

AN AUDIT

*State of Wisconsin*

*2000-01*

*02-7*

*March 2002*

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## CONTENTS

<b>Letter of Transmittal</b>	1
<b>Summary</b>	3
<b>Introduction</b>	11
<b>Independent Auditor's Reports</b>	
Independent Auditor's Report on the State of Wisconsin's Compliance and on Internal Control over Financial Reporting Based on an Audit of General Purpose Financial Statements Performed in Accordance with Government Auditing Standards	13
Independent Auditor's Report on the State of Wisconsin's Compliance with Requirements Applicable to Each Major Program, Internal Control over Compliance, and the Schedule of Expenditures of Federal Awards, in Accordance with OMB Circular A-133	15
<b>Department of Health and Family Services</b>	19
<b>Department of Workforce Development</b>	43
<b>University of Wisconsin System</b>	67
<b>Department of Transportation</b>	97
<b>Department of Public Instruction</b>	99
<b>Department of Administration</b>	107
<b>Department of Natural Resources</b>	113
<b>Department of Military Affairs</b>	115
<b>Department of Justice</b>	121
<b>Higher Educational Aids Board</b>	125

<b>Department of Electronic Government</b>	127
<b>Other State Agencies</b>	131
<b>State of Wisconsin Schedule of Findings and Questioned Costs for the Year Ended June 30, 2001</b>	133
<b>State of Wisconsin Summary Schedule of Prior Audit Findings</b>	155
<b>State of Wisconsin Schedule of Expenditures of Federal Awards for the Year Ended June 30, 2001</b>	167
<b>Notes to the State of Wisconsin Schedule of Expenditures of Federal Awards</b>	211
<b>Appendix 1—Twelve Largest Federal Grant Programs</b>	
<b>Appendix 2—State Agency Contact Information</b>	
<b>Appendix 3—University of Wisconsin Campus Contact Information</b>	

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March 29, 2002

Senator Gary R. George and  
Representative Joseph K. Leibham, Co-chairpersons  
Joint Legislative Audit Committee  
State Capitol  
Madison, Wisconsin 53702

Dear Senator George and Representative Leibham:

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, 2000 through June 30, 2001. 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 revenues 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 State of Wisconsin Schedule of Expenditures of Federal Awards and following up on prior-year audit findings. Our review focused on the 29 federal grants that either exceeded the \$19.4 million threshold used 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 compliance and internal control. 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 01-8). We note that, overall, state agencies have complied with federal grant requirements and have taken steps to address findings included in the prior year's single audit report. However, we report internal control deficiencies and several areas of noncompliance, and we identify \$124,829 in questioned costs. This amount represents a small portion of the \$7.2 billion in federal financial assistance to the State of Wisconsin.

Also included in this report is the State of Wisconsin Schedule of Expenditures of Federal Awards for the audited period, and related notes. Our audit opinion on the schedule is unqualified.

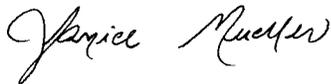
The federal government will resolve the findings and questioned costs included in our report. Federal agencies are expected to contact state agencies regarding resolution. To assist federal officials in their efforts, state agency contact information is provided in appendices to this report.

Senator Gary R. George and  
Representative Joseph K. Leibham  
Page 2  
March 29, 2002

In addition to the comments and recommendations included in our report, management letters will be issued to the larger state agencies addressing technical accounting and internal control 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,

A handwritten signature in cursive script that reads "Janice Mueller".

Janice Mueller  
State Auditor

JM/BN/ss

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## Summary

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The State of Wisconsin administered \$7.2 billion in federal financial assistance during fiscal year (FY) 2000-01, consisting of \$6.5 billion in cash assistance as reported in the Schedule of Expenditures of Federal Awards, \$47.5 million in noncash assistance, and \$682.5 million in outstanding loan balances. As a condition of receiving federal assistance, the State is required to have an independent audit of its financial statements and of its compliance with federal grant program requirements. We performed this audit at the request of the various state agencies that received federal financial assistance and to meet our audit responsibilities under s. 13.94, Wis. Stats. To satisfy audit requirements, we gained an understanding of the internal controls, assessed the propriety of revenues and expenditures, and tested agency compliance with state and federal program requirements.

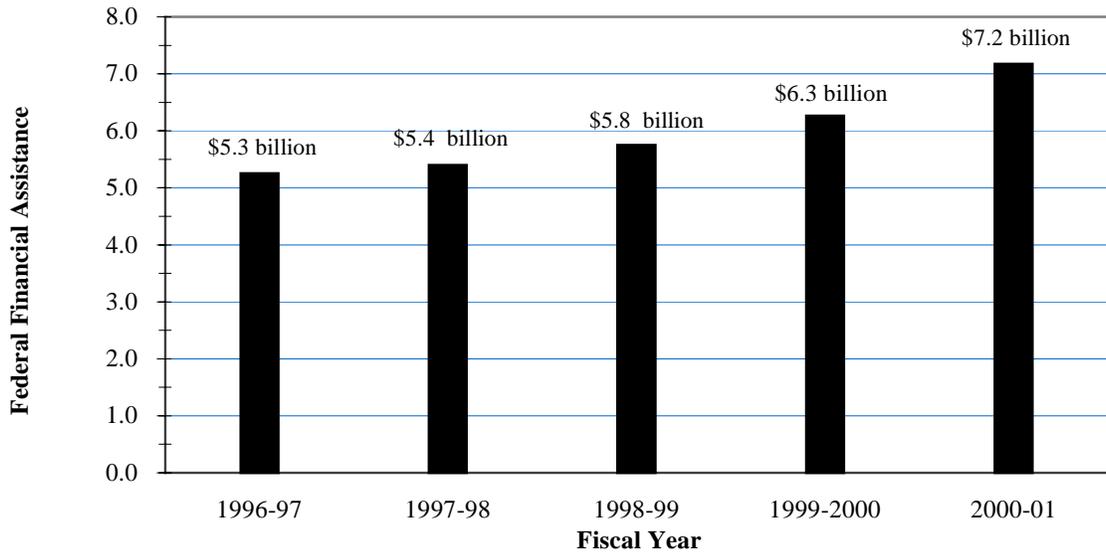
Our unqualified audit opinion on the State's general purpose financial statements was included in the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2001. This report was issued by the Wisconsin Department of Administration (DOA) in December 2001 and is available from the State Controller's Office.

The federal compliance portion of the single audit included audit work at the 23 state agencies that administered federal financial assistance programs in FY 2000-01. These agencies vary in size and complexity from the Department of Health and Family Services (DHFS), which administered more than 100 different grant programs and expended over \$2.8 billion in federal financial assistance during FY 2000-01, to the Board on Aging and Long-Term Care, which administered only a few small grants and contracts.

The federal awards administered by the Wisconsin Supreme Court were not included in the scope of this single audit because those grants are audited separately in accordance with federal Office of Management and Budget (OMB) Circular A-133, if required. An audit of federal financial assistance received by the Wisconsin Housing and Economic Development Authority was performed by other auditors.

Federal funds administered by the State have been steadily increasing over the past five years. As shown in the following figure, federal financial assistance was \$7.2 billion in FY 2000-01, compared to \$5.3 billion in FY 1996-97, for an increase of \$1.9 billion, or 35.8 percent.

**Total Federal Financial Assistance**  
FY 1996-97 through FY 2000-01



The increase in federal financial assistance since FY 1996-97 is attributable to new grant programs, as well as to increases in several of the programs administered by the State, such as a \$704.1 million increase in federal funds expended under the Medical Assistance Program and other grants that make up the Medicaid Cluster, and a 30.6 percent increase in research and development grants at the University of Wisconsin (UW).

The 12 largest federal programs in FY 2000-01, which are \$5.4 billion of the \$6.5 billion in federal cash assistance, are listed on the following page, along with each program's respective percentage of total federal cash assistance. Appendix 1 provides detail on the federal funds expended under these 12 programs over the past five years.

**Twelve Largest Federal Grant Programs**  
FY 2000-01

<u>Federal Grant Program</u>	<u>Federal Assistance</u>	<u>Percentage of Total Federal Cash Assistance</u>
Medicaid Cluster	\$ 2,355,546,243	36.3
Unemployment Insurance*	745,520,799	11.5
Highway Planning and Construction Cluster	534,118,901	8.2
Student Financial Aid Cluster	396,698,400	6.1
Research and Development Cluster	329,355,524	5.1
Temporary Assistance for Needy Families	299,281,750	4.6
Food Stamp Cluster**	175,511,322	2.7
Child Care Cluster	134,222,598	2.1
Title I Grants to Local Educational Agencies	128,768,891	2.0
Special Education Cluster	98,836,923	1.5
Foster Care—Title IV-E	84,564,498	1.3
Child Nutrition Cluster	83,637,580	1.3

\* Consists primarily of insurance benefits paid from employer contributions and not directly from federal funds.

\*\* Includes food stamps distributed and administrative expenditures.

The Medicaid Cluster is the largest federal program administered by the State and accounts for 36.3 percent of the State's federal cash assistance. The largest portion of the Medicaid Cluster is the Medical Assistance Program, which is administered primarily by DHFS. During FY 2000-01, \$1.7 billion in general purpose revenue contributed by the State also funded the Medical Assistance Program. DHFS also disbursed \$84.6 million under the Foster Care program, which helps the State provide safe, appropriate substitute care for children who are under its jurisdiction and need temporary placement and care outside their homes.

The Department of Workforce Development (DWD) administers 4 of the 12 largest federal programs administered by the State. The largest of these programs is the Unemployment Insurance program, which is financed largely by employer contributions but is subject to federal rules and regulations. DWD expended \$745.5 million for unemployment benefits and administrative costs during FY 2000-01. In addition, DWD disbursed \$299.3 million of federal funds for the Temporary Assistance for Needy Families (TANF) program, \$175.5 million of funds and food stamp benefits under the Food Stamp Cluster, and \$134.2 million for the Child Care Cluster.

Other state agencies administering large federal programs include UW System, which expended \$396.7 million for student financial aid and \$329.4 million under a variety of research and development grants; the Department of Transportation (DOT), which expended \$534.1 million for the Highway Planning and Construction program; and the Department of Public Instruction (DPI), which expended \$311.2 million to provide funds to local schools and other entities under the Title I grant program, the Special Education Cluster, and the Child Nutrition Cluster.

Our audit effort concentrated on the five large state agencies that administered 88.1 percent of the federal financial assistance and 22 of the State's 29 major grant programs in FY 2000-01—DHFS, DWD, UW System, DOT, and DPI—as well as on DOA, the Department of Natural Resources (DNR), and other selected agencies. We concluded that state agencies were in substantial compliance with federal grant program requirements. However, we identified instances of noncompliance with federal grant requirements and, in total, question \$124,829 in costs charged to various federal grant programs. These costs represent a small portion of the \$7.2 billion in federal financial assistance administered during the year.

In addition to findings that resulted in questioned costs, we identified instances of noncompliance that have no direct effect on the amount of federal financial assistance received, or for which we could not readily determine the amount to question. Summaries of some of our more serious findings follow.

### **Department of Health and Family Services**

Administration of the Foster Care program is the responsibility of the counties, with the exception of Milwaukee County, where the program is the responsibility of the State and is administered by the Bureau of Milwaukee Child Welfare in DHFS's Division of Children and Family Services. During FY 2000-01, DHFS disbursed approximately \$21 million related to Milwaukee County foster care cases. Our review of the Foster Care program in Milwaukee County identified serious internal control concerns with provider licensing, payment documentation and eligibility, and court orders.

Licensing of foster care providers had been the responsibility of Milwaukee County, which was under contract with the Bureau of Milwaukee Child Welfare to provide this service through FY 2000-01. To become licensed, a potential provider must pass a criminal records check and complete an application and provide other required information. During our review of 11 provider licensing files, we found that 3 files provided no evidence the required criminal records checks had been performed, and 7 files had missing, incomplete, or otherwise deficient materials related to licensing. As a result, we question \$14,975 in payments made to these providers.

It is important to maintain documentation that foster care payments were authorized and that the children were eligible to participate in the federal Foster Care program. However, DHFS has not ensured this documentation was included in the files; therefore, we were unable to determine whether all payments were appropriate for

federal reimbursement. We found exceptions in 19 of the 49 Milwaukee County case files that we reviewed for proper documentation, or in 38 percent of these files. As a result, we questioned \$13,656 in program costs.

Finally, a foster child's case file must also contain documentation of the State's legal responsibility for the child, usually in the form of a court order. Five of the 49 case files that we reviewed did not contain the necessary court orders. While documentation was subsequently provided for three of these cases, the absence of the orders in the remaining two cases resulted in \$4,444 in questioned costs for payments made to two providers during FY 2000-01.

DHFS needs to devote additional attention to properly administering the Foster Care program in Milwaukee County. Based on our review of the 49 cases selected for audit, it is highly likely that a large portion of the approximately 6,700 Milwaukee County case files contained undocumented payments and other deficiencies. Because some of our findings represent a continuation of previously noted problems, and because of both the increased rate of exceptions and the potential for material questioned costs if all of the cases were tested, we consider these issues to be material internal control weaknesses.

DHFS recognizes the importance of these issues and is taking steps to resolve them. It has already contracted with a new licensing agency to replace Milwaukee County and has reassigned responsibility for managing foster care cases at two case management sites. In addition, DHFS indicates it will be reviewing foster home placements and payment information to ensure compliance with documentation standards, and it will obtain required court orders.

In addition to concerns with the Foster Care program, we continue to have concerns with reconciliation of expenditure information for the Medical Assistance Program. As a result of a recommendation in our prior single audit (report 01-8), DHFS has devoted additional resources and has given higher priority to completing these reconciliations. However, continued progress is needed to ensure these reconciliations are completed in a timely manner and the expenditures reported to the federal government are accurate.

### **Department of Workforce Development**

DWD administers some of the largest and most complex federal programs, including programs for unemployment insurance, workers' compensation, equal rights in employment and housing, vocational rehabilitation, and child support, as well as Wisconsin Works, Wisconsin's work-based public assistance program. In the past few years we have had significant concerns with administration of several of these programs, particularly the Vocational Rehabilitation grant. While we continue to find instances of noncompliance with federal regulations, DWD has made improvements in its management of these programs.

## **Vocational Rehabilitation Program**

DWD's Division of Vocational Rehabilitation administers the Vocational Rehabilitation program to assist eligible individuals with disabilities in preparing for and engaging in gainful employment. In our FY 1999-2000 audit, we noted concerns related to DWD's contracting with third parties to make new services available to Vocational Rehabilitation clients, including the questionable practice of requiring the Wisconsin Department of Commerce to bill for services and administrative costs before the costs were incurred. DWD has taken corrective action, and we found no instances of such practices during our FY 2000-01 audit. However, we noted that while the State has refunded the federal government an additional \$55,207 in unspent federal funds related to contracts with the Department of Commerce dating back to FY 1994-95, interest that the State earned on these funds at the expense of the federal government has not been returned. We did not calculate these interest earnings, which we consider to be questioned costs and should be returned to the federal government. We believe excess interest earnings to be greater than \$10,000.

DWD continues its efforts to ensure that payments made directly to Vocational Rehabilitation clients are properly documented and supported. However, we again found examples of direct payments that were not supported by documentation or receipts, and we have made recommendations for DWD to continue its efforts in this area. In September 2001, DWD announced additional policies that restrict the use of direct payments to situations in which it is impractical to purchase directly from a vendor, such as reimbursement for mileage to attend job training. In addition, DWD is establishing a central unit that will process direct payments to clients, which may result in increased consistency in meeting documentation requirements.

## **Child Support Enforcement Program**

The Child Support Enforcement program primarily involves the collection of child support payments from noncustodial parents and the distribution of these payments to custodial parents. In some instances, such as when families cannot be located, the State is not able to distribute the support collections. Federal regulations require these undistributable collections to offset the costs of the Child Support Enforcement program. Because of uncertainty about when state law defines funds as abandoned, DWD sought and, in 2001 Wisconsin Act 16, received legislative clarification that support checks paid to families but uncashed for more than one year are to be considered abandoned property and that DWD is authorized to use abandoned collections for program purposes.

Recently, DWD reported over \$2.1 million in undistributable collections to the federal government. However, DWD has not yet reduced the federal portion of the costs of administering the Child Support Enforcement program by the full amount of the federal share of these undistributable collections—\$1.4 million—because of certain changes needed to DWD's accounts on the State's central accounting system. DWD is working

with DOA to resolve this matter. In addition, DWD is reviewing the system modifications needed to allow it to calculate the amount of undistributable collections for which it does not have valid addresses and, therefore, has not issued checks.

### **Other DWD Grant Programs**

We again note a variety of concerns for other grant programs administered by DWD. We estimate the State lost \$15,000 in interest because DWD did not draw federal funds as quickly as allowed under the Workforce Investment Act grant. In addition, while DWD has taken steps to address some concerns related to the TANF grant that were discussed in our FY 1999-2000 single audit, we again found an error in the amount of TANF funds transferred to the Social Services Block Grant, which is administered by DHFS. In total, we question \$45,741 in excess transfers to the Social Services Block Grant. DWD is working with DHFS to repay the federal government.

### **University of Wisconsin System**

UW System was in substantial compliance with federal program requirements. However, we noted several instances of noncompliance with federal requirements and questioned \$5,412 in charges to federal student financial aid programs. Three areas are of particular concern because of their relative significance or because they represent a continuation of previously noted problems.

First, we found that UW-Madison, UW-Parkside, and UW-Stout have not assigned defaulted loans to the U.S. Department of Education, which can make more effective collection efforts. In addition, the UW-River Falls Perkins Loan Program is not meeting federal requirements, including those related to in-house collection efforts, post-deferment grace period notices, and loan disclosures. Noncompliance with these federal requirements may reduce the amount of loan funds returned to the program and made available to other students in the future.

Second, in FY 2000-01, UW-Green Bay assumed responsibility for its own cash management, an area previously managed by UW-Madison. Because UW-Green Bay had limited experience in this area, it did not request federal reimbursement and meet state match requirements in a timely manner. In one instance, UW-Green Bay disbursed \$465,300 in student financial aid in January 2001 but did not seek federal reimbursement for these costs until nearly five months later. As a result, we estimate the State lost potential interest income of \$6,100. In the other instance, we found that UW-Green Bay received approximately \$63,300 in Perkins Loan funds in August 2000 but did not make the required state match until May 2001. As a result, we estimate the federal government lost potential interest income of \$2,300.

Finally, under the Perkins Loan Program at UW-La Crosse, we noted that the required contacts with borrowers were not being made during the post-deferment grace period. UW-La Crosse and other UW campuses contract with a private firm to perform these procedures. However, we found the contractor may not be properly identifying and contacting all borrowers after their deferment periods end. Since nine campuses use the

same contractor for some loan collection purpose, we recommended that UW System Administration take steps to ensure the contractor complies with federal regulations related to borrower contacts.

### **Department of Public Instruction**

DPI administers various U.S. Department of Agriculture (USDA) programs in which funds or commodities are disbursed to schools. We identified concerns with the School Breakfast Program, which is designed to ensure children have access to healthy breakfasts. DPI misinterpreted federal regulations related to eligibility under the severe need portion of the School Breakfast Program and during FY 2000-01 paid \$29,815 in excess reimbursements to 25 schools in eight districts. DPI is seeking reimbursement from the schools for these overpayments, which will need to be returned to the federal government.

### **Other State Agencies**

For other state agencies, we generally found compliance with federal regulations. In addition, each year we follow up on findings and recommendations included in our previous single audit report. Most state agencies promptly implemented corrective action on findings in our FY 1999-2000 single audit report. For example, DOT has taken steps to address prior audit concerns related to reviewing encumbrances, and DNR has taken corrective action related to concerns with Davis-Bacon Act requirements. However, we continue to have concerns with rate-setting for an internal service fund for mainframe computer services, which is now managed by the new Department of Electronic Government. The U.S. Department of Health and Human Services recently contacted the State to start the resolution process related to this finding.

A summary of our federal findings and questioned costs can be found in Section III of the State of Wisconsin Schedule of Findings and Questioned Costs for the Year Ended June 30, 2001 (pages 148 through 154). Agencies' responses to the findings and their plans for corrective action are included in the body of this report. The federal government will contact the agencies to resolve findings and questioned costs. A summary of the status of findings included in our FY 1999-2000 audit report is presented on pages 155 through 165.

Issues addressing technical accounting matters, including those related to preparation of the State's financial statements, are included in management letters and other audit communications for various state agencies. Summaries of the more serious concerns related to financial reporting are included in Section II of the State of Wisconsin Schedule of Findings and Questioned Costs for the Year Ended June 30, 2001 (pages 135 through 147).

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## Introduction

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The State of Wisconsin administered \$7.2 billion of federal financial assistance during fiscal year (FY) 2000-01. Of that total, \$6.5 billion consisted of cash disbursements; the remaining \$0.73 billion consisted of noncash items such as food stamps, food commodities, and outstanding loans. As a condition of receiving federal funds, the State must meet the audit requirements of the federal Single Audit Act of 1984, as amended, and federal Office of Management and Budget (OMB) Circular A-133. The audit report must contain the auditor's report on the general purpose financial statements; the auditor's report on the State's compliance and internal control over financial reporting; and the auditor's report, in accordance with OMB Circular A-133, on the State's compliance with requirements applicable to each major program, internal control over compliance, and schedule of expenditures of federal awards. We also incorporated into the report narrative the agencies' responses to our findings and their corrective action plans. The report, along with other required information, is submitted to the federal government to fulfill the single audit report distribution requirements of OMB Circular A-133.

The statewide annual financial and compliance audit covers the period July 1, 2000 through June 30, 2001. Federal rules allow the auditor to use judgment to select those grants that may contain a higher risk of noncompliance with federal regulations. For the State of Wisconsin, OMB Circular A-133 categorizes as "type A" grants those grants for which the State expended \$19.4 million or more of federal funds. We reviewed and tested those type A grants that we believe are subject to higher risk of noncompliance. Federal rules allow the auditor to test other type A grants only once every three years, rather than each year. Accordingly, we selected about one-third of the lower-risk type A grants to audit this year. For each type A grant not audited during the current audit, federal rules require the auditor to select another grant for audit, referred to as a "type B" grant, with expenditures under the \$19.4 million threshold. The purpose of selecting additional grants is to ensure that a variety of grants, rather than just the largest grants, are audited each year while still ensuring that the largest grants are audited at least once every three years.

As required by OMB Circular A-133, we tested compliance with laws and regulations related to federal grant programs, contracts, and subgrants the State administered. Our compliance review focused on the 17 type A grants and 12 type B grants listed in Note 2 to the Schedule of Expenditures of Federal Awards. These grants were administered by 13 different state agencies, including the University of Wisconsin, and accounted for 72 percent of the federal financial assistance administered by the State. We also followed up on findings included in our prior audit report for the State of Wisconsin (report 01-8).

In addition to satisfying federal audit requirements, the audit work performed at state agencies assists in meeting state audit requirements identified in s. 13.94, Wis. Stats. The scope of the single audit did not include the federal awards administered by the Wisconsin Housing and Economic Development Authority, which is audited separately by other auditors, and the Wisconsin Supreme Court.

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# Independent Auditor's Report on the State of Wisconsin's Compliance and on Internal Control over Financial Reporting Based on an Audit of General Purpose Financial Statements Performed in Accordance with Government Auditing Standards

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We have audited the general purpose financial statements of the State of Wisconsin as of and for the year ended June 30, 2001, and have issued our report thereon dated December 13, 2001. The general purpose financial statements and related auditor's opinion have been included in the State of Wisconsin's Comprehensive Annual Financial Report for 2001. We did not audit the financial statements of the Wisconsin Department of Transportation Revenue Bond Program and Commercial Paper Program, which represent 85 percent of the assets and 25 percent of the principal and interest expenditures of the debt service funds, 6 percent of the assets and 45 percent of the bond proceeds of the capital projects funds, and 20 percent of the liabilities of the general long-term debt account group, nor did we audit the financial statements of the Environmental Improvement Fund, which represents 35 percent of the assets and 2 percent of the operating revenues of the enterprise funds. In addition, we did not audit the financial statements of the Wisconsin Housing and Economic Development Authority, the Wisconsin Health Care Liability Insurance Plan, and the University of Wisconsin Hospitals and Clinics Authority, which represent 100 percent of the financial activity of the discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts audited by others, is based upon their reports.

