



State of Wisconsin  
2013 - 2014 LEGISLATURE



LRB-1099/en  
SRM:jld:...

## 2013 SENATE BILL 27

1       **AN ACT** *to repeal* 13.53 (2) (d), 13.94 (1) (a), 13.94 (1) (d), 13.94 (1) (f), 13.94 (1)  
2       (g), 13.94(1) (k), 13.94 (1) (mm), 13.94 (1) (n), 13.94 (1) (q), 13.94 (8) (d) 3., 49.19  
3       (11m) (e), 49.67 (7m), 101.973 (11), 115.52 (7), 115.525 (7), 118.153 (6), 119.23  
4       (7) (e) 2. and 229.8273 (6); **to renumber and amend** 119.23 (7) (e) 1.; **to amend**  
5       13.94 (1) (b), 13.94 (1) (br) 1., 13.94 (1) (br) 2., 13.94 (1) (c), 13.94 (1) (dg), 13.94  
6       (1) (dm), 13.94 (1) (eg), 13.94 (1) (em), 13.94 (1) (L), 13.94 (1s) (a), 13.94 (1s) (b),  
7       13.94 (1s) (bm), 18.10 (11), 39.15 (2), 39.46 (1), 119.23 (6m) (b) 3. d., 120.135 (4)  
8       (a) and 565.37 (1); and **to create** 13.94 (1) (br) 3., 13.94 (1) (t), 13.94 (1s) (c) 7.,  
9       13.94 (1s) (c) 8. and 71.78 (4) (s) of the statutes; **relating to:** the authority and  
10       responsibilities of the Legislative Audit Bureau and state auditor, eliminating  
11       certain expired audit requirements, and requiring confidentiality during

**SENATE BILL 27**

1 investigations of reports made to the state fraud, waste, and mismanagement  
2 hotline.

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*Analysis by the Legislative Reference Bureau*

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*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

3 **SECTION 1.** 13.53 (2) (d) of the statutes is repealed.

4 **SECTION 2.** 13.94 (1) (a) of the statutes is repealed.

5 **SECTION 3.** 13.94 (1) (b) of the statutes is amended to read:

6 13.94 (1) (b) Audit ~~At the state auditor's discretion or as the joint legislative~~  
7 ~~audit committee directs, audit~~ the records of every state each department, board,  
8 commission, independent agency or authority at least once each 5 years and audit  
9 the records of other departments as defined in sub. (4) when the state auditor deems  
10 it advisable or when he or she is so directed and, in conjunction therewith, reconcile  
11 the records of the department audited with those of the department of  
12 administration. Audits of the records of a county, city, village, town, or school district  
13 may be performed only as provided in par. (m). ~~Within 30 days after~~ After completion  
14 of any such audit under this paragraph, the bureau shall file with the chief clerk of  
15 each house of the legislature, the governor, the department of administration, the  
16 legislative reference bureau, the joint committee on finance, the legislative fiscal  
17 bureau, and the department audited, a detailed report ~~thereof~~ of the audit, including  
18 ~~its~~ the bureau's recommendations for improvement and efficiency and including  
19 specific instances, if any, of illegal or improper expenditures. The chief clerks shall  
20 distribute the report to the joint legislative audit committee, the appropriate

**SENATE BILL 27**

1 standing committees of the legislature, and the joint committee on legislative  
2 organization.

3 **SECTION 4.** 13.94 (1) (br) 1. of the statutes is amended to read:

4 13.94 (1) (br) 1. Maintain a toll-free telephone number with voice mail at the  
5 bureau's office to receive reports of fraud, waste, and mismanagement in state  
6 government. Except as provided in subd. 2., the bureau shall relay these reports to  
7 the appropriate bureau employee for investigation. If the bureau has a bureau  
8 employee investigate the report, the employee may, subject to subd. 3., consult with  
9 any state department, ~~board, commission, or independent agency~~ for any purpose  
10 related to the investigation. The bureau shall publicize the toll-free telephone  
11 number on the bureau's ~~Web~~ Internet site. The bureau shall maintain records that  
12 permit the release of information provided by informants while protecting the  
13 identity of the informant. Any records maintained by the bureau that relate to the  
14 identity of informants shall be only for the confidential use of the bureau in the  
15 administration of this section, unless the informant expressly agrees to release the  
16 records. Appearance in court as a witness shall not be considered consent by an  
17 informant to release confidential records maintained by the bureau.

