under [2001 Wisconsin Act 16](#), the per capita aid payments remain at \$11,670, but total program funding increased to \$1,342,100 in FY 2001-02 and \$1,517,100 in FY 2002-03 to enable more dental students to receive tuition aid.

Overall, we found that Marquette University was in compliance with its contract with the State and with requirements set forth in [s. 39.46](#), Wis. Stats. During our review, we found the students for whom Marquette University claimed tuition aid were certified by the Higher Educational Aids Board as Wisconsin residents and were eligible to receive this state aid. In addition, we found that Marquette University expended state funds only for the undergraduate dental school program, gave preference in admissions to Wisconsin residents, and promoted minority enrollment.

We appreciate the courtesy and cooperation extended to us by staff within Marquette University and the Higher Educational Aids Board during our review.

Respectfully submitted,
JANICE MUELLER
State Auditor

State of Wisconsin
Legislative Audit Bureau
Madison

August 13, 2002

To the Honorable, the Legislature:

As required by [s. 13.94\(1\)\(dg\)](#), Wis. Stats., we have completed a limited-scope fiscal and compliance review of the dental clinics grant provided by the Department of Health and Family Services to the Marquette University School of Dentistry for fiscal years (FYs) 1999-2000 and 2000-01. Under this grant, Marquette University received general purpose revenue funding of \$2.8 million in each year to provide dental services to low-income individuals at clinics in various locations throughout Wisconsin.

Overall, we found Marquette University has developed and implemented adequate procedures to help ensure compliance with statutory and grant requirements. In addition, we found state funds were expended for services normally considered a part of comprehensive general dental treatments.

However, we note that because the Marquette Dental School clinics have expanded their services, and because of a change in the way that Marquette University allocates costs, dental clinic expenditures exceeded revenues by \$3.1 million in FY 1999-2000 and nearly \$4.3 million in FY 2000-01. Marquette University absorbs the deficit each year with revenue generated from other sources, such as tuition. Nevertheless, because the State provides support to Marquette University through various means, including tuition aid payments, we believe it is important that these annual deficits be monitored.

The clinics' future financial condition may be affected by three factors: the construction of a new Marquette Dental School facility, the continued expansion of services, and increasing patient fees. Marquette University began construction on a new \$30 million facility in March 2001. When construction is complete, the dental clinics' operating costs will likely increase as new dental equipment is purchased and additional faculty members are hired. Within the last two years, Marquette Dental School also began providing community-based outreach services on the Oneida Indian Reservation in Green Bay and within the Elder Care Program of Dane County. Although these services and other outreach programs planned for the future allow Marquette Dental School to fulfill its community service mission and treat more patients, they do not generate revenue and, therefore, contribute to the overall clinic deficit. Marquette University staff have indicated they plan to increase clinic fees in FY 2002-03 to help offset their operating costs, but at this time, they are uncertain how much the fees will increase.

We appreciate the courtesy and cooperation extended to us by the Marquette University staff during our review.

Respectfully submitted,
JANICE MUELLER
State Auditor