



# STATE OF WISCONSIN Assembly Journal

## Ninety–Second Regular Session

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THURSDAY, August 15, 1996

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

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### ADMINISTRATIVE RULES

#### Assembly Clearinghouse Rule 96–2

Relating to soil and water resource management.

Submitted by Department of Agriculture, Trade and Consumer Protection.

Report received from Agency, August 13, 1996.

Referred to committee on **Agriculture**.

Referred on August 15, 1996.

#### Assembly Clearinghouse Rule 96–17

Relating to standards for water public utility service.

Submitted by Public Service Commission.

Report received from Agency, August 8, 1996.

Referred to committee on **Environment and Utilities**.

Referred on August 15, 1996.

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### EXECUTIVE COMMUNICATIONS

State of Wisconsin  
Office of the Governor  
Madison

July 24, 1996

To the Honorable, the Assembly:

This past year I had the pleasure of serving as chairman of the Education Commission of the States (ECS). My agenda highlighted the educational principles outlined in Wisconsin's School–To–Work initiative, and ECS adopted the agenda title “Connecting Learning and Work” to advance these principles nationally.

I would like to share with the members of the State Assembly some of the publications authored under my chairmanship. They include *State Initiatives; A Call to Action; State Education Leader; Standards and Education; and Bending Without Breaking*. These documents were prepared to support my agenda of “Connecting Learning and Work”, my efforts at the Education Summit and to stimulate discussion regarding local flexibility.

I am including a copy of each publication for the information of the State Assembly.

Sincerely,  
*TOMMY G. THOMPSON*  
Governor

Referred to committee on **Education**.

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### REFERRAL OF AGENCY REPORTS

State of Wisconsin  
Department of Health and Family Services  
Madison

July 22, 1996

To the Honorable, the Assembly:

As required by s. [252.04\(11\)](#), Wis. Stats., enclosed is the Annual Statewide Immunization Program Report. Please distribute this report to the appropriate standing committees.

Sincerely,  
*JOE LEEAN*  
Secretary, DHFS

Referred to committee on **Health**.

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State of Wisconsin  
Department of Health and Family Services  
Madison

July 16, 1996

To the Honorable, the Assembly:

As required in Sections [227.485\(9\)](#) and [814.245\(10\)](#) 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 1996 are shown on the attached schedule.

In addition, the Department is required to report any awards granted to the Department regarding frivolous motions brought against this Department. If the hearing examiner determines that the motion of the opposing party in any Chapter [227](#) contested case is frivolous, the examiner may award the state agency all reasonable costs in responding to the motion. In SFY 1996, no motions of opposing parties

were found to be frivolous. Consequently, the Department has no awards to report.

Sincerely,  
*JOE LEEAN*  
Secretary, DHFS

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State of Wisconsin  
Legislative Audit Bureau  
Madison

June 19, 1996

Referred to committee on **Children and Families.**

To the Honorable, the Legislature:

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## COMMUNICATIONS

State of Wisconsin  
Legislative Audit Bureau  
Madison

June 4, 1996

To the Honorable, the Legislature:

We have completed an audit of the Community Relations–Social Development Commission (SDC), as directed by the Joint Legislative Audit Committee and the former Chairman of the Milwaukee County Board of Supervisors. For efficiency, we have coordinated our respective audit efforts and are issuing a joint report of our findings.

SDC was founded in the 1960s by Milwaukee County, the City of Milwaukee, Milwaukee Public Schools, Milwaukee Area Technical College, and the United Way of Greater Milwaukee. Its founders and 12 other groups appoint SDC's Board of Commissioners, which has oversight responsibility for the agency's staff, finances, and programs. In 1995, SDC spent \$28.4 million in federal, state, and local funds to operate a variety of anti–poverty and social service programs.

Allegations of mismanagement and problems with agency governance have raised public concern and prompted SDC's founders to withhold over \$650,000 in administrative and program support. Our audit found numerous examples of poor management, including instances in which established administrative policies were circumvented by staff. We also found that the Board has not always exercised sufficient staff, financial, and program oversight.

Recently, the Board and the agency's interim Executive Director have begun to take steps to address past management and governance problems at SDC, which include improved training for commissioners and improvements to SDC's fiscal accountability. Our report includes 40 recommendations that support those steps. In addition, it includes options for restructuring the Board, in the event the founding members and the Legislature believe changes to its size and the methods by which commissioners are appointed will increase accountability.

We appreciate the cooperation of the Board of Commissioners and SDC staff. A response from the interim Executive Director is attached.

Respectfully submitted,  
*DALE CATTANACH*  
State Auditor  
*JEROME J. HEER*  
Director of Audits

We have completed an evaluation of the University of Wisconsin–Madison's State Laboratory of Hygiene. Through a broad range of testing services, the State Laboratory supports the public and environment health programs of the departments of Health and Social Services and Natural Resources and the University of Wisconsin. However, over 54 percent of the State Laboratory's fiscal year 1994–95 revenue of \$21.5 million was generated from tests provided to other customers, such as health care providers, industry, water suppliers, well owners, others states, other public agencies, and private laboratories. State Laboratory staff also conduct research and have educational responsibilities.

Representatives of private laboratories in Wisconsin, particularly those offering environmental testing services, question the extent to which the State Laboratory should provide testing services to public and private customers in competition with private laboratories. They also question whether the Laboratory sets its prices fairly.

Based on known capacity and interest on the part of private laboratories in Wisconsin, we estimate between \$6.6 million and \$10.1 million of the State Laboratory's fiscal year 1994–95 test billings might have been diverted to private laboratories. Redirecting this work would have a limited financial effect on the more than \$500 million private laboratory industry, although a few environmental laboratories might realize significant benefits. However, public agency customers of the State Laboratory believe that factors such as cost, quality, and maintaining capacity to respond in emergencies justify the Laboratory's current levels of testing activity.

Inadequate financial and management information kept by the State Laboratory hampers efforts to ensure public agencies are getting the best value, determine which tests are subsidized by public funds, and set prices performed for private customers at competitive levels. Improved cost accounting would enable the Laboratory and other state agencies to manage their resources better and determine which laboratory activities can be provided most cost–effectively by the State Laboratory, and which by private laboratories.

We appreciate the courtesy and cooperation extended to us by State Laboratory of Hygiene, University of Wisconsin–Madison, Department of Health and Social Services, Department of Natural Resources, and private laboratory staff. Responses from the Director of the State Laboratory and the Department of Health and Social Services are Appendices II and III.

Respectfully submitted,  
*DALE CATTANACH*  
State Auditor