18 **SECTION 5.** 13.94 (1) (br) 2. of the statutes is amended to read:

19 13.94 (1) (br) 2. In lieu of requiring a bureau employee to conduct an  
20 investigation of a report received under subd. 1., the bureau may refer a report to a  
21 state department, ~~board, commission, or independent agency~~ for investigation. The  
22 ~~state department, board, commission, or independent agency~~ shall conduct the  
23 investigation and deliver the results of the investigation to the bureau in a timely  
24 manner.

25 **SECTION 6.** 13.94 (1) (br) 3. of the statutes is created to read:

**SENATE BILL 27****SECTION 6**

1           13.94 (1) (br) 3. The bureau shall at all times before an investigation of a report  
2 received under subd. 1. is completed keep confidential the report and investigation  
3 and any information arising from the investigation, except as necessary to conduct  
4 the investigation.

5           **SECTION 7.** 13.94 (1) (c) of the statutes is amended to read:

6           13.94 (1) (c) Audit ~~At the state auditor's discretion or as the joint legislative~~  
7 audit committee directs, audit the central accounting records of the department of  
8 administration ~~at least once every 2 years~~. A detailed report of such audit shall be  
9 filed as provided by par. (b), and copies shall be provided to each member or  
10 member-elect of the legislature and shall be available in limited number to the  
11 public. The bureau shall also prepare a summary of such audit report, for  
12 distribution in the same manner as the Wisconsin Blue Book under s. 35.84.

13           **SECTION 8.** 13.94 (1) (d) of the statutes is repealed.

14           **SECTION 9.** 13.94 (1) (dg) of the statutes is amended to read:

15           13.94 (1) (dg) ~~Annually, by October 1~~ At the state auditor's discretion or as the  
16 joint legislative audit committee directs, perform a financial audit of expenditures  
17 made under the grants for dental services under s. 250.10.

18           **SECTION 10.** 13.94 (1) (dm) of the statutes is amended to read:

19           13.94 (1) (dm) ~~Annually~~ At the state auditor's discretion or as the joint  
20 legislative audit committee directs, perform a financial audit of the state fair park  
21 board and of any private corporation with which the board contracts under s. 42.01  
22 (4) (b).

23           **SECTION 11.** 13.94 (1) (eg) of the statutes is amended to read:

24           13.94 (1) (eg) ~~Annually conduct a financial audit of the division of gaming in~~  
25 ~~the department of administration and biennially~~ At the state auditor's discretion or

**SENATE BILL 27**

1 as the joint legislative audit committee directs, conduct a performance evaluation  
2 audit of the division of gaming in the department of administration. The legislative  
3 audit bureau shall file a copy of each audit report under this paragraph with the  
4 department of justice and with the distributees specified in par. (b).

5 **SECTION 12.** 13.94 (1) (em) of the statutes is amended to read:

6 13.94 (1) (em) Annually conduct a financial audit of the state lottery, and, to  
7 the extent of the department of revenue's participation, of any multijurisdictional  
8 lotteries in which the state participates under ch. 565, and biennially at the state  
9 auditor's discretion or as the joint legislative audit committee directs, conduct a  
10 performance audit of the state lottery and, to the extent of the department of  
11 revenue's participation, of those multijurisdictional lotteries, as provided in s. 565.37  
12 (1). The legislative audit bureau shall file a copy of each audit report under this  
13 paragraph with the department of justice and with the distributees specified in par.  
14 (b).

15 **SECTION 13.** 13.94 (1) (f) of the statutes is repealed.

16 **SECTION 14.** 13.94 (1) (g) of the statutes is repealed.

17 **SECTION 15.** 13.94(1) (k) of the statutes is repealed.