We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the Wisconsin Department of Transportation Revenue Bond Program and Commercial Paper Program, the Wisconsin Health Care Liability Insurance Plan, and the University of Wisconsin Hospitals and Clinics Authority were audited by other auditors in accordance with auditing standards generally accepted in the United States, but not in accordance with *Government Auditing Standards*.

## Compliance

As part of obtaining reasonable assurance about whether the State of Wisconsin's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to the management of the several state agencies in separate letters.

## Internal Control over Financial Reporting

In planning and performing our audit of the general purpose financial statements of the State of Wisconsin for the year ended June 30, 2001, we considered the State's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the State's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements. Reportable conditions are described in Section II of the State of Wisconsin Schedule of Findings and Questioned Costs as findings WI-01-49 through WI-01-63.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described in Section II of the State of Wisconsin Schedule of Findings and Questioned Costs is a material weakness. We also noted other matters involving the internal control over financial reporting, which we have reported to the management of several state agencies in separate letters.

This independent auditor's report is solely intended for the information and use of the management of the State of Wisconsin, the Wisconsin Legislature's Joint Legislative Audit Committee, federal awarding agencies, and pass-through entities. This independent auditor's report, upon submission to the Joint Legislative Audit Committee, is a matter of public record and its distribution is not limited. However, because we do not express an opinion on compliance or provide assurance on internal control over financial reporting, this report is not intended to be used by anyone other than these specified parties.

LEGISLATIVE AUDIT BUREAU

December 13, 2001

by 

Bryan Naab  
Audit Director

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# Independent Auditor's Report on the State of Wisconsin's Compliance with Requirements Applicable to Each Major Program, Internal Control over Compliance, and the Schedule of Expenditures of Federal Awards, in Accordance with OMB Circular A-133

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## Compliance

We have audited the State of Wisconsin's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2001. The State of Wisconsin's major federal programs are identified in the summary of auditor's results section of the accompanying State of Wisconsin Schedule of Findings and Questioned Costs, as well as in Note 2 of the accompanying Notes to the State of Wisconsin Schedule of Expenditures of Federal Awards for the year ended June 30, 2001. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of management of Wisconsin state agencies. Our responsibility is to express an opinion on the State of Wisconsin's compliance based on our audit.

The federal grants administered by the Wisconsin Supreme Court were not included in the scope of our audit of federal awards because its grants are audited separately in accordance with OMB Circular A-133, if required. In addition, we did not include in our audit scope the federal awards administered by the Wisconsin Housing and Economic Development Authority. An audit of the Authority was performed by other auditors.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the State of Wisconsin's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the State of Wisconsin's compliance with those requirements.

In our opinion, the State of Wisconsin complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2001. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and that are described in the accompanying agency report narratives and in Section III of the Schedule of Findings

and Questioned Costs as findings WI-01-1 through WI-01-3, WI-01-6, WI-01-9 through WI-01-13, WI-01-15 through WI-01-17, WI-01-19, WI-01-20, WI-01-22, WI-01-24, WI-01-26 through WI-01-39, and WI-01-42 through WI-01-48.

### **Internal Control over Compliance**

The management of Wisconsin state agencies is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the State of Wisconsin's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the State of Wisconsin's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts, and grants. Reportable conditions are described in the accompanying agency report narratives and in Section III of the State of Wisconsin Schedule of Findings and Questioned Costs as findings WI-01-1 through WI-01-5, WI-01-7 through WI-01-18, WI-01-21 through WI-01-25, WI-01-32, WI-01-36 through WI-01-43, WI-01-45, WI-01-46, and WI-01-48.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider findings WI-01-1 through WI-01-3, related to the administration of the Foster Care—Title IV-E program, to be material weaknesses.

### **Schedule of Expenditures of Federal Awards**

We have audited the general purpose financial statements of the State of Wisconsin as of and for the year ended June 30, 2001, and have issued our report thereon dated December 13, 2001. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying State of

Wisconsin Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements.

As described in Note 1 to the State of Wisconsin Schedule of Expenditures of Federal Awards, the schedule was prepared from agency records maintained on the basis of accounting prescribed by Wisconsin Statutes, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States, and from federal reports submitted by the agencies to the federal government.

The information in the schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

This independent auditor's report is intended for the information and use of the management of the State of Wisconsin, the Wisconsin Legislature's Joint Legislative Audit Committee, federal awarding agencies, and pass-through entities. This report, upon submission to the Joint Legislative Audit Committee, is a matter of public record and its distribution is not limited. However, this report is not intended to be used by anyone other than these specified parties.

LEGISLATIVE AUDIT BUREAU

March 28, 2002

by



Bryan Naab  
Audit Director



The Wisconsin Department of Health and Family Services (DHFS) administers a wide range of services to clients in communities and institutions, regulates certain care providers, and supervises and consults with local public and voluntary agencies. It administers state and federal programs involving public health, mental health, substance abuse, long-term care, services to the disabled, medical assistance, and children's services. DHFS disbursed \$5.2 billion during FY 2000-01; federal grants to the State financed \$2.8 billion of that amount.

As part of our standard audit procedures, we reviewed DHFS's internal controls over receipts, disbursements, and the administration of federal financial assistance programs. We tested DHFS's compliance with grant requirements for five type A grants and two type B grants. Overall, DHFS's internal control structure was adequate, and the agency complied with the grant requirements for the programs we tested. However, we have procedural findings and/or questioned costs related to the Foster Care program; the Medical Assistance (MA) Program; the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC); and the federal provision relating to suspension and debarment. In addition, we followed up on the progress DHFS has made in implementing Findings WI-00-1 through WI-00-8 of our FY 1999-2000 single audit report (report 01-8).

### **Foster Care**

DHFS disbursed \$84.6 million during FY 2000-01 under the Foster Care—Title IV-E program (catalog #93.658), which helps the State provide safe, appropriate substitute care for children who are under its jurisdiction and need temporary placement and care outside their homes. Administration of the Foster Care program is the responsibility of the counties, with the exception of Milwaukee County, where the program is administered by DHFS's Division of Children and Family Services, Bureau of Milwaukee Child Welfare (BMCW). Approximately \$21 million of the Foster Care funds expended during FY 2000-01 related to Milwaukee County foster care cases. During our review of the Foster Care program in Milwaukee County, we identified internal control and compliance concerns with provider licensing and criminal records checks; child case file documentation, including unallowed payments and court orders; reimbursements for child care agencies; and reports for the claims for reimbursement from the federal government.

### **Finding WI-01-1: Foster Care Licensing and Criminal Records Checks**

Federal rules specify that foster care benefits may be paid to a foster care provider on behalf of a child only if the foster family is fully licensed by the State and if members in the foster family household pass a criminal records check. The federal government emphasized its desire to have these requirements audited by putting them into its compliance supplement, effective for FY 2000-01.

Licensing of foster families and treatment homes is the responsibility of the counties, with the exception of Milwaukee County, where licensing that is the responsibility of DHFS had been performed by Milwaukee County under a contract with BMCW. We selected 11 Milwaukee County foster care case files to test for licensing and criminal records check requirements and found multiple violations.

BMCW contracted with Milwaukee County to license foster care providers in Milwaukee County through FY 2000-01. As part of the licensing process, the State requires that applicants provide disclosures about crimes and offenses committed by the provider and other members of the household. The State also requests the Wisconsin Department of Justice to perform a criminal records check on the provider and members of the household who are 12 years and older. The background disclosures and criminal records checks are necessary to reduce the possibility of placing children in unsafe foster care homes.

For the State of Wisconsin, providers must renew their licenses every two years, and a criminal records check is required at least every four years. Our test of the 11 case files showed severe documentation and procedural deficiencies:

- three case files provided no evidence that the required criminal records checks were performed;
- seven files had missing, incomplete, or unsigned application materials; and
- it appears eight licenses were not renewed until some time after the previous license had expired.

DHFS paid \$25,256 to providers during FY 2000-01 for whom it could not document that the State had performed the required criminal records check. We question \$14,975, which is the federal government's share of these payments.

We do not question costs for other files that were incomplete because the deficiencies were administrative in nature. For example:

- one file did not contain the required application;
- one file contained an unsigned and undated application;

- one file showed evidence that the license was apparently issued eight months before the application was submitted;
- three files did not contain the background disclosure forms for the provider and/or the other members of the household; and
- one file had a background disclosure form that was not dated.

Although we do not question costs related to the listed deficiencies, the evident lack of care by the contractor is a major concern and suggests an important aspect of the Foster Care program received inadequate attention during FY 2000-01. This is also reflected in the lack of timeliness in completing aspects of the licensing program. In ten cases, applicants did not submit necessary licensing information until after their previous licenses expired. For eight of these cases, it appears DHFS renewed the licenses upon receiving the necessary information, but it was after the previous licenses had expired. While the license renewals are retroactively effective, it is a concern that foster care payments continue during the period in which the provider does not have a license.

We did not test additional case files because we do not believe our conclusions would be changed by the additional review. Moreover, DHFS has already taken remedial action by terminating its foster care licensing arrangements with Milwaukee County. In September 2001, DHFS made arrangements with Lutheran Social Services to assume responsibility for processing license applications and ensuring the necessary criminal records checks are performed.

*We recommend the Wisconsin Department of Health and Family Services:*

- *ensure that licenses are issued only after properly prepared applications and background disclosure forms are received, and after satisfactory criminal records checks are performed;*
- *maintain appropriate information in the case files to document compliance with state and federal rules; and*
- *review procedures to determine whether changes are needed to ensure licenses are renewed before current licenses expire.*

Questioned Costs: Foster Care—Title IV-E (catalog #93.658, award #s G0001WI1401 and G0101WI1401): Licensing and Criminal Records Checks = \$14,975

DHFS Response and Corrective Action Plan: BMCW agrees with the finding. In September 2001, Milwaukee County was replaced as the Foster Care/Out of Home Care licensing and managing agency by Lutheran Social Services (LSS). At the time it was replaced, Milwaukee County was under a corrective action plan to correct a number of problems identified by BMCW with the management of the licensing process.

Since assuming responsibility for foster home licensing, LSS has had policies and procedures in place to ensure all foster home applications are complete, including, for example, background disclosure forms and criminal background checks. Indications are LSS is fully complying with this and that it is maintaining appropriate case files in compliance with state and federal rules. Compliance will be evaluated by our program evaluation manager during periodic program reviews.

Further, because LSS is a licensed child placing agency rather than a government entity as Milwaukee County is, the state Bureau of Regulation and Licensing will also be monitoring compliance on a periodic and random basis to check if LSS licensing of homes meets state administrative rule requirements.

Compliance monitoring will occur by both the Bureau of Regulation and Licensing and the program evaluation managers regarding relicensing. Of special notice regarding relicensing is BMCW's requirement that new criminal background checks must be completed at every licensing renewal (two years). We require this, as we consider this good practice, and we hold LSS accountable to this standard. However, both state and federal requirements are that these checks only need to occur every four years (45 CFR 1356.30(a); s. 48.685(3)(a), Wis. Stats.; s. HSS 56.03(4)(a), Wis. Adm. Code).

### **Foster Care Case File Documentation**

Caseworkers at five BMCW sites in Milwaukee County are responsible for, among other things, determining and documenting supplemental and exceptional needs payments and obtaining initial and subsequent court orders for the cases assigned to them. DHFS has contracted with a private firm to document whether children in Milwaukee County are eligible for the Foster Care program and whether payments to foster care providers are federally reimbursable under the program.

We reviewed 49 of the approximately 6,700 BMCW case files and identified payments for children ineligible to participate in the Foster Care program or otherwise not reimbursable by the federal government. In addition, we followed up on Findings WI-00-1 and WI-00-2 in our prior single audit report. Based on these efforts, we continue to have concerns related to undocumented payments and maintenance of court orders in the case files.

Finding WI-01-2: Undocumented Payments and Eligibility - To be eligible to participate in the State's Foster Care program, a child must, among other things, be under 18 years of age, a U.S. citizen, and a member of a family with an annual income of less than \$10,000. Foster care providers receive financial assistance to help pay for the costs of caring for foster children. Generally, the State seeks reimbursement from the federal government for a portion of program costs. However, in some instances,

such as when the State does not have continuing legal responsibility, children may participate in the program but federal rules do not allow the State to obtain federal reimbursement. We have concerns and question costs because DHFS charged the federal government for undocumented payments to providers and for foster care cases not eligible for federal reimbursement.

Children referred to BMCW are placed in foster care homes as quickly as practical. As a result, it is possible that financial assistance to foster care homes begins before the private contractor has all documentation necessary to determine whether the child is eligible and the foster care payments are federally reimbursable. Once all necessary documentation is obtained, the contractor documents child eligibility on an eligibility determination form and places the form in the child's case file.

The basic rate paid to a foster care provider is established during the State's biennial budget process and is based on the age of the child. In addition, a foster care provider may receive supplemental and exceptional payments based on the child's physical and mental condition. BMCW requires the caseworker to complete the Uniform Foster Care Rate Setting form, which documents the authorized supplemental and exceptional payment amounts, within 30 days of the child's placement with a foster care family. Further, BMCW requires the form to be reviewed every six months thereafter to ensure the supplemental and exceptional payments continue to be appropriate. Once the Uniform Foster Care Rate Setting form is approved by the caseworker's supervisor and the site's rate setter, who gives final approval of rates, the form is routed back to the caseworker, who is to enter the approved rate into the grant payment system and place the form in the child's case file.

In our prior audit, we were concerned because payments to foster care providers were not always made for the approved basic rate or for the authorized supplemental and exceptional amounts documented on Uniform Foster Care Rate Setting forms (Finding WI-00-01). In its response, DHFS acknowledged the need for improvement in this area and stated that in October 1999, all ongoing vendors were given 30 days to review all open foster care cases and to examine whether foster care providers were receiving the payments they were entitled to receive. In addition, DHFS indicated it implemented the following corrective actions:

- Beginning in January 2001 and ending in March 2001, staff at all sites received remedial training on how to appropriately enter payments into the grant payment system.
- In January 2001, payment experts were named and subsequently trained at each site to assist staff with the appropriate rate construction, rate setting, and entering treatment foster care payments into the grant payment system.
- From February to April 2001, staff at all sites were retrained on establishing rates for foster care.

- As part of the BMCW quarterly program evaluation manager reviews, which began in 2000, BMCW now compares the actual payments made with the rate setting information to ensure they match.

However, based on our review of the 49 case files, it appears these efforts were not sufficient to correct the deficiencies we identified in our prior audit. While some cases included payments made between July and December 2000, before some of DHFS's corrective actions were taken, we continued to find payments to foster care providers were not always made for the approved basic rate or for the authorized supplemental and exceptional amounts documented on Uniform Foster Care Rate Setting forms. In addition, we identified payments for children ineligible to participate in the Foster Care program and payments for children who, while eligible to receive foster care services, did not meet the additional requirements for reimbursement from the federal government. More detailed discussion of these exceptions follows.

Basic Payments - We identified two cases in which basic payments led to questioned costs:

- One case had monthly basic payments of \$542, although the statutorily authorized amount for a child of the given age was \$326 through December 31, 2000, and \$329 starting January 1, 2001. As a result, DHFS paid \$2,574 in excess basic payments during FY 2000-01.
- One case had two monthly basic payments of \$567, although the statutorily authorized amount for a child of the given age was \$387. Therefore, DHFS paid \$360 in excess basic payments.

We also identified two cases in which underpayments were made. In one case, the statutorily authorized basic payment was \$329 per month, but the foster care family received monthly payments of \$326. In the other case, the authorized payment was \$326 per month, but the foster care family received monthly payments of \$299. We do not question costs for these errors, although we do believe DFHS should correct its errors and make the authorized payments.

Supplemental Payments - Eighteen of the 49 cases reviewed involved supplemental payments. We found exceptions in 13 cases:

- One case file did not contain a Uniform Foster Care Rate Setting form, yet the foster care family received supplemental payments totaling \$360 between February and June 2001.
- One case had an authorized supplemental payment of \$324, but the foster care family received monthly payments of \$288. Since this was an underpayment, we do not question costs related to this case.

- Eleven cases did not document that the required semi-annual review of Uniform Foster Care Rate Setting forms was performed. One case had last been reviewed in 1992, while another case had last been reviewed in 1994. The other nine cases were last reviewed in the mid-to-late 1990s. Since circumstances may change and the need for supplemental payments may no longer exist, we question an undetermined amount for these supplemental payments.

Exceptional Payments - Six of the 49 cases we reviewed involved exceptional payments. We found four case files that did not contain documentation that these exceptional payments were authorized or appropriately calculated. Among these:

- Two cases, one of which was previously identified as having unsupported supplemental payments, did not have documentation that the caseworker approved monthly exceptional payments that totaled \$3,059 for both cases during FY 2000-01.
- Some exceptional payments are considered “receiving home payments,” which are made to foster care providers who accept foster children at any time during the day or night. These payments may be paid for no more than three months after a child is placed with the foster care provider. However, we found two cases in which the receiving home payments were made for a period of 13 months. DHFS claimed federal reimbursement for a portion of the payments for one of these cases and charged payments for the other case entirely to state accounts. As a result, we question the federal government’s share of \$2,351 in excess receiving home payments.

Ineligible for Federal Reimbursement - Finally, we identified three cases in which the State paid foster care providers for children either not eligible to participate in the program or not documented as being eligible, and one case in which children were eligible for the program but payments were not eligible for federal reimbursement:

- In one case, the child was documented by the private contractor as being ineligible for the program, yet DHFS paid the provider monthly basic payments totaling \$4,038 during FY 2000-01.
- In one case, the child was not eligible to participate in the program because the child’s court order lapsed, yet DHFS continued payments from September 1, 2000, the day after the expiration of the court order, through July 22, 2001, when the child turned 18 and no longer received foster care. This case was previously identified as having \$360 of excess basic payments. In addition to the excess basic payments, DHFS paid \$6,080 during FY 2000-01 after the expiration of the most recent court order.

- One case file did not include an eligibility determination form and, based on the remaining case file documentation, we could not determine whether the child was eligible for the program. DHFS paid \$3,606 for this case during FY 2000-01.
- DHFS requested reimbursement for the federal government's share of \$648 paid in August and September 2000 to a foster care provider for a child not eligible for federal reimbursement under the Foster Care program because the child received Supplemental Security Income.

Based on our review of 49 BMCW case files, it does not appear that DHFS's corrective action plan has been effective in identifying and eliminating unsupported payments. In summary, we identified 22 audit exceptions that led to a total of \$23,076 in excess or ineligible payments charged to the Foster Care program, as summarized in the table that follows. These exceptions occurred in 19 of the 49 case files we reviewed, or 38 percent.

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**Summary of Excess or Ineligible Payments**  
FY 2000-01

	<u>Number of Exceptions</u>	<u>Excess or Ineligible Payments</u>
Basic Payments	2	\$ 2,934
Supplemental Payments	13*	360
Exceptional Payments	3	5,410
Ineligible for Federal Reimbursement	<u>4</u>	<u>14,372</u>
Total	22**	\$23,076

\* Eleven of the 13 exceptions include an additional undetermined amount of questioned costs because the required semi-annual review of the status of supplemental payments was not documented.

\*\* These 22 exceptions relate to 19 different cases.

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We provided information on the exceptions we identified to DHFS staff, who agreed that the payments were either inappropriate or undocumented. DHFS returned \$13,656 to the federal government, representing its share of the questioned payments we identified.

Because of the numerous errors noted and the potential for other errors, DHFS needs to give priority to ensuring foster care payments are appropriate and eligible for federal reimbursement.

*We again recommend the Wisconsin Department of Health and Family Services' Bureau of Milwaukee Child Welfare investigate the circumstances that allowed unsupported Foster Care program payments to occur and, based on this review, determine the extent to which there may be other unsupported payments and take appropriate corrective action to refund any further unallowable costs identified.*

Questioned Costs: Foster Care—Title IV-E (catalog #93.658, award #s G0001WI1401 and G0101WI1401): Undocumented Payments and Eligibility = \$13,656, Plus an Undetermined Amount

DHFS Response and Corrective Action Plan: Although BMCW believes the steps taken in late 2000 and during the beginning of 2001 have improved the rate setting and foster care payment issue, we do believe more intensive and comprehensive action must be taken to fully rectify this issue.

Between June and September 2001, Milwaukee County was replaced at case management sites 2 and 5 by Wisconsin Community Service Network and by Innovative Family Partnerships, two of our existing site agencies. Also because of this transition, there was a great deal of staff turnover and, we believe, better management put into place at these two sites. Because of this transition, remedial training of staff on entering payments again is occurring. Sites 2 and 5 each now have new trained payment experts. At each site there is an identified rate setter and payment expert available for technical assistance.

For all five sites, beginning April 1, 2002, all new foster home placements will be reviewed by our program evaluation managers on a monthly basis to monitor whether a rate review was conducted and the appropriate payment is being made for each child within 30 days of being placed in foster care. A 100 percent compliance rate will be expected. Any agency that does not show 100 percent compliance will receive a contract fiscal sanction. Also effective April 1, a 10 percent random sample of each site's existing foster home cases will be reviewed on a monthly basis by the program evaluation managers. Each sample case will be reviewed for compliance with the six-month rate review standard and for matching of the approved rate and the rate actually paid. Again, a 100 percent compliance rate will be required in order to avoid a fiscal sanction.

A review team has been established to comprehensively review all of the rate establishment and payment processes. The goal of this team is to identify any system flaws and process issues and then to develop recommendations on system improvement, redesign, or improvement. We anticipate the review and corrective actions will be completed no later than May 1, 2002. The review team will work with the Out of Home Care contractor, Lutheran Social Services, in evaluating its role in quality assurance in checking with foster parents on the rate they were to receive with what was paid.

Finding WI-01-3: Court Orders - 42 USC 672(a)(2) states that federal foster care benefits may be paid on behalf of a child only if the child's placement and care are the responsibility of either the state agency administering the approved Foster Care— Title IV-E plan or another public agency under a valid agreement with that state agency. Continuing legal responsibility is documented by court orders that maintain the state agency's legal responsibility for the placement and care of the child. These court orders are generally for one-year periods, and BMCW must annually seek court orders to maintain continuing legal responsibility. BMCW's written procedures require the initial and any subsequent court orders to be placed in the child's case file.

In our prior audit, we noted that not all files contained the necessary court orders (Finding WI-00-2). DHFS indicated that BMCW program evaluation managers would perform random checks of case files to ensure the existence of court orders. However, we identified continuing concerns in this area. Five of the 49 case files that we reviewed, or about 10 percent, did not contain the necessary court orders. BMCW staff subsequently provided us with copies of court orders for two of these cases, and other adequate court documentation for another case. BMCW staff were unable to provide us copies of the court orders for the other two cases. We note that for one of these two cases, the file contained copies of the court orders prepared during FY 1999-2000 and during FY 2001-02, but no court order for FY 2000-01. In an apparent effort to provide documentation for FY 2000-01, the file contained a copy of the 1999-2000 court order with a "1" written over the last "0" in the 2000 expiration date. Because BMCW could not document with a court order that the State had legal responsibility for the placement and care of children for these two cases, we questioned \$4,444, which is the federal government's share of \$7,507 in basic payments made for these two cases during FY 2000-01.

*We again recommend the Wisconsin Department of Health and Family Services' Bureau of Milwaukee Child Welfare enforce its written policy that court orders be maintained in the case files of foster care children.*

Questioned Costs: Foster Care—Title IV-E (catalog #93.658, award #s G0001WI1401 and G0101WI1401): Court Orders = \$4,444

DHFS Response and Corrective Action Plan: BMCW agrees with the recommendation. Historically, BMCW has had a very difficult time getting court orders on a timely basis from the Children's Court. Court orders were often taking a year or more to obtain. Getting the orders processed and typed by the District Attorney's office was identified as the major impediment. In collaboration with the Children's Court, the District Attorney's office, and others, BMCW helped facilitate a new process for original Dispositional Court Orders in December 2000. Since that time, original dispositional orders have been handwritten and then signed by the presiding judge at the time of the hearing. BMCW now receives the original orders at the hearing. However, this process did not include extension hearings and orders. The Children's Court finally agreed to implement this process for extensions in January 2002.