18 **SECTION 16.** 13.94 (1) (L) of the statutes is amended to read:

19 13.94 (1) (L) Monitor and review purchases and purchasing procedures of ~~state~~  
20 ~~departments, boards, commissions and independent agencies,~~ and, at the state  
21 auditor's discretion or as the joint legislative audit committee directs, report to the  
22 joint legislative audit committee ~~at least once every 5 years~~ concerning the extent to  
23 which ~~state departments, boards, commissions and independent agencies~~ purchased  
24 purchase materials, supplies, or equipment manufactured outside of the United  
25 States ~~since the date of the preceding report~~.

**SENATE BILL 27****SECTION 17**

1           **SECTION 17.** 13.94 (1) (mm) of the statutes is repealed.

2           **SECTION 18.** 13.94 (1) (n) of the statutes is repealed.

3           **SECTION 19.** 13.94 (1) (q) of the statutes is repealed.

4           **SECTION 20.** 13.94 (1) (t) of the statutes is created to read:

5           13.94 (1) (t) Annually conduct a financial audit of the University of Wisconsin  
6 System. The legislative audit bureau shall file a copy of each audit report under this  
7 paragraph with the distributees specified in par. (b).

8           **SECTION 21.** 13.94 (1s) (a) of the statutes is amended to read:

9           13.94 (1s) (a) Except as otherwise provided in par. (c), the legislative audit  
10 bureau may charge any department for the reasonable cost of auditing services  
11 ~~which are performed at the request of a department or at the request of the federal~~  
12 ~~government which~~ that the bureau is not required to perform under sub. (1) (a) to (d)  
13 (b) or (k) (c) or any other law. This paragraph does not apply to counties, cities,  
14 villages, towns, or school districts.

15           **SECTION 22.** 13.94 (1s) (b) of the statutes is amended to read:

16           13.94 (1s) (b) The legislative audit bureau may charge the department of  
17 revenue for the reasonable costs of ~~the audits required to be~~ an audit performed  
18 under sub. (1) (em) and for verification of the odds of winning a lottery game under  
19 s. 565.37 (5).

20           **SECTION 23.** 13.94 (1s) (bm) of the statutes is amended to read:

21           13.94 (1s) (bm) The legislative audit bureau may charge the department of  
22 administration for the cost of ~~the audits required to be~~ an audit performed under sub.  
23 (1) (eg).

24           **SECTION 24.** 13.94 (1s) (c) 7. of the statutes is created to read:

**SENATE BILL 27**

1           13.94 (1s) (c) 7. The state fair park board for the cost of an audit performed  
2 under sub. (1) (dm).

3           **SECTION 25.** 13.94 (1s) (c) 8. of the statutes is created to read:

4           13.94 (1s) (c) 8. The University of Wisconsin System for the cost of an audit  
5 performed under sub. (1) (t).

6           **SECTION 26.** 13.94 (8) (d) 3. of the statutes is repealed.

7           **SECTION 27.** 18.10 (11) of the statutes is amended to read:

8           18.10 (11) CANCELLATION OF INSTRUMENTS. Unless otherwise directed by the  
9 commission, every evidence of indebtedness and interest coupon paid or otherwise  
10 retired shall ~~forthwith~~ be marked “canceled” and shall be ~~delivered~~ destroyed by the  
11 department of administration or destroyed by a fiscal agent accepting the surrender  
12 ~~thereof, through the department to the state auditor appointed under sub. (8) who~~  
13 ~~shall destroy them and shall forthwith deliver~~ certify that destruction to the  
14 department ~~a certificate to that effect~~ of administration.

15           **SECTION 28.** 39.15 (2) of the statutes is amended to read:

16           39.15 (2) ~~The~~ At the state auditor’s discretion or as the joint legislative audit  
17 committee directs, the legislative audit bureau shall ~~biennially~~ postaudit  
18 expenditures under s. 20.250 so as to assure the propriety of expenditures and  
19 compliance with legislative intent. State affirmative action policies, rules, and  
20 practices shall be applied to the Medical College of Wisconsin, Inc., consistent with  
21 their application to state agencies.