As of March 2002, BMCW has immediate access to both the original and extended orders. We believe the immediate availability of orders will solve this problem as caseworkers will be receiving orders in a timely manner and can immediately place them in the case files.

#### **Finding WI-01-4: Reimbursements for Child Care Agencies**

DHFS contracts with child care institutions and group homes to have them provide food, clothing, shelter, and daily supervision to foster care children in a group setting. During FY 2000-01, DHFS provided \$63.5 million in payments to these child care agencies: \$8.5 million under the Foster Care program (catalog #93.658), \$750,000 under the MA Program (catalog #93.778), and \$54.25 million in state funds.

The procedures to determine the rates for child care agencies and the amount of federal reimbursement are complex. The agency rates are formalized by the DHFS Division of Children and Family Services, based on estimates of costs provided by the agencies. The DHFS Bureau of Fiscal Services (BFS) is responsible for claiming federal funds under the Foster Care and MA programs on an estimated basis during the calendar year in which services are provided, then completing an analysis to adjust the level of federal reimbursement between the two programs based on the actual costs incurred by the child care agencies as reported in audited financial reports from these agencies. We found that BFS was basing its estimates for federal reimbursement on outdated information and that the analysis to adjust the level of federal reimbursement for child care agencies outside of Milwaukee County had not been completed since calendar year (CY) 1995.

During the year in which service is provided, BFS claims federal funds on an estimated basis. To make that estimate as accurate as possible, BFS should use the best, most current information available to it. The computation of the estimate has two elements: one is an estimate of overall costs, the other is the relative share of costs each federal program is to be charged. The best information on overall costs would come from the estimates submitted by the child care agencies that are used in setting agency rates. Until current cost estimates are obtained, federal claims are based on estimates of costs used in prior years. However, as of September 2001, current cost estimates had not been obtained for 10 of the 170 child care agencies.

The relative share of costs charged to federal programs is based on audited agency financial reports, rather than agency cost estimates. We found that BFS was not consistently using the most current financial reports available to it, which at the time of our audit were CY 1999 reports. For estimates during CY 2001, only 101 of the 198 financial reports available to BFS were considered; 97 of the reports were not taken into consideration, meaning federal program shares were based on figures used in prior years. Because the most recent information available was not used, we cannot be assured that the relative share of costs being claimed for each of the two programs during the current year is as accurate as reasonably possible.

Retroactive claim adjustments are a necessary part of the process because estimates may vary from actual costs. For instance, for CY 1995, the last year in which a complete analysis of estimated to actual costs was performed, DHFS had over-claimed \$236,342 in Foster Care funds and under-claimed \$194,101 in MA funds. As a final adjustment, the State returned a net amount of \$42,241 to the federal government. In reviewing this area of activity, we found that DHFS had made retroactive claim adjustments for the 24 child care agencies in Milwaukee County but had not made retroactive claim adjustments for 153 child care agencies in other counties since CY 1995. CY 1999 is the most recent year for which the information needed to make the adjustments is available. BFS staff explained that they had arranged with a private firm to calculate the retroactive claim adjustments for all counties outside of Milwaukee County beginning with CY 1996. However, BFS staff did not follow up to ensure the adjustments were made. In addition, it appears that BFS requested the private firm's staff to work on other tasks that BFS believed were of higher priority. DHFS should ensure adjustments are made in a timely manner to ensure the State and the federal government pay for their shares, and only their shares, of program costs.

We recommend the Wisconsin Department of Health and Family Services' Bureau of Fiscal Services:

- calculate the estimated share of costs to charge the Foster Care and Medical Assistance programs based on the most current information available;
- ensure initial claims for reimbursement are based on the estimated costs provided by the child care institutions and group homes for the current year; and
- complete retroactive claim adjustments in a timely manner.

Questioned Costs: Foster Care—Title IV-E (catalog #93.658, award #s include G9901WI1401, G9901WI1404, G0001WI1401, and G0101WI1401):  
Reimbursements for Child Care Agencies = Undetermined

Medical Assistance Program (catalog #93.778, award #s include 059905WI5028, 059905WI5048, 050005WI5028, 050005WI5048, 050105WI5028, and 050105WI5048): Reimbursements for Child Care Agencies = Undetermined

DHFS Response and Corrective Action Plan: BFS agrees more updated and complete staff work needs to be done to ensure that the most current information and adjusted rates are included. It should be noted that by not using the latest information, the rates are still correct but old.

To achieve more timely and current rate updates, BFS will, for the initial January rate schedule, include the latest federal financial participation (FFP) percentages. Subsequent rate information will be made available whenever updated information is received. In addition, BFS will, on a quarterly basis,

issue an updated schedule for FFP percentages. Information from DHFS's Human Services Reporting System can then be updated upon receipt of the rate and FFP information.

Also on a quarterly basis, BFS will share the audit comparison worksheet with the Office of Program Review and Audit, clearly identifying the facilities from which no audited information has been received. BFS will also work more closely with program staff in identifying closed facilities.

BFS is working with a contractor to complete the retroactive claim adjustments and to create a procedure that will automate the process to ensure that claims are based on the most current financial information available. This work effort should be completed by the end of CY 2002.

### **Finding WI-01-5: System Reimbursement Reports**

As the unit of government that directly administers the child welfare system in Milwaukee County, the State must have a federally approved system to summarize case information and make payments to providers. During the past two years, the State has implemented the Wisconsin Statewide Automated Child Welfare Information System (WiSACWIS), which was purchased from a private vendor. We are concerned that this system is not providing the information required to assure the State that its claims for federal program funds are correct.

WiSACWIS has been implemented in two phases. During phase one, BMCW case file data such as foster care placements and placement dates, social worker narratives, and case management demographics were transferred to WiSACWIS. Since March 1, 2000, WiSACWIS has calculated monthly payments to foster care providers in Milwaukee County.

During phase two, DHFS developed the WiSACWIS report-writing module. Currently, WiSACWIS generates two monthly financial reports. The pre-audit payee listing, which was developed during phase one, lists every payment made to BMCW foster care providers. The other report, referred to as the claiming report, summarizes the amount of federal funds that DHFS is to draw for the federal government's share of foster care provider payments.

As part of our audit procedures, we planned to test the data on the federal claim to determine whether WiSACWIS correctly calculated the federal share of provider payments. DHFS staff explained to us the online documentation available in WiSACWIS to provide detail on provider payments that are eligible for federal reimbursement and on adjustments for those providers that have been determined ineligible. However, standard management reports are not yet available to provide the detail necessary to reconcile the federal share of provider payments to the total claim.

DHFS requests federal reimbursement for provider payments on a monthly basis. We had expected WiSACWIS to generate a report that listed each payment made to foster care providers during the month, noted whether the payment was eligible for federal

reimbursement and made any necessary adjustments to prior months' payments, and summed amounts paid to providers and the State and federal share of total provider payments. Logically, the federal share would agree with the monthly draw of federal funds related to provider payments. Even if such a report were not available, we had hoped that DHFS would have developed queries of the data stored in electronic format that would allow us to determine the specific payments for which DHFS claimed reimbursement from the federal government.

However, DHFS has not yet developed the expected report or data queries. The claiming report is not a satisfactory substitute because it does not list the specific provider payments and adjusting transactions that would establish the correctness of the federal claim. The pre-audit payee listing report, which is over 800 pages long, does present all payments to foster care providers during the month, but it does not identify which payments are eligible for federal reimbursement. In addition, it does not reflect adjustments that may be necessary for prior payments. An adjustment may be required because a provider initially considered eligible for federal reimbursement may later be found ineligible. Information on the adjustments is only available in the on-line documentation.

DHSF staff note that the claiming report was tested by the vendor when WiSACWIS was first implemented. Therefore, they believe the claimed federal reimbursements are correct. However, we believe that initial testing alone does not provide adequate ongoing verification that Foster Care reimbursements are correctly calculated. One concern is that during systems testing, it may not be possible to identify all of the different circumstances under which transactions may be processed. We also believe changes may be made to WiSACWIS that have uncertain effects on claim calculations. Therefore, it is important to implement basic fiscal controls to demonstrate that the report continues to correctly calculate the federal government's share of eligible payments. These procedures should include reviewing the detailed transactions that make up the federal claim to identify any instances in which grant-eligible transactions are processed but not appropriately included in the calculation of the federal share of grant expenditures. This is the minimum to provide ongoing assurance to the agency and auditors that all payments and adjustments have been treated appropriately.

*We recommend the Wisconsin Department of Health and Family Services investigate methods to provide additional documentation and assurance from WiSACWIS, an automated information system, that the State's requests for reimbursement of the federal government's share of Foster Care expenditures are complete and accurate.*

Questioned Costs: Foster Care—Title IV-E (catalog #93.658, award #s G0001WI1401 and G0101WI1401): System Reimbursement Reports  
= Undetermined

DHFS Response and Corrective Action Plan: BFS reviewed with the auditors the on-line system documentation in WiSACWIS that details the provider payments and verifies the accuracy of the federal claim. Although the information is available, we recognize that the on-line system documentation is

difficult to review. Therefore, we are working on developing a management report that will allow for easier reconciliation of the individual payment amounts to the total claim.

### **WI-01-6: Suspension and Debarment Certifications**

The federal government prohibits recipients from entering into any agreement with a person or entity that is debarred, suspended, declared ineligible, or voluntarily excluded from participation in federal assistance programs. DHFS is required to ensure that contractors receiving individual awards of \$100,000 or more, and all subrecipients, certify that the organizations and their principal members are not suspended, debarred, or otherwise ineligible to participate in federal programs. DHFS's standard subrecipient application for federal funds includes a clause in which the subrecipient certifies that it has not been suspended or debarred from participating in federal programs. However, DHFS does not require similar certification from vendors contracting for \$100,000 or more, nor does DHFS check for suspended and debarred parties on the *List of Parties Excluded from Federal Procurement or Nonprocurement Programs*, issued by the federal government.

DHFS staff believe language included in the standard Department of Administration purchase order meets this requirement. The purchase order states, "The State reserves the right to cancel any contract that is presently identified on the list of parties excluded from federal procurement and non-procurement contracts." While this statement clarifies to the contractor that DHFS has the right to cancel any contracts entered into with suspended or debarred parties, DHFS does not require contractors to certify they are not suspended or debarred, as required by federal rules.

During FY 2000-01, staff estimated that DHFS entered into contracts related to federal programs in excess of \$37 million. We tested 24 contractors and determined that none were debarred, suspended, or otherwise ineligible to participate in federal programs.

To ensure compliance with suspension and debarment rules, *we recommend the Wisconsin Department of Health and Family Services require all vendors of federally funded contracts of \$100,000 or more to certify that they are not debarred, suspended, or otherwise ineligible for participation in federal programs.*

Questioned Costs: Multiple Grants: Suspension and Debarment Certifications  
= None

DHFS Response and Corrective Action Plan: Under the Uniform Commercial Code, the vendor's acceptance of the purchase order constitutes the vendor's agreement to comply with all terms and conditions of the Department of Administration's Standard Term for Applicable Law clause included in the purchase order. While the language of the Standard Term does not require the vendor to submit a separate certification, the vendor's acceptance has traditionally been interpreted to have the same effect as a separate certification.

Since many vendors have multiple contracts with multiple agencies, DHFS does not believe it would be cost- or time-effective for every state agency to require a vendor to submit multiple certifications. DHFS further believes that the Department of Administration should modify its Standard Term to match the language that the auditors find adequate in the DHFS model grant agreement. The Standard Term for Applicable Law would then read as follows:

The vendor certifies in this contract that neither the vendor nor any of its principals are debarred, suspended, or proposed for debarment, e.g., are identified on the *List of Parties Excluded from Federal Procurement or Nonprocurement Programs* issued by the General Services Administration.

### **Prior Audit Follow-up**

In addition to following up on prior-audit Foster Care findings, we followed up on findings WI-00-3 through WI-00-8 of our FY 1999-2000 single audit report. DHFS has addressed concerns related to the Promoting Safe and Stable Families program, the Breast and Cervical Cancer Early Detection Programs, property management, and subrecipient monitoring. However, continued improvement is needed related to reconciliation of MA expenditure information and to WIC program exception reports.

#### **WI-01-7: Reconciliation of Medical Assistance Quarterly Report to the Cash Management System**

DHFS uses the State's cash management system to receive reimbursement for the federal portion of expenditures related to the Medical Assistance Program (catalog #93.778) and the State Survey and Certification of Health Care Providers and Suppliers (State Survey) (catalog #93.777) grant. Project monitors within DHFS complete required federal financial reports, including the quarterly CMS-64 financial report for the MA Program and the quarterly CMS-435 financial report for the State Survey grant. These reports summarize the costs DHFS incurred during the quarter for the various projects related to each grant, as well as adjustments to amounts reported in previous quarters. The reports present the cost information and the applicable federal funding percentage for each project.

The project monitors prepare the quarterly financial reports based on information in the DHFS accounting system. It is important that the project monitors ensure this information and the information on the State's cash management system are in agreement and consistent with the quarterly financial reports. Ideally, the information from the accounting system and the cash management system would be reconciled before the quarterly reports are submitted to the federal government. However, because of the complexity of the MA Program and various delays in obtaining cost information for certain projects, DHFS generally completes reconciliations after the quarterly reports have been submitted.

The reconciliation may identify errors or omissions that require adjustments to the quarterly reports, which serve as the official “claim” for the federal government’s share of the program costs. It is important to complete the reconciliations in a timely manner because, according to federal regulations at 45 CFR 95.7, the federal government will pay the State “only if the State files a claim with [the federal government] for that expenditure within 2 years after the calendar quarter in which the State agency made the expenditure.”

In past audits, we reported that, because of turnover in the project monitor position, DHFS had not completed reconciliations between the cash management system and the quarterly financial reports. Our FY 1999-2000 audit noted that DHFS had begun to identify and investigate variances, but because the reconciliations had not been completed we recommended that DHFS give increased priority to reconciling expenditures reported on the quarterly financial reports to federal reimbursements received through the cash management system (Finding WI-00-7).

In our current audit, we found that DHFS has devoted additional resources and given higher priority toward completing the MA reconciliations. DHFS hired a part-time employee in February 2001, who later became a full-time employee in October 2001, to work on the reconciliations. DHFS notes that increasing the number of fiscal staff who are familiar with MA has also allowed the agency to reduce the risk of having only one person knowledgeable about the program. Because of the additional resources and higher priority, DHFS staff have completed the FFY 1997-98 reconciliation of MA benefits costs and have made significant progress on the other MA reconciliations. DHFS staff have also completed the FFY 1998-99 State Survey reconciliation.

However, continued progress is needed. In order to complete the MA benefits reconciliations for FFY 1998-99 through FFY 2000-01, DHFS is working with the federal government to obtain approval for increases to prior-period awards. These increases would allow DHFS to claim federal reimbursement for eligible costs related to those award years that DHFS continues to pay. In addition, DHFS has not completely finished the FFY 1997-98 through FFY 2000-01 reconciliations of MA administrative costs and FFY 1999-2000 through FFY 2000-01 State Survey reconciliations. DHFS needs to finish processing adjustments related to these years.

*We recommend the Wisconsin Department of Health and Family Services ensure it completes in a timely manner the reconciliation of expenditures reported on the quarterly financial reports to federal reimbursements received through the cash management system.*

Questioned Costs: State Survey and Certification of Health Care Providers and Suppliers (catalog #93.777, award #s 050105WI5000, 050105WI5001, 059905WI5000, 059905WI5001, 050005WI5000, and 050005WI5001): Reconciliation of Quarterly Report to the Cash Management System = None

Medical Assistance Program (catalog #93.778, award #s 050105WI5028, 050105WI5048, 059905WI5028, 059905WI5048, 050005WI5028, and 050005WI5048): Reconciliation of Quarterly Report to the Cash Management System = None

DHFS Response and Corrective Action Plan: DHFS's Bureau of Fiscal Services agrees with the recommendation and will continue to dedicate staff to the MA reconciliations as best it can. It should be noted that even though this is a high-priority project, BFS staff are also asked to meet higher-priority demands related to filing current and new federal reports to sustain DHFS's funding levels and to address new programs legislated in recent years. This workload must now be balanced with recent budget and staff reductions and a statewide position freeze on some critical positions.

### **WI-01-8: Review of WIC Program Exception Reports**

Participants in the Special Supplemental Nutrition Program for Women, Infants, and Children (catalog #10.557) are certified and approved for WIC eligibility by local WIC agencies and clinics throughout Wisconsin. The local agencies and clinics issue WIC food instruments that participants redeem for WIC-approved food items at local WIC vendors within 30 days of issuance. Federal regulations require states to reconcile redeemed food instruments to issuance records within 150 days of issuance to participants. To aid in this reconciliation, DHFS sends the monthly Questionable Issuance Report to local WIC agencies and requires them to review the report and send information back to DHFS within 30 days, noting the number of food instruments that were not validly issued.

Federal regulations require DHFS to reconcile at least 99 percent of redeemed food instruments to issuance records. In our prior audit, we reported that while DHFS appeared to meet federal reconciliation requirements, it was not ensuring the Questionable Issuance Reports were reviewed and returned by the local WIC agencies (Finding WI-00-6). DHFS has taken corrective action by implementing a tracking system to log the reports as they are received. In addition, DHFS sends letters to the local agencies, as needed, to remind them of their responsibility to return the reviewed reports to DHFS. We reviewed the reports for January and February 2001 and found all were returned to DHFS from the local WIC agencies.

However, while DHFS now ensures it receives all Questionable Issuance Reports, it does not follow up on exceptions identified in the reports, such as food instruments redeemed by someone ineligible for the program. Federal officials with whom we spoke stated that since DHFS has reconciled at least 99 percent of food instruments issued, DHFS is not required to return funding to the federal grantor agency related to these exceptions. While the dollar amount of exceptions for FY 2000-01 was less than \$1,000, federal officials did indicate DHFS should have a policy in place to review the exceptions and correct potential internal control problems. We believe a reasonable policy would require review of the larger exceptions noted.

*We recommend the Wisconsin Department of Health and Family Services implement a policy to review exceptions identified on the Questionable Issuance Reports returned from the local WIC agencies.*

Questioned Costs: Special Supplemental Nutrition Program for Women, Infants, and Children (catalog #10.557, award #s USDA00WI003, USDA00WI006, USDA00WI011, USDA01WI003, USDA01WI006, and USDA01WI011):  
Review of Exception Reports = None

DHFS Response and Corrective Action Plan: DHFS's Division of Public Health agrees with the recommendation and believes a reasonable policy would require review of the larger exceptions noted. The Division indicates it will take the following actions effective as of April 20, 2002. The WIC Program Operation Coordinator will continue to review the reconciled reports submitted by the local WIC agencies. Local WIC agencies with large exceptions of food instruments issued outside of a valid certification period, totaling \$100 or more a month, will be contacted to review WIC program policies and procedures. The procedure will begin with the January 1, 2002 Questionable Issuance Report prepared in March 2002 and submitted by April 20, 2002.

### **Record-Keeping for the Promoting Safe and Stable Families Program**

The Common Rule requires DHFS to maintain grant-related records for three years after the end of the award period. During our FY 1999-2000 audit, we found DHFS was not adequately maintaining records, such as the plans submitted by the counties and evidence of their approval, for the Promoting Safe and Stable Families (catalog #93.556) program (Finding WI-00-3). DHFS has satisfactorily addressed the prior audit concern. It now maintains records for the Promoting Safe and Stable Families program in a central location. In addition, DHFS now logs the dates when county plans are received. We reviewed plans for eight counties and found appropriate documentation, including copies of the approval letters.

### **Administration of Breast and Cervical Cancer Early Detection Programs**

DHFS administers the Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs (catalog #93.919) grant. The purpose of the grant is to increase cancer screening and follow-up for low-income, uninsured, underinsured, or minority women between the ages of 40 and 64. DHFS grant administrators are responsible for verifying the eligibility of participants and providers and for ensuring grant funds are spent on allowable costs within the grant period. During our prior audit, we found discrepancies, including payments for services provided to clients without proof of eligibility, payment to a provider without a participation agreement establishing eligibility, and payments for services without activity reporting forms documenting the providers' requests for payment. Although the amount of questioned costs was small, the volume of the discrepancies identified during our review suggested an underlying weakness in the administration of the program, and we recommended a review of policies and procedures (Finding WI-00-4).

DHFS has taken corrective action related to the administrative issues identified in our prior audit. DHFS organized a work group consisting of program staff, coordinating agency staff, provider staff, and clients to improve administration of the program. The work group combined two programs—the Breast and Cervical Cancer Early Detection Program and the Wisconsin Well Women Health Screening Program—to form the Wisconsin Well Woman Program. In addition, DHFS has taken steps to recover improper payments noted in the prior audit and has made the following changes to improve administration of the program:

- the eligibility form was revised and is now required from all program participants;
- the provider participation agreement was revised, and new procedures were developed to ensure that payments are made only to eligible providers;
- new screening, diagnostic, and follow-up forms have been developed to ensure claims are not paid without the proper information on file; and
- staff have worked with EDS Corporation, the fiscal agent, to ensure the agent understands what is required before a payment can be made on a claim.

We tested five claims and the related patient eligibility forms and provider participation agreements, and we found the new procedures were in place and grant expenditures were properly supported.

### **Property Management**

The Common Rule and other federal regulations require state agencies that acquire permanent property with federal funds to follow state and departmental property management policies. DHFS's policy is to maintain equipment inventory records, annually perform a physical inventory of equipment and reconcile the results to the equipment records, and maintain an appropriate control system to safeguard equipment.

During prior audits, we expressed concern regarding the completeness of DHFS's fixed-asset records. DHFS noted that the fixed-asset records were not always complete because information was obtained from the previous system, which did not contain all the required information for each asset. We recommended and DHFS staff agreed to work with the various divisions to ensure the fixed-asset information was correct (Finding WI-00-5).

DHFS has taken steps to improve fixed-asset records. Starting in FY 2000-01, DHFS assigned responsibility for completing the physical inventory to the individual divisions. Staff note this has improved the accuracy of the fixed-asset listing. In addition, DHFS is working on improving the accuracy, timeliness, and readability of fixed-asset reports, which should help to improve record-keeping over fixed assets.

It appears DHFS is making progress in this area. We reviewed inventory records for 14 assets and found them to be complete for 11 of the assets. Information for the other three assets was forwarded from the previous inventory system. While the funding information was included for these three assets, the serial numbers were not included, and one asset lacked complete location information. We encourage DHFS to continue improving on the completeness of information included in the fixed-asset inventory records.

### **Subrecipient Monitoring**

DHFS is the state cognizant agency for 72 counties, 10 Indian tribes, and 4 other entities. According to OMB Circular A-133 and *State Single Audit Guidelines*, published by the Wisconsin Department of Administration, DHFS is to receive audit reports from subrecipients required to have audits, to perform desk reviews of the reports, to issue timely management decisions on audit findings, and to require subrecipients to take corrective action on deficiencies identified in audits. In our prior audit, we reported that DHFS did not review and issue management decisions on audit reports within six months of receipt, as was required by the *State Single Audit Guidelines* (Finding WI-00-8).

DHFS has materially complied with subrecipient monitoring requirements during FY 2000-01. We reviewed six subrecipient audit reports received by DHFS in FY 2000-01 and found that DHFS issued its management decisions within six months for five of the six audit reports.

We also note that the *State Single Audit Guidelines* were revised in September 2001 and no longer require the granting agency to issue a management decision on audit reports within six months of receipt. Rather, granting agencies are now required to make a reasonable effort to complete these tasks within six months of receipt of audit reports. As a result of these changes in the *State Single Audit Guidelines*, DHFS revised its policy in December 2001 to allow for a more timely close out of audit reports. For those entities for which DHFS is the cognizant agency, DHFS now issues its management decisions when it has completed a review of findings related to its grants, and no longer waits for other granting agencies to issue their management decisions. We will test compliance with these new policies during the FY 2001-02 single audit.

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**Wisconsin Department of Health and Family Services**  
**Summary of Findings and Questioned Costs**  
FY 2000-01

**U.S. Department of Agriculture**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-01-8	10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	Review of Exception Reports*	\$ 0

**U.S. Department of Health and Human Services**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-01-1	93.658	Foster Care—Title IV-E	Licensing and Criminal Records Checks	\$ 14,975
WI-01-2	93.658	Foster Care—Title IV-E	Undocumented Payments and Eligibility*	13,656 Plus an Undetermined Amount
WI-01-3	93.658	Foster Care—Title IV-E	Court Orders*	4,444
WI-01-4	93.658	Foster Care—Title IV-E	Reimbursements for Child Care Agencies	Undetermined
WI-01-5	93.658	Foster Care—Title IV-E	System Reimbursement Reports	Undetermined
WI-01-7	93.777	State Survey and Certification of Health Care Providers and Suppliers	Reconciliation of Quarterly Report to the Cash Management System*	0
WI-01-4	93.778	Medical Assistance Program	Reimbursements for Child Care Agencies	Undetermined
WI-01-7	93.778	Medical Assistance Program	Reconciliation of Quarterly Report to the Cash Management System*	0

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### Noncompliance Findings Affecting Multiple Grants

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-01-6		Multiple Grants	Suspension and Debarment Certifications	\$ 0

\*Repeat finding from audit report 01-8.

Inquiries regarding resolution of findings and questioned costs should be directed to the agency contact person listed in Appendix 2 of this report.

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The Wisconsin Department of Workforce Development (DWD) administers programs for unemployment insurance, workers' compensation, equal rights in employment and housing, apprenticeship job training, employment services and training, income maintenance, vocational rehabilitation, and other related programs. DWD also administers Wisconsin Works (W-2), Wisconsin's work-based public assistance program that is designed to help needy families achieve self-sufficiency. Excluding unemployment insurance benefits and food stamps, DWD disbursed \$2.1 billion during FY 2000-01; federal grants to the State financed \$750.5 million of that amount. In addition, during FY 2000-01 the Wisconsin Unemployment Reserve Fund financed \$681.6 million in unemployment insurance benefits, and DWD provided food stamp benefits valued at \$143.3 million.

As part of our standard audit procedures, we reviewed DWD's internal controls over receipts, disbursements, and the administration of federal financial assistance programs. We tested DWD's compliance with grant requirements for seven type A grants and two type B grants. We have concerns related to the Child Support Enforcement program, the Workforce Investment Act program, the State Administrative Matching Grants for Food Stamp Program, and access granted to computer data sets and database tables.

We also followed up on findings included in our prior single audit report (report 01-8). DWD has addressed many of our prior audit concerns. However, improvement is still needed in areas related to the Temporary Assistance for Needy Families (TANF) and Vocational Rehabilitation programs. In addition, DWD continues to work toward obtaining federal approval of its public assistance cost allocation plan.

### **Finding WI-01-9: Undistributable Support Collections under the Child Support Enforcement Program**

The Child Support Enforcement program (catalog #93.563) is administered on a statewide basis by the Bureau of Child Support in DWD's Division of Workforce Solutions. The objectives of the Child Support Enforcement program are to: 1) establish paternity; 2) locate absent parents; 3) enforce child and support obligations owed by noncustodial parents; and 4) collect child and spousal support and make payments to families. The Kids Information Data System (KIDS) receives case information, support collections, and adjustments and determines the amount of support to be distributed to the families or to be held by the State as reimbursement for current or prior public assistance received by the families.

On January 1, 1999, DWD contracted with a private firm to implement a centralized receipt and disbursement system to collect and disburse various support payments, such as child and spousal support. Since implementation through FY 2000-01, the private

firm has collected over \$2.1 billion in support payments. However, in some instances the State is not able to distribute support collections to the families. For example, in some cases support payment checks are generated and are mailed to the families, but for unknown reasons the checks are not presented for payment through the banking system. In other cases, KIDS may not have valid addresses for the families and, therefore, does not generate support checks. Federal regulations require that DWD consider these collections undistributable and treat them as program income at the point at which state law considers the funds abandoned. Program income is used to offset Child Support Enforcement program costs, for which the State generally receives federal reimbursement at a rate of 66.0 percent of program costs.

Because DWD was uncertain about when state law defines the funds as abandoned, as of June 30, 2001, it had not reported any undistributed support collections as program income. As part of the 2001-03 biennial budget process, DWD sought legislative clarification and, on August 30, 2001, legislation was enacted to specify that support checks that have remained uncashed for more than one year are to be considered abandoned property. The legislation also provided for the necessary accounting and budgeting provisions to allow DWD to report abandoned collections as program income under the Child Support Enforcement program.

On its December 31, 2001 quarterly report of collections, DWD reported \$2,147,392 in undistributable collections, consisting of checks outstanding for more than one year as of September 30, 2001. DWD calculated the federal share as \$1,417,279, or 66.0 percent of the total, and reported this amount as program income on the December 31, 2001 quarterly report of expenditures and estimates.

On March 8, 2002, DWD reduced the federal government's share of program costs by \$990,000. DWD did not reduce costs by the full \$1,417,279 it had calculated as the federal share of the undistributed collections because it did not have sufficient expenditure authority on the State's central accounting system to allow it to do so. DWD is working with the Wisconsin Department of Administration for increased expenditure authority to allow DWD to reduce the federal share of program costs by the remaining \$427,279. The portion of the federal share of undistributed collections that should be considered questioned costs for the audit period ending June 30, 2001 has not been determined because of the effort that would be required.

As noted, some support collections have not been distributed because KIDS does not have valid addresses for the families and, therefore, cannot generate checks. DWD has not yet reported any of these collections as undistributable because system modifications need to be made to KIDS. Staff informed us that they expect these modifications to be made by the end of calendar year 2003, at which time they will report the undistributed collections received more than one year ago on the quarterly reports. It is believed that these undistributable collections are in excess of \$100,000.

*We recommend the Wisconsin Department of Workforce Development continue its efforts to work with the Wisconsin Department of Administration for increased expenditure authority on the State's central accounting system that will allow the federal share of program costs to be reduced by the full \$1,417,279 related to the undistributable collections reported as of December 31, 2001. We further recommend*

the Department of Workforce Development develop and implement routine procedures for reporting undistributable support collections on the quarterly report of collections and the quarterly report of expenditures and estimates and for making the necessary accounting entries to use these funds to offset Child Support Enforcement program costs, as required by federal regulations.

Questioned Costs: Child Support Enforcement (catalog #93.563, award #G0004WI4004): Undistributable Support Collections = Undetermined

DWD Response and Corrective Action Plan: DWD agrees. DWD is continuing to work with DOA on increasing the expenditure authority. DWD will also be implementing the system modifications that are needed to fully implement the audit recommendation.

### **Workforce Investment Act Program**

The Workforce Investment Act (WIA) program (catalog #17.255), which was implemented by DWD on July 1, 2000, replaced the Job Training Partnership Act (JTPA) Cluster (catalog #17.250 and #17.246) and has funded a new, comprehensive system for investing in Wisconsin's workforce. We have concerns related to earmarking calculations and federal reporting for WIA, federal reporting of JTPA funds carried over into WIA, and the timing of draws for administrative expenditures.

#### **Finding WI-01-10: Earmarking and Federal Reporting**

WIA funds are awarded in three program categories: youth activities, adult activities, and dislocated workers. Federal regulations require that DWD earmark specified percentages for 1) statewide workforce investment activities and administrative costs, 2) rapid response activities, and 3) local area administration. Quarterly, for each federal award year, DWD is required to prepare up to six federal financial reports: one for each program area, and one for each area for which funds are earmarked. These reports present the amounts awarded or earmarked, the amounts obligated and expended, and the unobligated balance.

Final WIA regulations were issued in August 2000. DWD staff correctly determined the earmarking levels for rapid response activities. However, apparently because of staff turnover and an incomplete understanding of federal requirements, DWD did not properly calculate the earmarking levels for statewide workforce investment activities and local area administration:

- For federal fiscal year (FFY) 1999-2000, DWD earmarked \$789,996 for statewide workforce investment activities, which was much less than the correct amount of \$2,369,987.

- For FFY 1999-2000, DWD earmarked \$1,579,992 for local area administration, which exceeded the correct amount of \$1,247,491.
- For FFY 2000-01, DWD earmarked \$735,344 for statewide workforce investment activities, which was much less than the correct amount of \$2,206,035.
- For FFY 2000-01, DWD earmarked \$1,470,690 for local area administration, which exceeded the correct amount of \$1,057,914.

As a result, the amounts DWD had initially planned to spend for the various programs were not in compliance with WIA requirements and were reported incorrectly on the March 2001 quarterly report to the federal government.

We discussed our concerns with DWD staff, who corrected their earmarking calculations for the June 2001 quarterly reports to comply with WIA requirements. Although it appears that these errors were caught in time to allow the State to meet earmarking requirements, we believe DWD needs to take more care to understand and comply with federal earmarking requirements. *We recommend the Wisconsin Department of Workforce Development ensure it properly calculates and reports earmarking levels for the Workforce Investment Act program.*

Questioned Costs: Workforce Investment Act (catalog #17.255, award #AA103080050): Earmarking and Federal Reporting = None

DWD Response and Corrective Action Plan: DWD agrees. Bureau of Finance staff have corrected the earmarking calculations on the June 2001 reports. Finance and budget staff will review future earmarking levels for the Workforce Investment Act program before reporting them on the federal reports to ensure that they have been properly calculated.

### **Finding WI-01-11: Reporting of Carryover Job Training Partnership Act Cluster Funds**

As allowed by federal regulations, upon implementation of WIA on July 1, 2000, DWD transferred a total of \$3,199,386 in available JTPA funds to the WIA program. Upon transfer, WIA regulations apply to these funds, including reporting requirements.

As previously noted, DWD is required to report WIA expenditures in six categories: youth activities, adult activities, dislocated workers, statewide workforce investment activities, rapid response activities, and local area administration. It would be expected that DWD would track expenditure of the JTPA funds carried over for each of the six reporting categories to allow it to fulfill its reporting requirements. However, rather than establishing the necessary accounts, DWD continued to use the accounts that had been established in prior years to meet reporting requirements under the JTPA program.

As a result, DWD has not been able to meet WIA reporting requirements for the JTPA carryover funds.

We reviewed the March 2001 quarterly reports and found DWD used the reporting format formerly used under the JTPA program. DWD attempted to follow the WIA requirements for the June 2001 report. However, DWD reported all expenditures as either youth activities, adult activities, or statewide workforce investment activities, rather than determining the amounts expended under each of the six categories. For example, for the report for the FFY 1997-98 award year, DWD reported \$355,808 for youth activities and \$107,702 for statewide workforce investment activities, but no expenditures for any of the other categories.

It is noted that the JTPA carryover funds will be fully expended by June 2002, and it may not be practical to establish new accounting procedures at this time. In addition, it is noted that all of the funds are subgranted to Local Workforce Development Boards, which report expenditure information to DWD in accordance with the new WIA requirements. Therefore, it may be most practical for DWD to use expenditure information provided by subrecipients in preparing the final closeout reports for the JTPA carryover funds.

*We recommend the Wisconsin Department of Workforce Development report Job Training and Partnership Act Cluster funds carried over to the Workforce Investment Act program in accordance with federal requirements.*

Questioned Costs: Workforce Investment Act (catalog #17.255, award #s A67348008750 and A73979008750): Reporting of Carryover JTPA Cluster Funds = None

DWD Response and Corrective Action Plan: DWD agrees. The FFY 1997-98 JTPA Cluster funds are closed. Corrections between the reported categories were sent to the U.S. Department of Labor in November 2001. The FFY 1998-99 JTPA Cluster funds carried over to the WIA program were allocated to the correct WIA program categories and are being reported in accordance with federal requirements.

### **Finding WI-01-12: Cash Management**

Effective cash management requires state agencies to request federal reimbursement so as to minimize the time between the disbursement of funds for allowable grant expenditures and the transfer of funds from the federal government to the State's bank. An agreement in accordance with the federal Cash Management Improvement Act (CMIA) was signed between the State of Wisconsin and the U.S. Treasury for the period July 1999 through June 2004, which covers cash management procedures for several major grants at DWD, including WIA. DWD uses the federal Payment Management System (PMS) to request reimbursement for the WIA program.

The CMIA agreement specifies the timing of federal draws for various federal grants. The WIA grant replaced the JTPA grant during FY 2000-01. However, the CMIA agreement was not amended to incorporate WIA until June 2001. Therefore, it would have been expected that DWD would draw WIA funds based on the agreement it had for JTPA funding. This agreement required DWD to draw reimbursement of administrative costs every two weeks based on an average of the estimated annual administrative costs over the State's 26 biweekly pay periods.

However, because of changes in staff responsibilities during FY 2000-01, DWD made only 6 draws for federal reimbursement of WIA administrative costs, rather than the 26 draws required by the CMIA agreement. We estimate the State lost \$15,000 in interest because DWD did not draw federal funds as quickly as allowed under the agreement.

DWD changed the timing of its draws and, beginning in April 2001, started drawing federal reimbursement for WIA administrative costs on a monthly basis. However, in June 2001 the Wisconsin Department of Administration, with input from DWD, amended the CMIA agreement to specify that DWD is to draw federal reimbursement for WIA administrative costs every two weeks, as had been the agreement for JTPA administrative costs. This amendment was retroactive to July 2000. Nevertheless, DWD continued to draw reimbursement of WIA administrative costs on a monthly basis. In response to an interim audit communication, and effective December 2001, DWD began to draw federal reimbursement for WIA administrative costs every two weeks, in accordance with the CMIA agreement.

Questioned Costs: Workforce Investment Act (catalog #17.255, award #AA103080050): Cash Management = None

DWD Response and Corrective Action Plan: As the audit report notes, effective December 2001, DWD started drawing federal reimbursement for WIA administrative costs every two weeks, in accordance with the terms in the CMIA agreement.

### **Finding WI-01-13: Federal Procurement Rules under the Food Stamp Program**

The Division of Workforce Solutions within DWD administers the Food Stamps grant (catalog #10.551), which fully funds the issuance of food stamp benefits, and the State Administrative Matching Grants for Food Stamp Program (catalog #10.561), which partially reimburses the State for its costs to administer the program. The purpose of the Food Stamp Cluster is to help low-income households buy the food they need for a nutritionally adequate diet.

As a condition of receiving financial assistance under the State Administrative Matching Grants for Food Stamp Program, DWD is required to follow the Common Rule adopted by the U.S. Department of Agriculture. As allowed by the Common Rule,

DWD follows state procurement guidelines for all purchases charged to the program. However, effective October 1, 2000, the Common Rule required state agencies to follow two specific federal procurement provisions:

- a state may not award a contract to a firm that was also involved in assisting in the procurement process by, for example, preparing the procurement specifications or developing the contract terms; and
- a state may not show in-state or local geographical preferences when awarding contracts.

DWD staff were unaware of the new requirements and had not developed policies and procedures to ensure compliance. We reviewed selected purchases made between October 1, 2000, and June 30, 2001, and did not identify any instances of noncompliance with the two federal procurement rules.

*We recommend the Wisconsin Department of Workforce Development establish policies and procedures to ensure compliance with procurement requirements applicable to the State Administrative Matching Grants for Food Stamp Program. In addition, we recommend the Department review purchases charged to the program since October 1, 2000, to ensure they were in compliance and, if not, work with the federal government to determine the appropriate course of action.*

Questioned Costs: State Administrative Matching Grants for Food Stamp Program (catalog #10.561, award #2001IS251442): Federal Procurement Rules = None

DWD Response and Corrective Action Plan: Section 16.75 (1)(a)(2), Wis. Stats., requires that if an out-of-state vendor resides in a state that grants preference to vendors domiciled in that state, then Wisconsin shall give a preference over that vendor to Wisconsin vendors. This apparently conflicts with the federal procurement rules that prohibit providing in-state geographical preferences. DWD will contact the federal Food Stamp Administration for additional guidance on addressing this apparent conflict. Any guidance provided by the Food Stamp Administration will be considered when implementing the Legislative Audit Bureau's recommendation.

#### **Finding WI-01-14: Access to Critical Data Sets and Database Tables**

DWD is responsible for maintaining KIDS, the statewide computer system used by state and county child support staff to record collections of support payments and their subsequent distribution. DWD is also responsible for the Client Assistance for Reemployment and Economic Support (CARES) system, which determines eligibility for income maintenance programs such as TANF, Food Stamps, and Medical Assistance. It is important that DWD limit access to the data sets and database tables

associated with KIDS and CARES to the minimum necessary to allow employees, contractors, and others to perform their job duties. Excess access increases the risk of unauthorized or inappropriate changes to benefits and other information.

DWD uses Resource Access Control Facility, which is a mainframe security software package, to restrict access to resources and data, such as the data sets and database tables associated with KIDS and CARES. DWD has appointed a security officer within the Bureau of Information Technology Services to establish access to data, transactions, and programs. In addition, agency staff indicate that DWD has policies and procedures in place for regularly reviewing access to critical data sets and database tables.

However, we identified several instances of excessive access to data sets and database tables. For example:

- over 70 DWD employees and contractors could delete, insert, or change data in two KIDS database tables, even though such access was not needed;
- 13 DWD employees and contract workers and various staff at the federal departments of Agriculture and Health and Human Services had the ability to alter critical CARES data sets that are used to electronically transfer information on food stamp benefits, recipients, and reporting between DWD and the private firm responsible for implementing the electronic benefit transfer system, even though such access was not needed; and
- 5 individuals had the ability to alter at least 9 other critical CARES data sets, even though those individuals were no longer DWD employees.

We discussed our findings with DWD staff, who indicated that significant staff resources have been devoted to the recent conversion to Resource Access Control Facility from a different mainframe security software package. In addition, staff have been working to review and revise access that was affected by errors of an automated tool used in the conversion process. DWD staff have since appropriately limited access for the employees, contract workers, and others we identified.

*We recommend the Wisconsin Department of Workforce Development annually review access granted to critical KIDS and CARES data sets and database tables to ensure that access is limited to what is necessary to allow employees, contractors, and others to perform their job duties.*

Questioned Costs: Multiple Grants: Access to Critical Data Sets and Database Tables = None

DWD Response and Corrective Action Plan: DWD agrees and will do an annual review as recommended.

## **Prior Audit Follow-up**

As a part of our current audit, we followed up on DWD's progress in addressing Findings WI-00-9 through WI-00-25 in our prior single audit report. DWD has addressed our concerns related to the Child Support Enforcement program, non-federal match, subrecipient monitoring and reporting for the Vocational Rehabilitation program, and property management. Further, DWD has addressed two of our prior audit concerns related to federal reporting and charges to prior-year awards for the TANF program. However, we continue to have concerns with the transfer of TANF funds to the Social Services Block Grant (SSBG). In addition, we have concerns related to an additional refund of Vocational Rehabilitation funds from the Wisconsin Department of Commerce and the processing of direct payments to clients. Finally, DWD needs to continue its efforts to restrict access to KIDS and to receive federal approval for its public assistance cost allocation plan.

### **Temporary Assistance for Needy Families**

The Division of Workforce Solutions within DWD administers the Temporary Assistance for Needy Families grant (catalog #93.558). The TANF program is intended to provide time-limited assistance to needy families with children so that the children can be cared for in their own homes or in the homes of relatives; to end dependence of needy parents on government benefits by promoting job preparation, work, and marriage; to prevent out-of-wedlock pregnancies; and to encourage the formation and maintenance of two-parent families. DWD has taken steps to address our concerns related to charges to prior-year award funds and financial reporting under the TANF grant. However, we continue to have concerns with the transfer of TANF funds to SSBG.

Finding WI-01-15: Transfers of TANF Funds to SSBG - Under federal regulations, states are allowed to transfer up to 10.0 percent of their TANF awards to SSBG. Wisconsin is allocated \$318,188,410 in TANF funds each federal fiscal year. Of this amount, a portion is allocated to state government, and a portion is allocated to those Indian tribes that elect to operate their own TANF programs.

In our prior audit, we reported that DWD based its 10.0 percent limit calculations on the State's total TANF award of \$318,188,410 and transferred \$31,800,000 of TANF funding to SSBG for both FFY 1997-98 and FFY 1998-99. The Wisconsin Department of Health and Family Services, which administers SSBG in Wisconsin, drew down the full amount transferred for each year for use in the SSBG program. However, the 10.0 percent limit should have been based on \$317,505,180, which was the amount allocated for state government each year, for a maximum annual transfer of \$31,750,518. Because it was not, the State received \$98,964 in federal funds that it was not entitled to receive during the two-year period (Finding WI-00-9). DWD implemented its corrective action plan and, in May 2001, the State returned the excess federal funds under the FFY 1997-98 and FFY 1998-99 awards.

However, during FFY 1999-2000, an additional tribe elected to operate its own TANF program in Wisconsin. As a result, of the \$318,188,410 in available TANF funds, only \$317,047,587 was allocated to state government. Therefore, the maximum amount that could be transferred to SSBG for FFY 1999-2000 was \$31,704,759. While DWD received notification in 1999 from the U.S. Department of Health and Human Services of the change for the FFY 1999-2000 award, DWD based its 10.0 percent calculations on \$317,505,180, which had been allocated for state government in prior years, and transferred \$31,750,500 of TANF funding to SSBG. The Wisconsin Department of Health and Family Services drew down the full amount transferred. Therefore, the State received \$45,741 in federal funds that it was not entitled to receive.

We recommend the Wisconsin Department of Workforce Development work with the Wisconsin Department of Health and Family Services to adjust the amount transferred from the FFY 1999-2000 Temporary Assistance for Needy Families award to the Social Services Block Grant to comply with federal regulations, and return \$45,741 to the federal government.

Questioned Costs: Temporary Assistance for Needy Families (catalog #93.558, award #G0001WITANF): Transfers of TANF Funds to SSBG = \$45,741

DWD Response and Corrective Action Plan: DWD agrees. DWD representatives are working with Department of Health and Family Services representatives to return the \$45,741 to the federal government.

Charges to Prior-Year Award Funds - Before final federal TANF regulations became effective on October 1, 1999, states had an indefinite period of time in which to spend their annual TANF awards. As a result, DWD was able to charge all TANF-eligible costs, regardless of when they were incurred, against any open grant award. However, the final TANF regulations require DWD to ensure prior-year award funds are used only for eligible purposes for which valid obligations existed, or for assistance and related administrative costs regardless of when these costs are incurred.

In our prior audit, we reported that DWD had not implemented controls to ensure that prior-year funds are used only for the purposes for which they were obligated or for assistance and related administrative costs, and we questioned \$200,896 in costs charged to prior-year awards after September 30, 1999. We also reported that DWD had not developed procedures to track amounts obligated, expenditures charged against those obligations, and the remaining obligated balances (Finding WI-00-10).

DWD implemented corrective action in this area. The grant accountant reviewed the costs we identified during our prior audit and, where appropriate, transferred the charges to alternative funding sources. In addition, the grant accountant now performs a quarterly review of all expenditures charged to prior-year awards to determine whether the funds were used for the purposes for which they were obligated or for assistance

payments and the administrative costs of providing assistance. DWD has also developed and implemented procedures for tracking amounts obligated, expenditures charged against those obligations, and the remaining obligated balances.

Federal Reporting - The quarterly TANF Financial Report is detailed, and its preparation requires DWD to obtain information from its accounting system, the Community Aids Reporting System, and other sources. In our prior audit, we noted several errors in the reports DWD submitted for the quarter ended June 30, 2000 (Finding WI-00-11). DWD has implemented reasonable corrective action and has developed written procedures for preparing the reports and cross-trained two additional accountants to prepare the reports. DWD also requires a financial supervisor to review and sign the reports before they are submitted to the federal government.

### **Rehabilitation Services—Vocational Rehabilitation Grants to States**

The Division of Vocational Rehabilitation (DVR) within DWD administers the Rehabilitation Services—Vocational Rehabilitation Grants to States (catalog #84.126). The Vocational Rehabilitation program assists eligible individuals with disabilities so that they can prepare for and engage in gainful employment. DWD has taken appropriate corrective action in response to our prior audit concerns related to supporting documentation for the Rehabilitation Services Administration Report, non-federal match, and subrecipient monitoring. However, we continue to have concerns related to agreements between DWD and the Wisconsin Department of Commerce, as well as concerns related to direct payments to clients.