22           **SECTION 29.** 39.46 (1) of the statutes is amended to read:

23           39.46 (1) On or before July 1 of each year, the board shall initiate, investigate,  
24 and formulate for procurement, a contract for dental education services in  
25 accordance with this section. Thereafter, the board shall conduct a biennial analysis

**SENATE BILL 27****SECTION 29**

1 of the program and include a report on its findings and recommendations in its  
2 reports under s. 15.04 (1) (d). The At the state auditor’s discretion or as the joint  
3 legislative audit committee directs, the legislative audit bureau shall biennially  
4 postaudit expenditures under this section. Section 16.75 (1) to (5) are waived with  
5 respect to such contract.

6 **SECTION 30.** 49.19 (11m) (e) of the statutes is repealed.

7 **SECTION 31.** 49.67 (7m) of the statutes is repealed.

8 **SECTION 32.** 71.78 (4) (s) of the statutes is created to read:

9 71.78 (4) (s) The state auditor and the employees of the legislative audit bureau  
10 to the extent necessary for the bureau to carry out its duties under s. 13.94.

11 **SECTION 33.** 101.973 (11) of the statutes is repealed.

12 **SECTION 34.** 115.52 (7) of the statutes is repealed.

13 **SECTION 35.** 115.525 (7) of the statutes is repealed.

14 **SECTION 36.** 118.153 (6) of the statutes is repealed.

15 **SECTION 37.** 119.23 (6m) (b) 3. d. of the statutes is amended to read:

16 119.23 (6m) (b) 3. d. To the extent permitted under 20 USC 1232g and 43 CFR  
17 part 99, pupil scores on all standardized tests administered under sub. (7) (e) ~~1~~.

18 **SECTION 38.** 119.23 (7) (e) 1. of the statutes is renumbered 119.23 (7) (e) and  
19 amended to read:

20 119.23 (7) (e) In the 2009–10 school year, each private school participating in  
21 the program under this section shall administer a nationally normed standardized  
22 test in reading, mathematics, and science to pupils attending the school under the  
23 program in the 4th, 8th, and 10th grades. Beginning in the 2010–11 school year and  
24 annually thereafter, each private school participating in the program under this  
25 section shall administer the examinations required under s. 118.30 (1s) to pupils



**SENATE BILL 27**

1 attending the school under the program. The private school may administer  
2 additional standardized tests to such pupils. ~~Beginning in 2006 and annually~~  
3 ~~thereafter until 2011, the private school shall provide the scores of all standardized~~  
4 ~~tests and examinations that it administers under this subdivision to the School~~  
5 ~~Choice Demonstration Project.~~

6 **SECTION 39.** 119.23 (7) (e) 2. of the statutes is repealed.

7 **SECTION 40.** 120.135 (4) (a) of the statutes is amended to read:

8 120.135 (4) (a) Money in the capital improvement fund may not be used for any  
9 purpose or be transferred to any other fund without the approval of a majority of the  
10 electors of the school district voting on the question at a referendum. ~~If a referendum~~  
11 ~~is adopted authorizing the use of moneys in the fund, the legislative audit bureau~~  
12 ~~shall conduct an audit to determine whether the moneys have been used only for the~~  
13 ~~purposes specified in sub. (1).~~

14 **SECTION 41.** 229.8273 (6) of the statutes is repealed.

15 **SECTION 42.** 565.37 (1) of the statutes is amended to read:

16 565.37 (1) FINANCIAL AND PERFORMANCE AUDITS. The department shall annually  
17 contract with the legislative audit bureau to conduct a financial audit of the  
18 transactions and accounts of the state lottery, and, to the extent of the department's  
19 participation, of any multijurisdictional lotteries in which the state participates, for  
20 the preceding fiscal year and shall biennially, if the state auditor or the joint  
21 legislative audit committee directs that a performance audit be conducted, contract  
22 with the legislative audit bureau for a performance audit of the state lottery and, to  
23 the extent of the department's participation, of those multijurisdictional lotteries.

24

(END)