Questioned Obligations - DVR contracts with several public agencies in order to make new or innovative services available to Vocational Rehabilitation clients. The largest of these contracts has been with the Wisconsin Department of Commerce for the Job Creation Program, which provided funds to businesses that agreed to expand their operations and reserve newly created jobs for Vocational Rehabilitation clients.

Federal rules allow the State to use funding made available under the annual Vocational Rehabilitation grant to cover expenditures for the year of the award, the federal fiscal year subsequent to the award, and for a period of 90 days after the close of the second federal fiscal year in order to liquidate obligations made prior to the end of that fiscal year. During our prior audit, we found that DWD had taken questionable steps to prevent federal funds from being returned to the federal government. On September 29, 1999, DWD amended its Job Creation Program contract and required the Department of Commerce to invoice DWD for the federal portion of unliquidated obligations and for future salary and fringe benefits for Job Creation Program staff. We questioned \$240,511 in expenditures representing administrative costs incurred by Commerce after the end of the grant period and all contract-related costs that were not liquidated within the 90-day liquidation period. In addition, we questioned \$8,221 in interest the State earned at the expense of the federal government on the amount Commerce refunded to DWD for the unspent portion of the original payment (Finding WI-00-12).

DWD has taken partial corrective action in this area. Because the questioned costs were eligible for reimbursement under a later year's grant award, DWD staff transferred the costs from the FFY 1997-98 grant to the FFY 1998-99 grant. In addition, DWD transferred eligible expenditures originally charged to the FFY 1998-99 grant to the FFY 1997-98 grant. Therefore, these funds did not need to be returned to the federal government.

However, we found that the \$8,221 in questioned interest earnings has not been returned to the federal government. Under the CMIA, the Wisconsin Department of Administration prepares a report of the net interest liability owed to or by the federal government related to the timing of grant expenditures and reimbursements. However, the State included only \$1,873 in the annual report of interest due the federal government, representing interest earned by the State from the date Commerce returned the unspent funds to the date DWD credited this refund to federal accounts. We believe that the interest due the federal government should have been calculated for the entire period the State had custody of these unspent funds. At our request, DWD discussed this situation with the Department of Administration, and it was agreed to include this additional interest liability in the FY 2001-02 annual interest report.

Finding WI-01-16: Cash Management - In its prior audit response and corrective action plan, DWD indicated it would refrain from any practices that have the effect of drawing unearned funds from the federal government. We reviewed the contracts in effect during FY 2000-01 between DWD and Commerce and found that the final contract between DVR and Commerce ended December 30, 2000, and there are no current contracts in place. We did not find any billings for unliquidated obligations during FY 2000-01.

However, we did find an additional refund Commerce submitted to DWD for \$55,207 in June 2001, related to contracts between Commerce and DVR dating back to FY 1994-95, as shown in the following table.

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**June 2001 Commerce Refund**

<u>Contract Title</u>	<u>Contract Period</u>	<u>Refund Amount</u>
Business Development Program	10/01/94 - 9/30/95	\$ 2,094
Business Development Program	10/01/95 - 9/30/96	38,231
Job Creation Program	10/01/96 - 9/30/97	4,456
Business Assessment Program	10/01/97 - 3/31/00	<u>10,426</u>
Total		\$55,207

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DWD refunded these funds to the federal government on July 12, 2001, and therefore we do not question these costs. However, we do question the interest earned by the State at the expense of the federal government. We did not calculate these interest earnings but believe them to be in excess of \$10,000.

We recommend the Wisconsin Department of Workforce Development calculate the interest on the unearned funds drawn from the federal government and report that information to the Department of Administration for inclusion in the next annual report under the Cash Management Improvement Act.

Questioned Costs: Rehabilitation Services—Vocational Rehabilitation Grants to States (catalog #84.126): Cash Management = \$10,000 Plus an Undetermined Amount

DWD Response and Corrective Action Plan: DWD agrees and will determine the interest that is due the federal government on the unearned funds drawn from the federal government. DWD will also report the calculated interest to the Department of Administration for inclusion in the next annual report under the CMIA.

Rehabilitation Services Administration Report - DWD is required to prepare the Rehabilitation Services Administration-2 (RSA-2) report, which is an annual report that details program costs for the Vocational Rehabilitation program. This report is completed by staff in DVR and includes total program expenditures, case count information for specific categories of services, and expenditure information for each category. This report is important because the administrative expenditure information is used to calculate a monthly administrative cost per client, which is then used by the federal government to determine the amount of Social Security reimbursement funds to pay the State. These funds are in addition to the Vocational Rehabilitation grant and are dependent upon the number of clients receiving federal Social Security-Disability Insurance (catalog #96.001) or Supplemental Security Income payments who have been successfully rehabilitated by the Vocational Rehabilitation program.

In our prior audit, we attempted to review the preparation of the FFY 1998-99 RSA-2 report, but we could not because DWD staff did not retain documentation. In addition, when we attempted to verify the amount of administrative costs reported, which is used in the formula to calculate the monthly cost per client for Social Security reimbursement purposes, we were unable to trace this amount to accounting records (Finding WI-00-13). DWD has implemented its corrective action plan and recalculated the administrative costs reported on the FFY 1998-99 RSA-2 report. The recalculated amount was within 0.5 percent of the amount originally reported. DWD contacted the federal government and was informed that a revised report did not need to be submitted.

DWD has also prepared written procedures for preparing the RSA-2 report, which include the requirement to retain documentation and define staff responsibilities. During our current audit, we reviewed the FFY 1999-2000 RSA-2 report filed in February 2001 and found that supporting documentation had been retained.

Non-Federal Match for the Vocational Rehabilitation Grant - As a condition of receiving federal funds for the Vocational Rehabilitation program, DWD must provide match from state or other non-federal sources at a rate of 21.3 percent of program expenditures. DWD subgrants a portion of the Vocational Rehabilitation grant to third parties, which are required to use their own funds to meet the 21.3 percent non-federal match requirements.

During our prior audit, we found that DWD had reported \$418,179 in matching expenditures related to its third parties for FFY 1997-98 that were not supported by expenditures recorded in accounts used for this grant award year (Finding WI-00-20). We questioned \$329,107, or 78.7 percent of \$418,179, and recommended that DWD investigate and correct, if necessary, its accounting records.

DWD implemented its corrective action plan and investigated the reasons for the match shortage. Staff determined that the matching expenditures had been transferred out of the FFY 1997-98 accounts and used as match for the FFY 1996-97 award year. DWD has processed the necessary correcting entries to transfer other eligible matching expenditures to FFY 1997-98 accounts to ensure compliance with matching requirements for the FFY 1997-98 award.

Finding WI-01-17: Direct Payments for Client Services - Vocational rehabilitation counselors are responsible for determining eligibility, assessing client needs, developing client rehabilitation plans, and authorizing expenditures for services provided to or on behalf of clients. Vocational Rehabilitation program expenditures should be supported by appropriate documentation.

While DWD generally makes payments for client services to third parties, DWD's policy provides that payments may be made directly to clients as reimbursements or to cover the costs of future purchases or expenses. DWD policy requires DVR staff to obtain receipts and other support to document that the funds were spent as intended. In response to concerns raised during our FY 1998-99 single audit report (report 00-5), DWD formally announced policies and procedures in August 2000 that were intended to reduce the number of direct payments, increase efforts to obtain supporting documentation, and increase supervisory review of direct payments.

During our FY 1999-2000 audit, we reviewed 56 direct payments from FY 1999-2000 and found that 35 payments, totaling \$14,930, were not supported by receipts or other documentation. In addition, to determine if the procedures announced in August 2000 improved direct payment documentation, we reviewed 22 direct payments made during October and November 2000 and found that 9 of these payments, totaling \$13,991, were not supported by receipts or other documentation. As an additional concern, we found that staff had made entries for 24 of these payments in the new purchasing system that had indicated they "verified" the payments were supported, yet we found no receipts or other documentation to support the verification. We questioned \$20,720 in direct payment expenditures because of the lack of supporting documentation (Finding WI-00-21).

In response to our findings, DWD has taken additional steps to address direct payment documentation concerns. In August 2001, the Quality Assurance and Policy Unit in DWD's Bureau of Finance reviewed all direct payments over \$1,500 that occurred between December 2000 and July 2001, to determine whether DVR staff were following the documentation policies issued in August 2000. The review found that the new policy was not being consistently followed and that direct payments continued to be unsupported by documentation. On September 1, 2001, DWD issued additional policies that restrict the use of direct payments to situations in which it is impractical to purchase directly from a vendor, such as for mileage reimbursements, bus tokens, and emergency situations. Further, the new policy emphasized that when direct payments are made, DVR staff must obtain documentation that the payments are for the intended purpose. In addition, DVR staff are to document the actions taken when clients do not provide the required documentation.

During our current audit, we again tested a limited selection of direct payments. Our findings are consistent with DWD's internal review. We reviewed ten direct payments and found that three payments totaling \$525, and portions of two payments totaling \$261, were not supported by receipts or other documentation. We also found that three of these payments were "verified" in the purchasing system, but there were no receipts or other supporting documentation to support the entire payment. We did not review any direct payments that occurred after the new policies were issued in September 1, 2001. Such a review will be completed as a part of the FY 2001-02 single audit.

In addition to the policy restricting the use of direct payments, DWD is in the process of established a centralized processing center that will process direct payments to clients and obtain the necessary supporting documentation. It is intended that a centralized function will provide increased consistency in documenting direct payments, relieve DVR's district staff of some fiscal procedures, and allow counselors to focus on their primary responsibility of helping clients achieve their employment goals. DWD currently plans to have the centralized processing center in operation by May 2002.

While we note that DWD has made progress in implementing corrective action and is continuing to make improvements, *we recommend the Wisconsin Department of Workforce Development continue its effort to ensure that direct payments to clients are supported and that verification of direct payments is indicated only after support is received.*

Questioned Costs: Rehabilitation Services—Vocational Rehabilitation Grants to States (catalog #84.126, award #s H126A00074 and H126A10074): Direct Payments for Client Services = \$786

DWD Response and Corrective Action Plan: DWD agrees. DWD is continuing with plans to establish a centralized processing center, which should ensure that direct payments to clients are supported and that verification of direct payments is indicated only after support is received.

Subrecipient Monitoring—Division of Vocational Rehabilitation - DVR provides grants to approximately 40 entities, including technical colleges, counties, nonprofit organizations, and other state agencies. Federal rules required DVR to ensure that any organizations expending more than \$300,000 in subgranted funds during their fiscal year meet the audit requirements included in OMB Circular A-133.

In our prior audit, we reported that although DVR reviewed audit reports that it received, it did not maintain a grant-tracking system, as required by *State Single Audit Guidelines* published by the Wisconsin Department of Administration, to ensure that all of its grants are included in the scope of single audits (Finding WI-00-23). DWD is in the process of implementing corrective action. It has developed a grant-tracking system, assigned responsibility for monitoring its subrecipients, and continues to develop policies and procedures to ensure the reports are reviewed and audit findings are resolved in accordance with *State Single Audit Guidelines*.

### **Child Support Enforcement Program**

We followed up on findings WI-00-14 and WI-00-17 and found DWD has taken corrective action to address concerns related to excess federal reimbursements and the delayed return to the federal government of support collections for cases that involved public assistance benefits.

Excess Federal Reimbursements under the Child Support Enforcement Program - The federal government generally reimburses the State for 66.0 percent of the costs incurred in administering the Child Support Enforcement program. Non-federal funding sources must pay for 34.0 percent of program administration costs. Typically, DWD accounts for the federal and non-federal share of grant expenditures in separate accounts. However, in some cases DWD relies on other state agencies or local governments to provide a portion of the required non-federal matching expenditures. DWD receives federal reimbursement for amounts charged to federal accounts through the State's cash management system.

DWD contracted with the University of Wisconsin-Madison Institute for Research on Poverty under the Wisconsin Works Child Support Waiver Demonstration Evaluation contract for research projects. Under the terms of the original five-year contract, the Institute is to provide 23.0 percent of the funding, DWD is to provide 11.0 percent of the funding, and the federal government is to provide 66.0 percent of the funding. However, these funding percentages vary for specific portions of the contract and for various time periods covered by the contract.

In our prior audit, we reported that DWD made errors in applying the various funding percentages to invoices received from the Institute during FY 1999-2000 and, as a result, received \$17,218 in excess federal reimbursements (Finding WI-00-14). DWD has since adjusted the accounting records and, on April 4, 2001, returned these funds to the federal government.

Delayed Return of Federal Share of Collections for Public Assistance Programs - Support collections related to cases that received benefits from prior or current public assistance programs, such as Aid to Families with Dependent Children and the TANF program, are not disbursed to families but are used to offset the federal and state share of assistance payments. These collections should be returned to the federal government in a timely manner. However, because of delays in preparing the quarterly report of collections, DWD did not return the federal share of assistance payments in a timely manner during FY 1998-99.

In our prior audit, we reported that while DWD had implemented corrective action to address our FY 1998-99 concerns, it had not yet remitted to the federal government \$300,148 in interest liabilities related to the late returns in FY 1998-99, and the delay had resulted in the State earning additional interest at the expense of the federal government (Finding WI-00-17). On April 30, 2001, DWD transferred \$317,882 of child support administrative expenditures from federal accounts to a state account, which effectively returned to the federal government funds representing the excess interest earnings of the State.

### **Cash Management**

Effective cash management requires state agencies to request federal reimbursement so as to minimize the time between the disbursement of funds for allowable grant expenditures and the transfer of funds from the federal government to the State's bank. An agreement in accordance with the federal CMIA was signed between the State of Wisconsin and the U.S. Treasury for the period July 1999 through June 2004, which covers cash management procedures for several major grants at DWD. DWD uses PMS to draw federal funds for several of its grants.

Federal Draws and Interest Calculation - The CMIA agreement allows for the calculation of any interest obligation owed to or by the federal government when the timing of the receipt of federal funds requested does not agree with the check clearance patterns included in the agreement. While the State Controller's Office in Wisconsin's Department of Administration coordinates the preparation of the annual interest report, DWD is responsible for calculating the interest for all grants for which it performs draws through PMS.

In our prior audit, we reported that DWD made errors in the calculation of interest due for the JTPA program, resulting in an understatement of about \$4,700 in interest due from the federal government for FY 1999-2000 (Finding WI-00-15). DWD has taken corrective action in this area and has submitted revised FY 1999-2000 interest calculations for the JTPA program to the State Controller's Office for inclusion in the FY 2000-01 report. We found the revised FY 1999-2000 interest calculations, as well as the calculations for FY 2000-01, were properly supported and calculated.

Review of PMS Reports - PMS produces various reports for each grant drawn by DWD staff, depending on the specific reporting requirements for each program. Some reports require further follow-up or certification by DWD, and others are provided for informational purposes and should be reviewed to ensure records are in agreement between the federal government and DWD.

During our prior audit, we reported that DWD did not reconcile the PMS-272E report for the Unemployment Insurance program and Trade Adjustment Assistance—Workers grant to DWD’s underlying accounting records (Finding WI-00-16). In response to an interim communication during our current audit, DWD performed a reconciliation of the PMS-272E report for the December 2001 quarter and investigated and made corrections for errors identified.

### **Documentation of Non-Federal Match**

Some federal grants require the State to match federal expenditures with expenditures financed from non-federal sources. During our prior audit, we reported concerns with the accounting for and reporting of state matching expenditures for the State Administrative Matching Grants for Food Stamp Program and the Medical Assistance Program, and supporting documentation of the non-federal match for the Head Start grant (Findings WI-00-18 and WI-00-19).

Accounting for and Reporting State Matching Expenditures - The match rate is 50.0 percent for most activities under the State Administrative Matching Grants for Food Stamp Program (catalog #10.561) and the Medical Assistance Program (catalog #93.778). To account for state matching expenditures during FY 1998-99, DWD initially charged certain administrative costs entirely to federal grant accounts. On a monthly basis, DWD’s accounting system automatically transferred state matching expenditures to state accounts.

In our FY 1998-99 single audit report, we identified \$68,767 of State Administrative Matching Grants for Food Stamp Program expenditures and \$98,586 of Medical Assistance Program expenditures that should have been transferred from federal accounts to state accounts but were not. As a result, because DWD automatically received federal reimbursement through the State’s cash management system for expenditures charged to federal accounts, DWD received a total of \$167,353 in excess federal reimbursements for the state matching expenditures that remained in federal accounts.

In our prior audit, we reported that DWD had implemented corrective action to address our concerns. However, DWD had not yet transferred the \$167,353 in excess federal reimbursements to state accounts, and we noted that DWD’s delay had resulted in the State earning interest at the expense of the federal government (Finding WI-00-18). DWD effectively returned the excess reimbursements received under the Medical Assistance Program on April 30, 2001, and the excess reimbursements received under the State Administrative Matching Grants for Food Stamp Program on June 5, 2001. In

addition, the Wisconsin Department of Administration included \$8,132 in its FY 2000-01 annual report of interest due the federal government under the CMIA, representing the interest earned by the State because of the delayed return of the excess federal reimbursements.

Documentation of Non-Federal Match for the Head Start Grant- DWD administers the Wisconsin Head Start Collaboration Project under the Head Start program (catalog #93.600). DWD is required to provide match from state or other non-federal sources ranging from 20.0 to 25.0 percent of program expenditures. During our prior audit, we reported that DWD did not develop documentation to support the amount of non-federal match required for the Head Start grant (Finding WI-00-19).

DWD implemented corrective action and now requires staff to obtain and maintain documentation of allowable non-federal match. We reviewed documentation to support \$78,933 of non-federal match expenditures reported on the Financial Status Report, which DWD submitted to the federal government on July 31, 2001, for the award covering the period February 1, 2000 through January 31, 2001. The documentation, which included time sheets, expenditure reports, and invoices, was adequate to support the reported non-federal match.

### **Property Management**

DWD uses an asset management system to record and manage its fixed assets. The Common Rule and other federal regulations require state agencies that acquire permanent property with federal funds to follow state and departmental property management policies. The State's policy is to indicate, in permanent property records, descriptions of the assets and their locations, as well as the acquisition dates, cost, funding source, and percentage of federal participation.

During our prior audit, we found that DWD had included incorrect funding sources on 21 assets valued at \$1,005,013 (Finding WI-00-22). DWD has taken action in this area and corrected the funding sources for the assets identified in the prior audit. In addition, on a quarterly basis, DWD now reconciles asset acquisitions entered into the asset management system to fixed asset expenditures recorded in DWD's accounting system. This reconciliation should ensure funding sources are recorded accurately and asset management records are complete.

### **Finding WI-01-18: Access to KIDS Information**

As previously noted, KIDS is a tool used by state and county child support staff to collect child support payments and appropriately distribute the funds. In prior audits, we expressed concern that some users have the ability to update virtually every input screen within KIDS. For FY 1999-2000, we reported that DWD had taken some steps to

reduce the risk of unauthorized changes to KIDS data but needed to continue efforts to limit access to KIDS user input screens to the level that is needed for staff to perform their job duties (Finding WI-00-24). DWD continues to implement corrective action to address our concerns. DWD has:

- completed a review of access to KIDS user input screens granted to state staff and staff at the private firm that processes centralized receipt and disbursement transactions, and made several changes to staff access based on that review;
- established a KIDS security work group of both county child support agency staff and state staff, to discuss security concerns;
- surveyed counties to determine the level of access needed for local child support agency staff to perform their job duties; and
- used the State's mainframe security software package to restrict some users' ability to perform certain functions.

In addition, in September 2000, DWD submitted a computer programming request for changes to the KIDS security system that would allow DWD to further restrict access to the user input screens by staff. DWD submitted a revised programming request in August 2001; however, staff note that this request will continue to be modified as additional input from local agency staff is received. DWD staff also note that the programming changes will require significant resources; therefore, these changes have yet to be made. Until such changes are made, users of KIDS may continue to have the ability to read and update information when that ability is not necessary for their job duties. As a result, the State continues to be at risk that unauthorized support payments are made.

*We recommend the Wisconsin Department of Workforce Development continue to place priority on reviewing and restricting access to Kids Information Data System information to the access needed to perform job duties.*

Questioned Costs: Child Support Enforcement (catalog #93.563): Access to KIDS Information = None

DWD Response and Corrective Action Plan: DWD agrees. DWD will continue to implement corrective actions that will restrict access to KIDS information to the access needed to perform job duties.

### **Finding WI-01-19: Public Assistance Cost Allocation Plan**

With the transfer of certain federal programs, such as the Food Stamp Cluster and the Child Support Enforcement programs, to DWD on July 1, 1996, DWD became a public assistance agency. As a public assistance agency, DWD is required to seek approval for its public assistance cost allocation plan from the U.S. Department of Health and Human Services' Division of Cost Allocation (DCA). The public assistance cost allocation plan includes narrative descriptions of procedures to be used by DWD to distribute administrative costs to various federal and state programs, including public assistance programs. In our prior audit, we reported that DWD had submitted its public assistance cost allocation plan but that it had not obtained DCA approval for its procedures to allocate costs to federal and state programs for FYs 1996-97 through 1999-2000 (Finding WI-00-25).

During our current audit, we found that DWD has continued its efforts to gain approval of the cost allocation plan and has submitted all information requested by DCA. DWD has formed the Quality Assurance and Policy Unit, which is responsible for the plan and for communicating with DCA. Currently, DWD is in the process of developing and testing a random moment sampling process to allocate worker effort for the local organization units. DWD indicates this is DCA's preferred method for allocating these costs and that it is working with the federal government in the development process. However, DWD has yet to obtain final approval for its cost allocation plan.

We reviewed and tested DWD's cost allocations for FY 2000-01. DWD allocated costs to federal grants in accordance with its proposed FY 2000-01 plan.

*We recommend the Wisconsin Department of Workforce Development continue to negotiate with the federal Division of Cost Allocation to resolve any issues impeding approval of the Department's public assistance cost allocation plan for FY 1996-97 through FY 2000-01.*

Questioned Costs: Multiple Grants: Public Assistance Cost Allocation Plan =  
None

DWD Response and Corrective Action Plan: DWD agrees and continues negotiations with DCA regarding issues preventing approval of the public assistance cost allocation plan.

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**Wisconsin Department of Workforce Development**  
**Summary of Findings and Questioned Costs**  
FY 2000-01

**U.S. Department of Agriculture**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-01-13	10.561	State Administrative Matching Grants for Food Stamp Program	Federal Procurement Rules	\$ 0

**U.S. Department of Labor**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-01-10	17.255	Workforce Investment Act	Earmarking and Federal Reporting	\$ 0
WI-01-11	17.255	Workforce Investment Act	Reporting of Carryover JTPA Cluster Funds	0
WI-01-12	17.255	Workforce Investment Act	Cash Management	0

**U.S. Department of Education**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-01-16	84.126	Rehabilitation Services— Vocational Rehabilitation Grants to States	Cash Management	\$ 10,000 Plus an Undetermined Amount
WI-01-17	84.126	Rehabilitation Services— Vocational Rehabilitation Grants to States	Direct Payments for Client Services*	786

**U.S. Department of Health and Human Services**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-01-15	93.558	Temporary Assistance for Needy Families	Transfers of TANF Funds to SSBG*	\$ 45,741
WI-01-9	93.563	Child Support Enforcement	Undistributable Support Collections	Undetermined
WI-01-18	93.563	Child Support Enforcement	Access to KIDS Information*	0

**Noncompliance Findings Affecting Multiple Grants**

<u>Finding Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-01-14	Multiple Grants	Access to Critical Data Sets and Database Tables	\$ 0
WI-01-19	Multiple Grants	Public Assistance Cost Allocation Plan*	0

\* Repeat finding from audit report 01-8.

Inquiries regarding resolution of findings and questioned costs should be directed to the agency contact person listed in Appendix 2 of this report.

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The University of Wisconsin (UW) System, which provides postsecondary academic education for more than 157,000 students, consists of 13 campuses, UW Colleges, UW-Extension, and UW System Administration. The 17-member Board of Regents establishes policies to govern UW System and plans for the future of public higher education in Wisconsin. Each of the 13 campuses awards bachelor's and master's degrees; UW-Madison and UW-Milwaukee also confer doctoral degrees. The UW Colleges are 13 two-year branch campuses that offer general education associate degrees and course credits that transfer to other degree-granting universities. UW-Extension, in cooperation with the UW campuses, provides continuing education courses in classrooms and via distance education, as well as wide-ranging public service programs to Wisconsin residents. UW System Administration is the UW President's staff to assist the Board of Regents in establishing policies; reviewing policy administration; and planning the programmatic, financial, and physical development of the system.

UW System, which had operating costs that totaled almost \$3.1 billion, disbursed \$793.7 million in federal financial assistance during FY 2000-01, including \$329.3 million for the research and development cluster and \$396.7 million for the student financial aid cluster. Federal funds were received either directly from the federal government or as a subrecipient from other organizations. As required by OMB Circular A-133, we tested compliance with laws and regulations related to the federal programs, contracts, and subgrants that UW System administered during the audit period. Our compliance review for FY 2000-01 focused on the research and development cluster and on the student financial aid cluster at five UW campuses and UW Colleges.

The research and development cluster, which is a major type A program, is defined by OMB Circular A-133 as including all research activities, both basic and applied, and all development activities that are supported at universities, colleges, and nonprofit institutions. "Research" is defined as a systematic study directed toward fuller scientific knowledge or understanding of the subject studied. "Development" is a systematic use of knowledge and understanding gained from research directed toward the production of useful materials, devices, systems, or methods, including design and development of prototypes and processes. The research and development grants, which were administered by 12 of the 13 UW campuses, as well as by UW Colleges and UW-Extension, accounted for 41.5 percent of federal funds disbursed by UW System during FY 2000-01. Of that amount, over 95.6 percent was disbursed by UW-Madison. Accordingly, we documented and tested controls used in administering the research and development cluster at UW-Madison and tested compliance with grant requirements for selected research and development grants at UW-Madison.

The student financial aid cluster is defined by OMB Circular A-133 as including those programs of general student assistance in which institutions participate, such as those authorized by Title IV of the Higher Education Act of 1965, as amended. It does not include programs that provide fellowships or similar awards to students on a competitive

basis. The student financial aid cluster accounted for 50.0 percent of federal funds disbursed by UW System during FY 2000-01. The student financial aid cluster is a low-risk type A program and, therefore, must be audited at least once every three years. The Legislative Audit Bureau audits the student financial aid cluster at the UW campuses over a three-year cycle. During the FY 2000-01 audit, we audited the student financial aid cluster as a major program at UW-Madison, UW-Eau Claire, UW-Green Bay, UW-River Falls, UW-Stout, and UW Colleges. We documented and tested controls used in administering the student financial aid programs and tested compliance with grant requirements for the student financial aid programs at these five campuses and UW Colleges.

We also followed up on progress made at all UW campuses on findings included in our prior single audit report (report 01-8). There were no findings or follow-up work to be reported for UW-Eau Claire, UW-Superior, or UW-Whitewater; consequently, this report does not include subsections for these components of UW System.

Finally, at the request of the National Endowment for the Humanities, we included the Wisconsin Humanities Council in our FY 2000-01 audit of UW System and audited the Promotion of the Humanities—Federal/State Partnership grant (catalog #45.129) as a major program. The Wisconsin Humanities Council is a nonprofit organization tied to UW System through its relationship with UW-Extension, which is responsible for fiscal and personnel administration of the Humanities Council. We documented and tested controls used in administering the grant and tested federal grant requirements. There were no findings to report and, therefore, this report does not include a subsection for the Humanities Council.

### **University of Wisconsin-Madison**

UW-Madison is the largest UW campus and one of the major research universities in the nation. It provides instruction to 40,500 students seeking undergraduate or graduate degrees and had operating costs totaling \$1.6 billion in FY 2000-01. Federal grant expenditures for FY 2000-01 totaled \$454.5 million, including \$314.8 million for the major research and development cluster and \$113.6 million for the student financial aid cluster.

We gained an understanding of and tested UW-Madison's internal control structure used in administering the research and development cluster and the student financial aid cluster. We also tested compliance with specific grant requirements for both clusters.

Overall, UW-Madison's internal control structure appears adequate to ensure compliance with federal requirements for the research and development cluster and the student financial aid cluster. However, while following up on UW-Madison's efforts to address concerns included in our FY 1998-99 and FY 1999-2000 single audit reports, we continue to note a concern related to loan assignments.

## **Finding WI-01-20: Loan Assignments**

Federal regulations for the Perkins Loan Program specify that if a loan is still in default after four years of collection efforts, the institution shall continue to make annual attempts to collect from the borrower until the loan is recovered; write off the account, if under \$200; or assign the account to the U.S. Department of Education. Although federal regulations do not specify how long institutions may keep defaulted loans before assignment, good loan management practices require institutions to identify when collection efforts available to them have been exhausted and more powerful collection efforts are necessary. When defaulted loans are assigned, the U.S. Department of Education is able to use collection methods that are not available to campus staff, such as intercepting federal tax refunds.

Beginning with the FY 1997-98 audit, we noted that UW-Madison was not assigning defaulted loans to the U.S. Department of Education in a timely manner. In response to an audit recommendation, in FY 1998-99 and FY 1999-2000 UW-Madison developed criteria for assigning loans and identified 62 loans for assignment. However, since these loans had not been assigned at the time of our last audit, we recommended (Finding WI-00-26) that UW-Madison continue to evaluate defaulted loans in accordance with its loan assignment policy and assign loans to the U.S. Department of Education in a timely manner. UW-Madison staff indicated that they were waiting to assign these 62 loans until new loan assignment procedures, which UW-Madison staff believed to be less burdensome, become effective.

During our current audit, we found that UW-Madison has not assigned any of the 62 defaulted loans that it identified in response to prior audit recommendations. Therefore, *we recommend the University of Wisconsin-Madison continue to evaluate defaulted loans in accordance with its loan assignment policy and assign delinquent loans to the U.S. Department of Education by June 30, 2002.*

Questioned Costs: Perkins Loan Program (catalog #84.038): Loan Assignments = None

UW-Madison Response and Corrective Action Plan: UW-Madison agrees with the recommendation that it continue to evaluate defaulted loans in accordance with its loan assignment policy. It will assign the delinquent loans as soon as the Department of Education distributes the new procedures.

## **University of Wisconsin-Milwaukee**

UW-Milwaukee, which provides instruction to 23,200 students seeking undergraduate or graduate degrees, had operating costs totaling \$322.7 million in FY 2000-01. Federal grant expenditures for that period totaled \$81.7 million, including \$10.3 million for the major research and development cluster and \$63.6 million for the student financial aid cluster.

During our current audit, we followed up on the efforts of UW-Milwaukee to address concerns included in our FY 1998-99 and FY 1999-2000 single audit reports. We found UW-Milwaukee has satisfactorily addressed our concern related to loan assignments.

### **Loan Assignments**

Federal regulations for the Perkins Loan Program specify that if a loan is still in default after four years of collection efforts, the institution shall continue to make annual attempts to collect from the borrower until the loan is recovered; write off the account, if under \$200; or assign the account to the U.S. Department of Education. Although federal regulations do not specify how long institutions may keep defaulted loans before assignment, good loan management practices require institutions to identify when collection efforts available to them have been exhausted and more powerful collection efforts are necessary. For example, when defaulted loans are assigned, the U.S. Department of Education is able to use collection methods that are not available to UW-Milwaukee staff, such as intercepting federal tax refunds.

During our prior audit, we noted that UW-Milwaukee developed assignment criteria and, in accordance with those criteria, identified 132 loans that should be assigned. UW-Milwaukee forwarded 15 loans to the U.S. Department of Education, but 14 of those 15 loans were returned because of incomplete, incorrect, or missing information. We recommended (Finding WI-00-27) that UW-Milwaukee continue to work with the U.S. Department of Education to assign all delinquent loans it identified.

During our current audit, we found that UW-Milwaukee has taken reasonable steps to address our concern. UW-Milwaukee assigned the 14 loans that were returned from the U.S. Department of Education. In addition, UW-Milwaukee staff are in the process of compiling information for the assignment of 40 additional loans and indicated these loans will be assigned by March 31, 2002. We encourage UW-Milwaukee to continue assigning loans in accordance with its assignment criteria.

### **University of Wisconsin-Green Bay**

UW-Green Bay, which provides instruction to 5,500 students seeking undergraduate or graduate degrees, had operating costs totaling \$68.2 million in FY 2000-01. Federal grant expenditures for that period totaled \$14.2 million, including \$349,000 for the major research and development cluster and \$12.7 million for the student financial aid cluster.

We documented and tested UW-Green Bay's internal control structure used in administering the student financial aid cluster. In addition, we tested compliance with grant requirements for the student financial aid cluster. Overall, UW-Green Bay's internal control structure appears adequate to ensure compliance with grant requirements for the

student financial aid cluster. However, we identified concerns related to cash management, Perkins match, federal reporting, and Pell Grant reconciliation. We also noted concerns with two Federal Work-Study (FWS) Program requirements, including student employee time sheets and community service jobs.

### **Finding WI-01-21: Cash Management**

To meet federal cash management requirements, UW-Green Bay must make the disbursements of federal funds as soon as administratively feasible, but no later than three business days following the date federal funds were received. This policy ensures that neither the federal government nor the State earns interest income at the expense of the other.

During our FY 2000-01 audit, we found that UW-Green Bay disbursed \$394,100 in Pell funds and \$71,200 in Supplemental Educational Opportunity Grant funds in January 2001, but federal reimbursement for these costs was not sought or received until June 2001, nearly five months later. As a result, we estimate the State lost potential interest income of \$6,100.

*Therefore, we recommend the University of Wisconsin-Green Bay develop policies and procedures for requesting federal reimbursement of student financial aid expenditures to minimize the time between when the University incurs an expenditure and when it receives reimbursement.*

Questioned Costs: Various Student Financial Aid Programs: Cash Management  
= None

UW-Green Bay Response and Corrective Action Plan: UW-Green Bay has taken steps to draw federal funds in a timely manner. Written policies and procedures will be developed to ensure continued compliance with federal student financial aid cash management regulations.

### **Finding WI-01-22: Perkins Match**

UW-Green Bay's Perkins student financial aid account is a revolving fund, which was started with federal Perkins Loan Program funds and a required institutional match. Repayments on loans, new federal Perkins funds, and new required institutional match amounts are deposited to the revolving fund to provide funds for new loans to students. The required institutional match is equal to one-third of the federal Perkins funds received from the U.S. Department of Education. Federal regulations state that the match amount must be deposited in the Perkins student financial aid account before or at the same time as the federal funds are received. We reviewed UW-Green Bay's procedures to ensure that the appropriate match amount was provided in a timely manner.

UW-Green Bay received approximately \$63,300 in new federal Perkins funds on August 29, 2000. We found the required institutional match of nearly \$21,100 was not made until May 2001, nine months after the federal funds were received.

Until the institutional match was provided, UW-Green Bay held funds that it was not entitled to receive, and the Perkins Loan fund lost potential interest income of approximately \$2,300. To ensure compliance with federal requirements, we recommend the University of Wisconsin-Green Bay develop policies and procedures to ensure federal funds are not drawn until the institutional match is deposited in the Perkins student financial aid account.

Questioned Costs: Perkins Loan Program (catalog #84.038): Perkins Match = \$2,300

UW-Green Bay Response and Corrective Action Plan: UW-Green Bay has not had a budget for Perkins matching funds since FY 1991-92. The budget was returned to UW System Administration for redistribution because new federal Perkins funds were not received for several years and, therefore, the state matching funds were not needed. In April 2000, UW-Green Bay requested matching funds from UW System Administration for FY 2000-01. The funds were not transferred to UW-Green Bay until May 2001, at which time UW-Green Bay transferred charges from the Perkins fund to the state matching fund. UW-Green Bay was successful in obtaining a budget for match purposes for FY 2001-02, and on August 28, 2001, the FY 2001-02 match was met for the federal Perkins funds received on August 27, 2001.

### **Finding WI-01-23: Federal Reporting**

After each academic year, UW-Green Bay is required to complete the Fiscal Operations Report and Application to Participate (FISAP). The FISAP reports financial activity for the Perkins Loan, Federal Supplemental Educational Opportunity Grant (SEOG), and FWS programs. The report discloses program spending for each academic year and serves as a basis for determining future financial aid awards from the U.S. Department of Education. Therefore, the report must be accurate and properly supported. The Student Financial Aid Handbook developed by the U.S. Department of Education states that institutions must maintain any records necessary to support the data contained in the FISAP for three years after the end of the award year in which the FISAP is submitted.

UW-Madison prepared UW-Green Bay's FISAP before FY 2000-01. Starting with FY 2000-01, UW-Green Bay prepared its own report. However, UW-Green Bay continues to rely on UW-Madison for some FISAP information because UW-Madison handles some central processing functions, such as administering the loan collection system.

During our review of UW-Green Bay's FISAP for FY 2000-01, we found inconsistencies in the amounts reported, and UW-Green Bay staff were unable to provide supporting documentation for portions of the report. For example:

- UW-Madison reported that 6,161 UW-Green Bay borrowers were advanced Perkins funds, but UW-Green Bay reported 6,224 borrowers on its FISAP; and
- in the Perkins account, UW-Madison reported a cash balance as of June 30, 2001, of \$15,928 for UW-Green Bay, but UW-Green Bay reported \$66,384 on the FISAP.

In all cases, UW-Green Bay staff had not retained FISAP supporting documentation they received from UW-Madison and were unable to regenerate the numbers or explain changes made to UW-Madison's numbers. Without the supporting documentation, we were unable to verify that certain Perkins and FWS amounts were accurate.

Therefore, *we recommend the University of Wisconsin-Green Bay develop written procedures to standardize preparation of the Fiscal Operations Report and Application to Participate and retain documents used in that effort for the required period.*

Questioned Costs: Various Student Financial Aid Programs: Federal Reporting  
= None

UW-Green Bay Response and Corrective Action Plan: UW-Green Bay agrees with the recommendation. A group will be formed from staff in the Controller's Office, the Bursar's Office, and the Financial Aid Office to develop written procedures.

#### **Finding WI-01-24: Pell Grant Reconciliation**

For the Federal Pell Grant Program, UW-Green Bay calculates individual award amounts, disburses the necessary Pell Grant funds to the students, and reports these disbursements to the U.S. Department of Education. To ensure all disbursements are accurately reflected, UW-Green Bay needs to reconcile the Pell disbursement records within its Financial Aid Office with those maintained by the Controller's Office. It must then complete an annual reconciliation between its Pell disbursement records and the U.S. Department of Education Student Payment Summary report. UW-Green Bay must submit its final Pell Grant summary report and student financial aid report to the Department of Education by September 30 following the end of the academic year.

During our FY 2000-01 audit, we found the UW-Green Bay Financial Aid Office reconciled its records with the campus accounting system in August 2001. However, apparently because of a miscommunication between the Financial Aid Office and the campus Controller's Office, reconciling adjustments that totaled nearly \$3,600 were not made to the accounting system. Since that time, additional transactions have occurred, and to fully reconcile these records, new variances will need to be analyzed.

After this reconciliation between UW-Green Bay systems is completed, UW-Green Bay must also reconcile its data with the U.S. Department of Education. UW-Green Bay has not taken this step in the reconciliation process. Therefore, UW-Green Bay staff are unable to determine whether all appropriate funds have been drawn from the federal government or whether funds should be returned.

Therefore, we recommend the University of Wisconsin-Green Bay complete, by June 30, 2002:

- the FY 2000-01 reconciliation between its Financial Aid Office records and the campus accounting system; and
- the FY 2000-01 reconciliation between its federal Pell disbursement records and the U.S. Department of Education.

In addition, to avoid similar problems in the future, we recommend UW-Green Bay develop policies and procedures to ensure these reconciliations are performed on an annual basis.

Questioned Costs: Federal Pell Grant Program (catalog #84.063): Pell Grant Reconciliation = Undetermined

UW-Green Bay Response and Corrective Action Plan: UW-Green Bay agrees to continue the reconciliation of financial aid records to the campus accounting system and will complete a reconciliation between its federal Pell disbursement records and the U.S. Department of Education records. In addition, UW-Green Bay agrees to develop policies and procedures to ensure reconciliations are performed on an annual basis.

### **Finding WI-01-25: Student Employee Time Sheets**

As part of student financial aid awards, eligible students may earn FWS Program funds by working for qualified organizations such as the university; a federal, state or local government agency; or a private nonprofit organization. Federal regulations require the work performed by FWS students to be supported by time sheets documenting actual hours worked. Federal regulations further require time sheets be signed by the students' supervisors to verify the documented hours are accurate.

UW-Green Bay payroll office staff noted that student time sheets are prepared by the student employees and signed by the supervisors. However, they also stated that, at times, student employees have access to completed student time sheets after supervisory approval is given and typically deliver those time sheets to the campus payroll office. Students with access to time sheets after the supervisory review have the opportunity to alter the number of hours worked, thereby receiving an incorrect amount of FWS funds.

To help ensure student employees are paid for the appropriate number of hours worked, we recommend the University of Wisconsin-Green Bay develop policies and procedures to ensure submitted student time sheets are accurate. This may involve supervisors submitting signed time sheets to the payroll office or reviewing payroll reports of hours paid to verify their accuracy.

Questioned Costs: Federal Work-Study Program (catalog #84.033): Student Employee Time Sheets = None

UW-Green Bay Response and Corrective Action Plan: UW-Green Bay will develop policies and procedures to ensure submitted student time sheets are accurate. UW-Green Bay will eliminate paper time sheets when the new timekeeping system, Kronos, is installed in fall 2002. This will require a separate and more complex set of policies and procedures in regard to the accuracy of time reporting.

### **Finding WI-01-26: Community Service Jobs**

Federal regulations require each University to spend 7.0 percent of its allocated FWS funds for community service jobs. UW-Green Bay's final allocated amount was \$228,600 for FY 2000-01. To comply with the 7.0 percent requirement, UW-Green Bay needed to incur community service job expenditures of approximately \$16,050. However, UW-Green Bay incurred only \$9,110 in community service job expenditures, or 4.0 percent of its allocated funds, and fell \$6,940 short of meeting FWS requirements. We have no questioned costs because this appears to be a nonmonetary instance of noncompliance.

However, we recommend the University of Wisconsin-Green Bay develop and implement procedures to meet the Federal Work-Study Program requirement for community service jobs.

Questioned Costs: Federal Work-Study Program (catalog #84.033): Community Service Jobs = None

UW-Green Bay Response and Corrective Action Plan: Failure to meet the 7.0 percent threshold for community service jobs was a result of several factors. A higher than normal number of students quit jobs in the second semester. Additionally, in the summer of 2001 no students were placed in TRIO, a cluster of federal programs designed to help first-generation college and economically disadvantaged students achieve success at the postsecondary level, which are often classified as community service jobs.

UW-Green Bay has already met its requirement for FY 2001-02 and expects to end the reporting year at approximately 15 percent.

## University of Wisconsin-La Crosse

UW-La Crosse, which provides instruction to 9,100 students seeking undergraduate or graduate degrees, had operating costs totaling \$108.8 million in FY 2000-01. Federal grant expenditures for that period totaled \$27.7 million, including \$1.7 million for the major research and development cluster and \$24.5 million for the student financial aid cluster.

During our current audit, we followed up on the efforts of UW-La Crosse to address concerns included in our FY 1999-2000 single audit report. Although UW-La Crosse has addressed our concerns related to in-house collection efforts, loan disclosures, and record retention, we continue to note a concern related to collection agencies. In addition, we continue to have a concern with post-deferment grace period contacts. However, since this concern likely involves several UW campuses, we will be pursuing it further with UW System Administration.

### **Finding WI-01-27: Collection Agencies**

Federal regulations for the Perkins Loan Program require collection agencies to return loans to institutions if they do not succeed in converting them to repayment status after 12 months of collection activity. Upon the return of a loan, the institution is required to attempt to collect the loan or to place the loan with a different collection agency for an additional 12-month period. This federal requirement is intended to ensure institutions do not leave defaulted loans at collection agencies for excessive periods of time without any action being taken.

During our FY 1999-2000 audit, we reviewed five records for borrowers who were in default as of June 30, 2000, and had been referred to a collection agency. We found that loans for two of these borrowers had exceeded the 12-month limitation, with one being at the same collection agency for 19 months and the other for 30 months. In both cases, the collection agencies had been unsuccessful in making any collections. We recommended (Finding WI-00-29) that UW-La Crosse implement procedures to ensure defaulted loans referred to collection agencies are returned to UW-La Crosse in a timely manner.

During our current audit, we found that UW-La Crosse implemented a policy to review loans referred to collection agencies on a quarterly basis. While reviewing records for 15 borrowers in default as of June 30, 2001, we identified 8 that had been referred to a collection agency. Of these eight, two exceeded the 12-month limitation: one was at the same collection agency for 18 months, and the other for 17 months.

Therefore, to ensure federal due-diligence requirements are met, we continue to recommend the University of Wisconsin-La Crosse identify and request the return of all loans that have been referred to a collection agency for more than 12 months, if collection efforts have been unsuccessful. We further recommend the University of Wisconsin-La Crosse re-evaluate its procedures for reviewing defaulted loans referred to collection agencies to ensure they are, in fact, returned to the institution in a timely manner.

Questioned Costs: Perkins Loan Program (catalog #84.038): Collection Agencies = None

UW-La Crosse Response and Corrective Action Plan: The UW-La Crosse Administrator of the Perkins Loan Department Operations has been assigned the task of identifying such loans at the collection agencies on a quarterly basis and placing these loans at other collection agencies for additional collection action. The UW-La Crosse Internal Auditor, along with the Assistant Controller, will review such loans at the collection agencies to ensure that UW-La Crosse's procedures are being followed and that loans are handled appropriately.

### **Post-Deferment Grace Period Contacts**

Under the Perkins Loan Program, a borrower is entitled to have the repayment of a loan deferred under certain circumstances, such as when particular financial hardship can be demonstrated or when the borrower is enrolled at least half-time in an eligible school. During the deferment period, the borrower is not required to make payments on the loan principal. After the deferment period, the borrower enters a six-month grace period, during which time federal regulations require institutions to contact the borrower two times to remind him or her of the responsibility to comply with the loan terms and to send the borrower information, including the total loan amount outstanding, and the date and amount of the next required payment.

During our FY 1999-2000 audit, we reviewed 20 Perkins loans and found two borrowers who were not contacted during their post-deferment grace periods. UW-La Crosse and other UW campuses have contracted with University Accounting Service (UAS), Inc., to perform their Perkins Loan Program billings and other activities, such as making grace period contacts. We recommended (Finding WI-00-30) that UW-La Crosse monitor and work with UAS to ensure the proper borrower contacts were being made during the post-deferment grace period.

Subsequent to our FY 1999-2000 audit, UAS indicated that its computer system was properly set up to meet the grace period requirements. However, UAS customer service representatives who need to flag the account to receive the appropriate correspondence were not doing so. UAS further indicated that it had reviewed this process with its representatives and believed procedures were in place to ensure compliance.

However, during our current audit, we reviewed five records for UW-La Crosse borrowers whose deferment periods recently ended and found one borrower was not contacted during the post-deferment grace period. Since the deferment period for this borrower ended after UAS provided assurance as to its compliance, it appears UAS is not properly identifying all loans that need post-deferment period contacts. Since ten campuses use UAS for some loan collection purpose, and this concern may apply to several UW campuses, we will pursue this concern further with UW System Administration, which is responsible for the overall monitoring of the UAS contract.

### **In-house Collection Efforts**

Federal regulations for the Perkins Loan Program require institutions to send overdue notices when a loan is 15, 45, and 60 days past due and to attempt to contact the borrower by telephone at 90 days past due. If a borrower does not satisfactorily respond to the overdue notices or telephone contact, federal regulations require the institution to either use its own personnel or engage a collection agency for more aggressive collection efforts, such as litigation. UW-La Crosse's policy is to initially use in-house personnel to perform collection procedures after a loan has been in default for four months, which is approximately 30 days after telephone contact has been attempted.

During our prior audit, we reviewed ten loans in default as of June 30, 2000, and found three that had been in default for at least six months with no in-house collection efforts being initiated. Of these three loans, two had been in default for over one year. In all three instances, the defaulted loans were identified and collection procedures were initiated upon our audit inquiry. We recommended (Finding WI-00-28) that UW-La Crosse review all defaulted loans to ensure either in-house procedures or collection agencies were being utilized.

UW-La Crosse staff stated that all defaulted loans were reviewed to ensure the required collection actions, including using in-house procedures and collection agencies, were taken. We reviewed 15 defaulted loans and found, in all instances, the necessary collection actions were completed.

### **Loan Disclosures**

According to federal regulations, before an institution makes its first loan disbursement to a student, the institution must provide the student with certain information, such as the stated interest rate on the loan, an explanation of when repayment of the loan will begin, a definition of default and the consequences to the borrower, and loan consolidation and other financing options. The institution must provide this information to the borrower in writing.

During our FY 1999-2000 audit, we reviewed the pre-disbursement disclosures provided to UW-La Crosse students and found that loan consolidation and other refinancing options were not disclosed. Therefore, we recommended (Finding WI-00-31) that UW-La Crosse disclose, in writing, loan consolidation and financing options to students before disbursing Perkins Loan awards.

During our current audit, we found that UW-La Crosse has included loan consolidation and other financing information on its Federal Perkins Student Loan Statement of Rights and Responsibilities, which is signed by each student when accepting a Perkins loan from UW-La Crosse.

### **Missing Documentation**

As part of the student financial aid awards, eligible students may earn FWS funds by working for qualified organizations, such as the university; a federal, state, or local government agency; or a private nonprofit organization. Federal regulations require that work performed by FWS students be supported by time sheets documenting actual hours worked. Regulations further require that an institution keep records relating to its administration of the FWS program for three years subsequent to the year the aid was disbursed.

During our prior audit, UW-La Crosse was unable to provide time sheets for two of six students we had selected for our FWS review. The supervisor for one of these students, who also employed nine other FWS students and incurred FWS costs of \$6,034 in FY 1999-2000, indicated that all student time sheets were destroyed at the end of the 1999-2000 academic year. UW-La Crosse staff noted that although FWS supervisors are responsible for retaining student time sheets, record-retention standards are not documented in the information packets given to FWS supervisors, nor are they discussed during training sessions for new FWS supervisors. Therefore, we recommended (Finding WI-00-32) that UW-La Crosse ensure all FWS supervisors are informed of the federal record-retention standards.

UW-La Crosse staff have included record-retention information in the information packets provided to FWS supervisors. In addition, we reviewed time sheets for five students who received FWS funds in FY 2000-01. UW-La Crosse staff were able to provide time sheets to support their charges to the FWS program.

### **University of Wisconsin-Oshkosh**

UW-Oshkosh, which provides instruction to 10,800 students seeking undergraduate or graduate degrees, had operating costs totaling \$114.6 million in FY 2000-01. Federal grant expenditures for that period totaled \$25.1 million, including \$273,000 for the major research and development cluster and \$20.8 million for the student financial aid cluster.

During our current audit, we followed up on the efforts of UW-Oshkosh to address concerns included in our FY 1998-99 and FY 1999-2000 single audit reports. We found that UW-Oshkosh has adequately addressed our prior audit concerns related to physical inventory and federal reporting procedures.

## **Physical Inventory**

OMB Circular A-110 prescribes standards for property purchased with federal funds or furnished by the federal government. For example, federal rules require UW-Oshkosh to maintain property records that include a description, acquisition date, cost, location, and funding source for each piece of equipment. Federal rules also require UW-Oshkosh to perform a physical inventory at least once every two years and to reconcile the results to its property records.

During prior audits, we noted (Finding WI-00-33) that UW-Oshkosh had not taken a complete physical inventory since 1994. In our current audit, however, we found that UW-Oshkosh has conducted a physical inventory and reconciled the physical inventory results with the campus inventory system.

## **Federal Reporting**

Beginning with the FY 1995-96 single audit, we recommended (Finding WI-99-28) that for FISAP reporting purposes, UW-Oshkosh allocate segregated fees and special course fees that are not specifically identifiable as graduate or undergraduate fees based on the ratio of graduate and undergraduate students for the year in which the allocation is made. Fees that can be identified with a specific student group should be directly assigned to that group. Because UW-Oshkosh was unable to provide documentation to support its determination of graduate and undergraduate fees, we further recommended that UW-Oshkosh maintain documentation for federal reports for a minimum of three years.

During our current audit, we found that UW-Oshkosh properly calculated and reported its graduate and undergraduate fees on the FY 2000-01 FISAP. In addition, UW-Oshkosh was able to provide documentation to support its determination of graduate and undergraduate fee amounts.

## **University of Wisconsin-Parkside**

UW-Parkside, which provides instruction to 5,000 students seeking undergraduate or graduate degrees, had operating costs totaling \$53.4 million in FY 2000-01. Federal grant expenditures for that period totaled \$12.3 million, including \$300,000 for the research and development cluster and \$11.1 million for the student financial aid cluster.

During our current audit, we followed up on the efforts of UW-Parkside to address concerns included in our FY 1999-2000 single audit report (report 01-8). Although UW-Parkside has satisfactorily addressed concerns regarding federal reporting, we continue to note concerns with loan assignments and the return of student financial aid funds.

## **Finding WI-01-28: Loan Assignments**

Federal regulations for the Perkins Loan Program specify that if a loan is still in default after four years of collection efforts, the institution shall continue to make annual attempts to collect from the borrower until the loan is recovered; write off the account, if under \$200; or assign the account to the U.S. Department of Education. Although federal regulations do not specify how long institutions may keep defaulted loans before assignment, good loan management practices require institutions to identify when collection efforts available to them have been exhausted and when additional collection efforts are necessary. For example, when defaulted loans are assigned, the U.S. Department of Education is able to use collection methods that are not available to UW-Parkside staff, such as intercepting federal tax refunds.

During our FY 1998-99 audit, we identified nine UW-Parkside loans, totaling \$21,211 in principal and interest, that had been in default for more than ten years without any collections being received. During our FY 1999-2000 audit, we noted UW-Parkside had 18 loans, totaling \$51,587, that had been in default for over ten years. We recommended (Finding WI-00-36) that UW-Parkside develop criteria for the assignment of loans and, in accordance with these criteria, take timely action to assign delinquent loans to the U.S. Department of Education.

During our current audit, we found that UW-Parkside has not developed assignment criteria and has not assigned any loans to the U.S. Department of Education since 1992. UW-Parkside currently has 22 loans, totaling \$64,752 in principal and interest, that have been in default for more than ten years.

Therefore, as the number and value of loans in default for at least ten years increases, we continue to recommend the University of Wisconsin-Parkside develop criteria for the assignment of loans, periodically evaluate its delinquent loans in accordance with these criteria, and assign delinquent loans to the U.S. Department of Education in a timely manner.

Questioned Costs: Perkins Loan Program (catalog #84.038): Loan Assignments = None

UW-Parkside Response and Corrective Action Plan: UW-Parkside believes the benefit of assigning delinquent loans to the U.S. Department of Education is not cost justified. If payment is made on an assigned loan, UW-Parkside does not receive any credit for payments made, and the delinquent amounts remain on the University's records as outstanding; thus, the delinquent amount is not reduced. However, after meeting the federal requirement of sending loans to two collection agencies, UW-Parkside referred over \$291,600 of loans to third and fourth collection agencies during the period January through August 2001. All delinquent loans were referred to collection agencies during this time period.

Nevertheless, to comply with the auditor recommendations, procedures were developed to include assignment of delinquent loan amounts to the U.S. Department of Education. Those delinquent loans identified as in default for more than eight years will be assigned to the U.S. Department of Education. UW-Parkside will begin this process before April 15, 2002, and will continue to monitor and assign delinquent amounts on an ongoing basis.

### **Finding WI-01-29: Return of Student Financial Aid Funds**

Student financial aid funds are awarded and disbursed to UW-Parkside students to offset attendance costs, such as tuition and housing. A recipient of financial aid funds who withdraws from school may no longer be eligible for the full amount of funds that he or she was originally awarded. Therefore, if the amount disbursed to the student is greater than the amount earned, UW-Parkside must calculate, in accordance with federal regulations, the amount to be returned to the student financial aid programs. Both the school and the student may be responsible for returning money to the programs. Federal regulations require that funds be returned to the appropriate student financial aid account within 30 days of the date the student officially withdraws or is expelled.

During our FY 1998-99 testing of nine instances involving the return of student financial aid funds, we identified one in which \$1,500 was returned to the Federal Pell Grant Program account 56 days after the student withdrew from UW-Parkside. During our review of FY 1999-2000 returns to student financial aid accounts, we noted a return that was made to the Federal Pell Grant Program account 64 days after the student withdrew from UW-Parkside. UW-Parkside staff indicated that procedures to calculate and return student financial aid involve several different offices within the University. A delay in one office could result in the 30-day requirement being exceeded. We recommended (Finding WI-00-37) that UW-Parkside ensure returns were made to the appropriate federal student financial aid accounts within 30 days.

During our current audit, we reviewed five instances involving the return of student financial aid funds. Of these five, we found that two returns were not made within the required time period. In one case, UW-Parkside returned the funds 81 days after the student withdrew from school; in the other, funds were returned 65 days after withdrawal. In addition, based on further discussions with UW-Parkside staff, we noted that for nine students who withdrew from school in January or February 2001, UW-Parkside returned a total of nearly \$4,625 to the student financial aid accounts in May 2001. Of these nine returns, the latest was made 106 days after the student withdrew from school. UW-Parkside staff indicated that for these nine returns, additional time was needed to determine the University's funding source that would reimburse the financial aid accounts.

Therefore, we continue to recommend the University of Wisconsin-Parkside develop policies and procedures to ensure returns are made to the applicable federal student financial aid accounts within the required time period.

Questioned Costs: Various Student Financial Aid Programs: Return of Student Financial Aid Funds = Undetermined

UW-Parkside Response and Corrective Action Plan: UW-Parkside developed procedures in April 2001 to improve the “Return to Title IV Aid” process when students withdraw from UW-Parkside. Because of when the procedural changes occurred, the effects could not be reflected in the 2000-01 academic year. A review of the process for the 2001-02 academic year will show a much-improved process.

### **Federal Reporting**

After each academic term, UW-Parkside is required to complete the FISAP to report financial activity for the Perkins Loan, SEOG, and FWS programs. The FISAP is used as a basis for determining future financial aid awards from the U.S. Department of Education. Therefore, it is critical that information on the report be both accurate and properly supported. The Student Financial Aid Handbook developed by the U.S. Department of Education states that institutions must maintain any records necessary to support the data contained in the FISAP for three years after the end of the award year in which the FISAP is submitted.

During our FY 1998-99 and FY 1999-2000 audits, UW-Parkside staff could not provide supporting documentation for the portion of the FISAP that provides the number of program recipients and amount of expenditures for SEOG and FWS funds. Because UW-Parkside staff were unfamiliar with FISAP compilation procedures and could not regenerate the necessary information, we were unable to verify that the SEOG and FWS amounts were accurate. We recommended (Finding WI-00-35) that UW-Parkside maintain all records necessary to support FISAP data for three years and develop written procedures to standardize report preparation procedures.

During our current audit, we found that UW-Parkside has developed procedures for preparing the FISAP. In addition, UW-Parkside staff were able to provide the necessary documentation to support the amounts within the 2000-01 FISAP.

### **University of Wisconsin-Platteville**

UW-Platteville, which provides instruction to 5,500 students seeking undergraduate or graduate degrees, had operating costs totaling \$71.9 million in FY 2000-01. Federal grant expenditures for that period totaled \$15.0 million. Although UW-Platteville does not administer any research and development grants, its student financial aid cluster expenditures totaled \$14.8 million in FY 2000-01.

During our current audit, we followed up on the efforts of UW-Platteville to address concerns included in our FY 2000-01 single audit report. Although UW-Platteville has adequately implemented our prior audit recommendation regarding return of student financial aid funds, we continue to note a concern related to the Pell Grant Program reconciliation.

### **Finding WI-01-30: Pell Grant Reconciliation**

For the Federal Pell Grant Program, UW-Platteville calculates individual award amounts, disburses the necessary Pell Grant funds to the students, and reports these disbursements to the U.S. Department of Education for reimbursement. To ensure all disbursements are accurately reflected on both campus and federal records, UW-Platteville completes an annual reconciliation between its Pell disbursement records and the U.S. Department of Education Student Payment Summary report. UW-Platteville must then submit its final Pell Grant summary report and student financial aid report to the Department of Education by September 30 following the end of the academic year.

During our prior audit, we reviewed UW-Platteville's Pell Grant reconciliation for FY 1999-2000 and identified three variances totaling \$1,624. We recommended (Finding WI-00-39) that UW-Platteville work with the federal government to determine the resolution procedures for the three identified Pell Grant reconciliation variances and take timely steps to resolve such variances.

During our current audit, we found that UW-Platteville has resolved the variances noted in our prior audit report. However, we found that UW-Platteville has not fully completed its FY 2000-01 Pell Grant reconciliation. Specifically, we noted that UW-Platteville has drawn down \$2,632 in federal funds that it cannot support with Pell disbursements.

Therefore, *we recommend the University of Wisconsin-Platteville provide supporting documentation for all Pell Grant funds it received or return the federal funds that are not supported with grant disbursements to the U.S. Department of Education.*

Questioned Costs: Federal Pell Grant Program (catalog #84.063): Pell Grant Reconciliation = \$2,632

UW-Platteville Response and Corrective Action Plan: UW-Platteville is in the process of double-checking Pell disbursements to determine if, indeed, it drew down more funds than can be supported by its actual disbursements. During FY 2000-01, UW-Platteville struggled with software issues and also discovered that some reports it was using were not providing accurate information. UW-Platteville has resolved those issues but is now going back to accurately determine its disbursement versus drawdown amounts. A final determination should be completed by mid-April 2002.

### **Return of Student Financial Aid Funds**

Student financial aid funds are awarded and disbursed to UW-Platteville students to offset attendance costs, such as tuition and housing. When a recipient of financial aid funds withdraws from school, the student may no longer be eligible for the full amount of funds that he or she was originally awarded. Therefore, if the amount disbursed to the

student is greater than the amount earned, UW-Platteville must calculate, in accordance with federal regulations, the amount to be returned to the student financial aid programs. Both the school and the student may be responsible for returning money to the programs.

During our FY 1999-2000 audit, we reviewed records for five students who withdrew during the semester and received financial aid. We identified one instance in which a return of \$903 was due to federal student financial aid programs, but UW-Platteville calculated that no return was needed. UW-Platteville attributed this to a human error during the manual calculation used to determine the return amount. We recommended (Finding WI-00-38) that UW-Platteville develop a review procedure to ensure the return of federal funds is appropriately identified, calculated, and credited to the applicable federal student financial aid account.

During our current audit, we found that UW-Platteville has returned \$903 to the appropriate federal student financial aid programs. Further, UW-Platteville has implemented new software that calculates return amounts. We reviewed five instances involving the return of federal funds and found, in all instances, the calculations were accurate.

### **University of Wisconsin-River Falls**

UW-River Falls, which provides instruction to 5,800 students seeking undergraduate or graduate degrees, had operating costs totaling \$85.0 million in FY 2000-01. Federal grant expenditures for that period totaled \$16.5 million, including \$77,000 for the major research and development cluster and \$14.7 million for the student financial aid cluster.

We documented and tested UW-River Falls' internal control structure used in administering the student financial aid cluster. In addition, we tested compliance with grant requirements for the student financial aid cluster. Overall, UW-River Falls' internal control structure appears adequate to ensure compliance with grant requirements for the student financial aid cluster. However, we did identify concerns related to the return of student financial aid funds and three Perkins Loan Program compliance requirements, including post-deferment grace period contacts, in-house collection efforts, and loan disclosures.

#### **Finding WI-01-31: Return of Student Financial Aid Funds**

Student financial aid funds are awarded and disbursed to UW-River Falls students to offset attendance costs, such as tuition and housing. When a recipient of financial aid funds withdraws from school, the student may no longer be eligible for the full amount of funds that he or she was originally awarded. Therefore, if the amount disbursed to the student is greater than the amount earned, UW-River Falls must calculate, in accordance with federal regulations, the amount to be returned to the student financial aid programs. Both the school and the student may be responsible for returning money to the programs. An important factor in this calculation is whether the financial aid subsidized "institutional" or "non-institutional" charges. To calculate the amount the

school must return, UW-River Falls multiplies the amount of institutional charges by the percentage of unearned funds, which is the percentage of the enrollment period not completed. The student is responsible for returning non-institutional charges based on the same percentage.

Institutional charges are all expenses assessed a student unless they qualify as a non-institutional or excludable charges. Under federal regulations, non-institutional charges include:

- a charge for the cost of non-returnable equipment;
- a charge for required course materials, such as books and supplies, that the student had a "real and reasonable opportunity" to purchase elsewhere;
- a charge that is collected by the school but passed through to an unaffiliated entity; and
- a charge for discretionary expenses, such as athletic tickets.

The more that expenses are excludable from the calculation, the less the school is obligated to return to the student financial aid programs. Therefore, federal guidelines require a school to demonstrate that specific charges or costs are non-institutional before it may exclude such charges from the return calculation.

UW-River Falls has 138 special course fees, ranging from \$3 to \$1,900, which are assessed to students to cover the cost of providing required course materials. UW-River Falls staff indicated that all special course fees are excluded from institutional charges, because the materials provided may be non-returnable. However, according to the federal Student Financial Aid Handbook, it may not be justifiable to classify all used books or equipment as non-returnable. A school must demonstrate that there are specific circumstances that would prevent it from selling the books or equipment to other students. UW-River Falls has not demonstrated on a fee-by-fee basis that its special course fees are, in fact, excludable.

Therefore, to ensure compliance with federal requirements, *we recommend the University of Wisconsin-River Falls document that special course fees are excludable from institutional charges on a fee-by-fee basis or include all special course fees as institutional charges.*

Questioned Costs: Various Student Financial Aid Programs: Return of Student Financial Aid Funds = None

UW-River Falls Response and Corrective Action Plan: To ensure compliance with federal requirements, UW-River Falls began qualifying all special course fees as institutional charges, effective for FY 2001-02.

### **Finding WI-01-32: Post-Deferment Grace Period Contacts**

Under the Perkins Loan Program, a borrower is entitled to have the repayment of a loan deferred under certain circumstances, such as when particular financial hardship can be demonstrated or when the borrower is enrolled at least half-time in an eligible school. After the deferment period, the borrower enters a six-month grace period. The borrower is not required to make payments on the loan principal during the deferment or grace periods, but federal regulations require schools to contact the borrower two times during the grace period to remind him or her of the responsibility to comply with the loan terms, and to send the borrower pertinent loan information, including the total loan amount outstanding and the date and amount of the next required payment.

During our FY 2000-01 audit, we reviewed 20 UW-River Falls' Perkins loans. Of these, eight loans were in deferment at some time during the audit period, with the deferment period for one loan ending during FY 2000-01. This borrower was not contacted during the post-deferment grace period. UW-River Falls staff were not aware of the post-deferment contact requirements and had not programmed their computer system to generate the necessary notification letters. Without such contacts, borrowers may be unaware of payment requirements, and the likelihood of payment may be reduced.

Therefore, *we recommend the University of Wisconsin-River Falls ensure that the proper borrower contacts are made during the post-deferment grace period.*

Questioned Costs: Perkins Loan Program (catalog #84.038): Post-Deferment Grace Period Contacts = None

UW-River Falls Response and Corrective Action Plan: UW-River Falls agrees to contact all borrowers two times during the Perkins Loan post-deferment grace period and to provide the borrower with the information required under the terms of the Perkins Loan Program requirements. At present, UW-River Falls is undergoing a change in the student information system and the Perkins Loan system. These changes preclude an automated identification of those borrowers who have not been notified two times during the loan grace period and an automated generation of notification letters to these borrowers. UW-River Falls will identify the borrowers in question via a manual system and compose and send notifications where necessary. The new student information system and Perkins Loan system should be able to automatically identify and notify borrowers who meet the Perkins loan criteria by FY 2003-04.

### **Finding WI-01-33: In-house Collection Efforts**

According to federal regulations for the Perkins Loan Program, if a delinquent borrower does not satisfactorily respond to overdue notices sent at 15, 45, and 60 days past due, the school must either use its own personnel or engage a collection agency for more aggressive collection efforts. The school or the firm it engages may pursue collection activity for up to 12 months. At that time, if the account has not been converted to regular repayment status and if the borrower does not qualify for deferment,

postponement, or cancellation of the loan, the school must make a second effort to collect the account. Federal regulations further require the second effort to be with a collection agency, if in-house staff were previously used. UW-River Falls' policy is to initially use in-house personnel to perform collection procedures.

We reviewed ten loans in default as of February 28, 2001. Two of these loans had been in default for over two-and-one-half years but had never been placed at a collection agency. UW-River Falls staff indicated a review of accounts collected in-house is performed semi-annually to identify accounts that should be referred to collection agencies. During this review, UW-River Falls extended in-house collection procedures because of the borrowers' oral promises to pay or complete a deferment form. However, we believe that these promises, which were not kept, do not constitute regular repayment status, as required by federal regulations, and more timely action should be taken to attempt other collection strategies.

To ensure compliance with federal due diligence requirements, we recommend the University of Wisconsin-River Falls immediately review all loans for which in-house collection efforts have been attempted for more than 12 months without satisfactory borrower responses to ensure that alternate collection strategies, such as collection agencies, are being utilized. We further recommend the University of Wisconsin-River Falls develop and implement procedures for more timely identification of such loans in the future.

Questioned Costs: Perkins Loan Program (catalog #84.038): In-house Collection Efforts = None

UW-River Falls Response and Corrective Action Plan: UW-River Falls agrees to review all loans for which in-house collection efforts have been attempted for more than 12 months without satisfactory borrower responses. The borrowers will be notified that if satisfactory repayment action is not taken within 30 days, their accounts will be referred to a collection agency. Given the systems changes referenced in an earlier response, a manual review of aged accounts receivable will be required to identify those borrowers who meet the 12-month threshold. After system implementation has taken place in FY 2003-04, this process will be automated.

### **Finding WI-01-34: Loan Disclosures**

According to federal regulations, before a school makes its first loan disbursement to a student, the school must provide the student with written information concerning the stated interest rate on the loan, an explanation of when repayment of the loan will begin, an estimate of the monthly repayment amount, and loan consolidation and other financing options.

We reviewed the pre-disbursement disclosures provided to UW-River Falls students in FY 2000-01 and found several required disclosures had not been made. These include a statement that the school will report the amount of the loan to a national credit bureau at least annually, an estimate of the monthly payment amount needed to repay the cumulative balance owed by the student, and loan consolidation or other refinancing options.

Therefore, we recommend the University of Wisconsin-River Falls make the required disclosures, in writing, before disbursing federal financial aid funds. We further recommend UW-River Falls periodically review federal regulations to ensure that all required disclosures are made to borrowers.

Questioned Costs: Perkins Loan Program (catalog #84.038): Loan Disclosures  
= None

UW-River Falls Response and Corrective Action Plan: UW-River Falls agrees to make the required disclosures, in writing, before disbursing federal financial aid funds. UW-River Falls staff were aware that loan disclosures were required and considered the award information brochure, the promissory note, and the statement of rights and responsibilities adequate in meeting the requirements of the federal regulations. UW-River Falls will implement an on-line student loan counseling program, effective FY 2002-03, which will meet the federal requirements for pre-disbursement loan disclosures. Additionally, UW-River Falls will make staff available to students requesting personal assistance with the loan application process.

### **University of Wisconsin-Stevens Point**

UW-Stevens Point, which provides instruction to 8,600 students seeking undergraduate or graduate degrees, had operating costs totaling \$113.1 million in FY 2000-01. Federal grant expenditures for that period totaled \$24.3 million, including \$200,000 for the research and development cluster and \$22.0 million for the student financial aid cluster.

During our current audit, we followed up on the efforts of UW-Stevens Point to address concerns included in our FY 1999-2000 single audit report. We found that UW-Stevens Point has adequately implemented our recommendation related cash management.

### **Cash Management**

UW-Stevens Point requests its student financial aid funds from the U.S. Department of Education on a reimbursement basis. Under the reimbursement method, UW-Stevens Point must disburse the funds to eligible students before requesting funds from the Department of Education. However, effective cash management procedures also require UW-Stevens Point to request the necessary funds as soon as possible after incurring the allowable expenditures. Such procedures ensure that neither the federal government nor the State earns interest income at the expense of the other.

During our prior audit, we found that UW-Stevens Point requested student financial aid reimbursements only three times during the fiscal year. Since the reimbursement requests were not made on a consistent and frequent basis, the State's funds were used to temporarily pay the student financial aid disbursements and the State lost an undetermined amount of interest. We recommended (Finding WI-00-40) that UW-Stevens Point develop policies and procedures for requesting federal reimbursement to minimize the delay between when expenditures are incurred and reimbursement is received.

During our current audit, we found that UW-Stevens Point has implemented procedures to review its cash needs on a monthly basis and to request federal student financial aid funds at that time. We found that in FY 2000-01, UW-Stevens Point made six requests for federal reimbursement.

### **University of Wisconsin-Stout**

UW-Stout, which provides instruction to 7,700 students seeking undergraduate or graduate degrees, had operating costs totaling \$107.6 million in FY 2000-01. Federal grant expenditures for that period totaled \$28.0 million, including \$700,000 for the major research and development cluster and \$24.7 million for the student financial aid cluster.

We documented and tested UW-Stout's internal control structure used in administering the student financial aid cluster. In addition, we tested compliance with grant requirements for the student financial aid cluster. Overall, UW-Stout's internal control structure appears adequate to ensure compliance with grant requirements for the student financial aid cluster. However, we did identify concerns related to loan assignments.

#### **Finding WI-01-35: Loan Assignments**

Federal regulations for the Perkins Loan Program specify that if a loan is still in default after four years of collection efforts, the institution shall continue to make annual attempts to collect from the borrower until the loan is recovered; write off the account, if under \$200; or assign the account to the U.S. Department of Education. Although federal regulations do not specify how long institutions may keep defaulted loans before assignment, good loan management practices require institutions to identify when collection efforts available to them have been exhausted and more powerful collection efforts are necessary. For example, when defaulted loans are assigned, the U.S. Department of Education is able to use collection methods that are not available to campus staff, such as intercepting federal tax refunds.

Based on our review of delinquent loan reports, we determined that UW-Stout has at least 69 loans, totaling approximately \$170,779 in principal, interest, and fees, that could be considered for assignment to the U.S. Department of Education. These loans have been in default for more than ten years without any collections being received. Of these

69 delinquent loans, 18 loans with approximately \$40,577 in principal, interest, and fees have been in default more than 15 years. UW-Stout has not assigned any delinquent loans to the U.S. Department of Education since October 1991.

UW-Stout staff stated they are waiting to assign these loans until new federal procedures for assigning loans, which UW-Stout staff believe to be less burdensome, become effective. Nevertheless, to ensure effective loan management practices are used, we recommend the University of Wisconsin-Stout develop criteria for the assignment of loans, periodically evaluate its delinquent loans in accordance with these criteria, and assign qualifying delinquent loans to the U.S. Department of Education in a timely manner.

Questioned Costs: Perkins Loan Program (catalog #84.038): Loan Assignments = None

UW-Stout Response and Corrective Action Plan: UW-Stout was interpreting the federal regulation that it “may” assign the loans, and used that as its basis to collect at the campus level. UW-Stout is in the process of beginning the assignment paperwork for the loans in question. A part-time employee has been allocated to the federal Perkins area to assign the loans in question before the end of FY 2001-02. Loan assignments will become part of our regular process for delinquent loans in the future.

### **University of Wisconsin Colleges**

UW Colleges include 13 two-year campuses located throughout Wisconsin and provide instruction to 11,400 students who are seeking associate degrees or are earning credits to transfer to another university. UW Colleges had operating costs totaling \$68.5 million in FY 2000-01. Federal grant expenditures for that period totaled \$13.0 million, including \$11.8 million for the student financial aid cluster.

We documented and tested UW Colleges’ internal control structure used in administering the student financial aid cluster. In addition, we tested compliance with grant requirements for the student financial aid cluster. Overall, UW Colleges’ internal control structure appears adequate to ensure compliance with grant requirements for the student financial aid cluster. However, we noted a concern related to cash management.

#### **Finding WI-01-36: Cash Management**

Before July 2000, UW-Madison requested student financial aid funds from the federal government for UW Colleges; beginning in FY 2000-01, UW Colleges began requesting the federal funds. These federal funds have always been requested from the U.S. Department of Education on a reimbursement basis. Under the reimbursement method, UW Colleges must disburse the funds to eligible students before requesting

funds from the federal government. Although federal regulations allow UW Colleges to carry over funding authority into future years, the disbursements in subsequent years must still be made before reimbursement is sought. Such procedures ensure that neither the State nor the federal government earns interest income at the expense of the other.

We found that at the end of FY 2000-01, UW Colleges had not spent nearly \$76,600 of its federal student financial aid authority and, apparently misinterpreting federal carry-over regulations, drew down that amount without supporting financial aid disbursements. In FY 2001-02, UW Colleges made the financial aid disbursements to support the receipt of the \$76,600 in federal funds. However, UW Colleges' receipt of those funds before disbursements were made may have cost the federal government interest income of \$480.

Therefore, we recommend the University of Wisconsin Colleges develop policies and procedures for requesting federal reimbursement of student financial aid expenditures to ensure financial aid disbursements are made before federal funds are received.

Questioned Costs: Various Student Financial Aid Programs: Cash Management = \$480

UW Colleges Response and Corrective Action Plan: Although disbursements were supported, UW Colleges acknowledges that the \$76,600 that was carried over from the prior year and spent in FY 2001-02 was drawn down at the end of FY 2000-01 in error. UW Colleges has since implemented procedures to ensure compliance with federal regulations.

### **University of Wisconsin-Extension**

UW-Extension, in cooperation with the other UW campuses, provides continuing education courses in classrooms and via distance education, as well as a wide-ranging public service program to Wisconsin residents. In FY 2000-01, UW-Extension had operating costs totaling \$86.1 million; federal grant expenditures for that period totaled \$11.7 million.

During our current audit, we followed up on the efforts of UW-Extension to address a concern included in our FY 1999-2000 single audit. We found UW-Extension has satisfactorily addressed our concern related to allowable costs for the Cooperative Extension Service grant.

### **Unallowable Costs**

The Cooperative Extension Service grant has been administered by UW-Extension for over 35 years. The grant's objective is to identify and solve farm, home, and community problems through the practical application of research findings of colleges and universities. According to federal regulations, no portion of these grant funds may be applied directly or indirectly to the purchase, erection, preservation, or repair of any building or buildings, or the purchase or rental of land.

During our prior audit, we noted that UW-Extension recorded building repair expenditures of \$5,703 in FY 1999-2000. These expenditures related to repair projects such as electrical work and new carpeting for the Cooperative Library renovation project. We recommended (Finding WI-00-41) that UW-Extension develop policies and procedures to ensure Cooperative Extension Service grant funds were not used for the purchase, erection, preservation, or repair of buildings.

During our current audit, we found that UW-Extension has transferred \$5,703 in grant expenditures to non-federal funding sources. We reviewed a listing of Cooperative Extension Service grant expenditures in FY 2000-01 and did not identify any expenditures for the purchase, erection, preservation, or repair of any buildings.

### **University of Wisconsin System Administration**

UW System Administration is the UW President's staff to assist the Board of Regents in establishing policies; reviewing policy administration; and planning the programmatic, financial, and physical development of the university system. UW System Administration had operating costs totaling \$37.4 million in FY 2000-01; federal grant expenditures for that period totaled \$1.0 million.

In this audit, while following up on a prior audit concern at UW-La Crosse, we noted that the concern, involving post-deferment grace period contacts, likely involves several UW campuses and their contracts with UAS for Perkins Loan Program collection activities. Therefore, we are continuing our prior audit follow-up with UW System Administration, which is responsible for the overall monitoring of the UAS contract.

### **Finding WI-01-37: Post-Deferment Grace Period Contacts**

Under the Perkins Loan Program, a borrower is entitled to have the repayment of a loan deferred under certain circumstances, such as when particular financial hardship can be demonstrated or when the borrower is enrolled at least half-time in an eligible school. During the deferment period, the borrower is not required to make payments on the loan principal. After the deferment period, the borrower enters a six-month grace period, during which time federal regulations require institutions to contact the borrower two times to remind the borrower of his or her responsibility to comply with the loan terms and send the borrower information, including the total loan amount outstanding, and the date and amount of the next required payment.

During our FY 1999-2000 audit at UW-La Crosse, we reviewed 20 Perkins loans and found that two borrowers were not contacted during their post-deferment grace periods. UW-La Crosse and other UW campuses have contracted with UAS to perform their Perkins Loan Program billings and other activities, such as making grace period contacts. We recommended to UW-La Crosse (Finding WI-00-30) that it monitor and work with UAS to ensure the proper borrower contacts are made during the post-deferment grace period.

Subsequent to our FY 1999-2000 audit, UAS indicated that its computer system was properly set up to satisfy the grace period requirements. However, UAS customer representatives who need to flag the account to receive the appropriate correspondence were not doing so. UAS further indicated that it had reviewed this process with its representatives and believed procedures were in place to ensure compliance.

However, during our current audit at UW-La Crosse, we reviewed records for five borrowers whose deferment periods recently ended and found one borrower was not contacted during the post-deferment grace period. Since the deferment period for this borrower ended after UAS provided assurance as to its compliance, it appears UAS is still not properly identifying all loans that need post-deferment period contacts.

Since nine campuses use UAS for some loan collection purpose and this concern may apply to several campuses, *we recommend University of Wisconsin System Administration monitor and work with University Accounting Services, Inc., to ensure that the proper borrower contacts are made during the post-deferment grace period.*

Questioned Costs: Perkins Loan Program (catalog #84.038): Post-Deferment Grace Period Contacts = None

UW System Administration Response and Corrective Action Plan: UW System Administration agrees with the recommendation. The contract administrator will work with UAS to ensure that proper borrower contacts are made during the post-deferment grace period.

**University of Wisconsin System**  
**Summary of Findings and Questioned Costs**  
FY 2000-01

**U.S. Department of Education**

*University of Wisconsin-Madison*

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-01-20	84.038	Perkins Loan Program	Loan Assignments*	\$ 0

*University of Wisconsin-Green Bay*

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-01-25	84.033	Federal Work-Study Program	Student Employee Time Sheets	\$ 0
WI-01-26	84.033	Federal Work-Study Program	Community Service Jobs	0
WI-01-22	84.038	Perkins Loan Program	Perkins Match	2,300
WI-01-24	84.063	Federal Pell Grant Program	Pell Grant Reconciliation	Undetermined
WI-01-21		Various Student Financial Aid Programs	Cash Management	0
WI-01-23		Various Student Financial Aid Programs	Federal Reporting	0

*University of Wisconsin-La Crosse*

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-01-27	84.038	Perkins Loan Program	Collection Agencies*	\$ 0

*University of Wisconsin-Parkside*

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-01-28	84.038	Perkins Loan Program	Loan Assignments*	\$ 0
WI-01-29		Various Student Financial Aid Programs	Return of Student Financial Aid Funds*	Undetermined

***University of Wisconsin-Platteville***

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-01-30	84.063	Federal Pell Grant Program	Pell Grant Reconciliation*	\$ 2,632

***University of Wisconsin-River Falls***

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-01-32	84.038	Perkins Loan Program	Post-Deferment Grace Period Contacts	\$ 0
WI-01-33	84.038	Perkins Loan Program	In-house Collection Efforts	0
WI-01-34	84.038	Perkins Loan Program	Loan Disclosures	0
WI-01-31		Various Student Financial Aid Programs	Return of Student Financial Aid Funds	0

***University of Wisconsin-Stout***

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-01-35	84.038	Perkins Loan Program	Loan Assignments	\$ 0

***University of Wisconsin Colleges***

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-01-36		Various Student Financial Aid Programs	Cash Management	\$ 480

***University of Wisconsin System Administration***

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-01-37	84.038	Perkins Loan Program	Post-Deferment Grace Period Contacts	\$ 0

\*Repeat finding from audit report 01-8.

Inquiries regarding resolution of findings and questioned costs should be directed to the contact person listed in Appendix 3 of this report.

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The Wisconsin Department of Transportation (DOT) is responsible for providing leadership in the development and operation of a safe and efficient transportation system for the State of Wisconsin. DOT administers both state and federal transportation programs, including those affecting highways, bridges, airports, harbors, and railroads. DOT disbursed \$2.1 billion during FY 2000-01; federal grants to the State financed \$602.6 million of that amount.

As part of our standard audit procedures, we reviewed DOT's internal control policies and procedures over receipts, disbursements, and the administration of federal financial assistance programs. We tested compliance with grant requirements for the Highway Planning and Construction (catalog #20.205) grant, a type A major grant program, and the Formula Grants for Other Than Urbanized Areas (catalog #20.509), a type B grant program. Overall, DOT's internal controls are adequate, and the agency complied with the grant requirements for the programs tested. In addition, we followed up on the findings included in our prior single audit report (report 01-8).

### **Prior Audit Follow-up**

As part of our current audit, we followed up on DOT's progress in addressing findings WI-00-42 and WI-00-43 in our FY 1999-2000 single audit report. DOT has addressed or is in the process of addressing our concerns related to encumbrance review and materials testing.

### **Encumbrance Review**

Each year, DOT receives federal grants to fund the federal government's share of highway construction projects. DOT allocates federal spending authority to the various highway construction projects and uses encumbrance accounting for its projects. It is important that DOT review construction projects to ensure all encumbrances are valid and necessary. If the encumbrances are no longer needed, they should be closed, which then allows DOT to allocate federal spending authority to other construction projects.

Quarterly, DOT sends the various districts the Inactive Open Contracts Report, which identifies contracts that had no activity during the prior six months. During our FY 1999-2000 audit, we noted that DOT did not consistently review quarterly reports in a timely manner. As of June 30, 2000, we found 25 encumbrances that had no activity since at least 1995 (Finding WI-00-42).

DOT has implemented its corrective action plan and now, along with the quarterly reports, provides districts instructions on performing the review and emphasizes the importance of closing encumbrances in a timely manner. In addition, DOT closed 23 of the 25 purchase orders we identified in our prior audit and determined that the remaining 2 purchase orders should remain open because the projects have not been completed.

### **Materials Testing**

DOT uses a number of different types of materials, such as asphalt pavement, concrete pavement, and coated high-strength bar steel reinforcements, in highway construction projects. Each type of material must meet minimum specifications. Under 23 CFR 637.207, the Federal Highway Administration requires the State to have a quality acceptance program to ensure highway project materials meet minimum specifications. For example, for every 50,000 pounds of coated high-strength bar steel reinforcements used in a project, the State is required to test for certain attributes, such as the strength of the bar. DOT's material sampling, testing, and acceptance policies and procedures are contained in Chapter 13 of the DOT Construction and Materials Manual. However, in our prior audit, we found DOT did not follow these procedures and did not perform the minimum number of tests on each of the materials used in the projects (Finding-WI-00-43).

DOT continues to implement corrective action. DOT communicated to district personnel the importance of complying with the Construction and Materials Manual through meetings and internal memoranda. In addition, DOT developed a formal, written policy to review 5.0 percent of each district's projects for compliance with testing requirements. DOT has completed reviews for two of the eight districts for calendar year 2000, with plans to complete the remaining calendar year 2000 reviews by March 2002 and the calendar year 2001 reviews by June 2002. During our current audit, we reviewed four highway projects for which materials testing was to have been performed and found that DOT had performed the required number of tests.

\*\*\*\*

The Wisconsin Department of Public Instruction (DPI) is responsible for providing direction for public elementary and secondary education in Wisconsin and for ensuring access to public library services to all state citizens. DPI disbursed \$4.9 billion during FY 2000-01; federal grants to the State financed \$435.6 million of that amount. In addition, DPI distributed \$15.7 million in food products during the year under a federal commodity distribution program.

As part of our standard audit procedures, we reviewed DPI's internal control policies and procedures over receipts, disbursements, and the administration of federal financial assistance programs. We tested DPI's internal controls and compliance with grant requirements for four type A grants and two type B grants. We identified noncompliance related to eligibility determination for the School Breakfast Program (catalog #10.553). In addition, we have concerns about the security of data maintained in a computerized system related to the Vocational Education—Basic Grants to States program (catalog #84.048); controls over access to the Food and Nutrition System, which is used to administer several grants from the U.S. Department of Agriculture (USDA); and the lack of adequate backup for a key financial position in the grants area. We also followed up on the progress DPI made in addressing Finding WI-00-44 of our prior single audit report (report 01-8).

### **Finding WI-01-38: Eligibility Determination under the School Breakfast Program**

The School Breakfast Program (catalog #10.553), which is part of the Child Nutrition Cluster, is a federally assisted meal program operating in schools and institutions throughout Wisconsin. The School Breakfast Program is designed to ensure all children have access to healthy breakfasts. The USDA's Food and Nutrition Service sets the reimbursement rates to schools for breakfasts served to children who receive free, reduced-price, or unsubsidized meals. In addition, the Food and Nutrition Service provides an additional 21 cents per breakfast served, not to exceed actual net costs, for schools determined to be in severe need as defined by the federal regulations. DPI, as the state administering agency, determines if schools are eligible for the additional severe-need reimbursement.

Severe-need reimbursements are awarded to individual schools that meet specific requirements included in 7 CFR 220.9(e). These individual schools, and not the school districts as a whole, must:

- participate in, or wish to participate in, the School Breakfast Program;

- incur costs to provide breakfasts in excess of the regular reimbursement rates established by USDA; and
- for the second preceding year, serve 40 percent or more of the lunches under the National School Lunch Program to students eligible for free or reduced-price lunches.

At the end of the school year, DPI must determine for each school whether severe-need payments exceed the actual net costs of serving breakfasts, and if they do, seek recovery of the excess payments.

During FY 2000-01, DPI distributed over \$450,000 in severe-need reimbursements to schools in 82 districts. School districts apply each year to DPI and provide various financial information on behalf of the schools in the district that wish to participate in the severe-need portion of the School Breakfast Program. We noted three concerns with DPI's eligibility determination.

First, because of misinterpretation of the federal rules, DPI considered the breakfast costs of the school district as a whole, and not the costs of the individual schools, in determining whether costs to provide breakfasts exceeded the regular reimbursement rates. As a result, it is possible that DPI approved severe-need reimbursements to ineligible schools and denied severe-need reimbursements to eligible schools.

Second, DPI extended the severe-need rate to schools regardless of whether they actually applied to participate in the program. Only 18 school districts submitted applications for the 2000-01 school year. However, DPI approved the higher reimbursement rates for schools in a total of 82 districts. We were told that few schools had signed up for the severe-need reimbursement, so DPI staff simply approved severe-need reimbursements to those that participated in the program the prior year. As a result, schools in up to 64 school districts are potentially ineligible to receive the additional severe-need reimbursement.

Finally, for at least the past three fiscal years, DPI has not conducted reviews to determine whether the severe-need reimbursements exceeded the participating schools' net breakfast costs for the year and whether it is necessary to seek recovery of any excess payments.

We discussed our concerns with DPI staff in July 2001. To determine whether the schools were, in fact, eligible to receive the severe-need reimbursements, DPI subsequently requested and received supporting documentation from the 82 school districts that received the severe-need reimbursement rate for the 2000-01 school year. It was determined that:

- 10 schools from four districts did not meet the requirement that at least 40 percent of the lunches served under the National School Lunch Program to students at those schools in the second preceding school year be served free or at a reduced price; and

- 15 schools from four other districts had a cost per breakfast that was below the severe-need reimbursement rates.

In total, DPI paid \$29,815 in excess severe-need breakfast reimbursements to these 25 schools during the 2000-01 school year. DPI plans to request repayment from the schools.

*We recommend the Wisconsin Department of Public Instruction:*

- *consider for approval only those schools that submit applications and provide the required information to determine eligibility;*
- *determine eligibility in accordance with the requirements of the federal regulations; and*
- *review participating schools' breakfast costs at the end of the school year to determine whether any received excess funding.*

*In addition, we recommend the Department of Public Instruction return \$29,815 to the federal government, representing severe-need payments made to ineligible schools.*

We also suggest the Department of Public Instruction work with the U.S. Department of Agriculture to determine whether an analysis of severe-need payments should be performed for prior years and any excess payments returned to the federal government.

Questioned Costs: School Breakfast Program (catalog #10.553, award #2WI300063): Eligibility Determination = \$29,815

DPI Response and Corrective Action Plan: DPI has changed procedures to approve only schools that comply with federal eligibility requirements and is in the process of reclaiming funds from schools that have been overpaid during FY 2000-01.

### **Finding WI-01-39: Vocational Education Performance Reporting**

DPI receives federal funds under the Vocational Education—Basic Grants to States program (catalog #84.048) to support vocational education programs at the secondary level. This program is administered by DPI's Lifework Education Team within the Division of Learning Support. Recent changes in federal rules require states to establish performance measures, including the following "core indicators":

- student attainment of academic and vocational skills;
- student attainment of diploma/credential;
- student placement and retention in employment; and

- student participation in and completion of nontraditional training and employment.

Wisconsin has established and included in its state plan levels of performance, expressed as percentages, for each of the core indicators. Annually, Wisconsin submits the Annual Performance Report that contains statistical information on the various core indicators. It is important to accurately report the core indicators because the U.S. Department of Education could impose sanctions if a state consistently fails to meet its required levels of performance. In addition, if a state consistently exceeds its required levels of performance, it may be eligible to receive an incentive grant.

To track and report Wisconsin's progress in meeting the agreed-upon level of performance for each core indicator, DPI requires each school district to submit student enrollment data electronically on diskettes and student follow-up data, such as the employment or further education status of prior-year graduates, in hard copy form. DPI enters the data into the Vocational Education Enrollment Reporting System (VEERS), which summarizes information on the core indicators.

We noted three internal control concerns related to the input and maintenance of data in VEERS that could allow for unauthorized changes to the data. First, DPI has not properly separated duties. The VEERS computer programmer has also been assigned responsibility for entering the electronic data from the school districts, editing the data if needed, and preparing the performance report. Without proper separation of duties, there is an increased risk of unauthorized changes being made to the data.

Second, DPI has not assigned a backup to the programmer position nor cross-trained other staff to complete the programmer's duties in his absence. In the event of staff turnover, DPI is at increased risk of not accurately completing the Annual Performance Report in a timely manner.

Finally, we are concerned that the diskettes from the school districts are maintained for only one year, and the hard copy reports containing the student follow-up data are shredded after entry into VEERS. The Common Rule requires the retention of records for three years after the last grant financial status report is filed with the federal government. Because of an absence of an adequate audit trail, we could not determine the accuracy of the entered data and whether amounts reported to the federal government in the Annual Performance Report were correct.

DPI staff noted that because of staff shortages, one individual was made responsible for the entire process of data entry, review, and output. DPI staff agree with our concerns with the controls over the data and plan to form an advisory committee on VEERS to work on ways to improve the VEERS program and consider alternatives for collecting the data from the schools, such as through the Internet.

We recommend the Wisconsin Department of Public Instruction:

- develop and implement procedures to provide for better separation of duties over the entry, editing, and preparation of reports using the data on VEERS;
- cross-train staff to ensure backups are available in the event of staff turnover; and
- retain diskettes and hard copy reports for at least three years, as required by federal regulations.

Questioned Costs: Vocational Education—Basic Grants to States (catalog #84.048, award #V048A000049A): Performance Reporting = None

DPI Response and Corrective Action Plan: DIP agrees with the audit recommendations. DPI will begin making the recommended changes, but because the impact of the changes is extensive, complete implementation may take some time. DPI has formed an internal agency work group to review and implement these recommendations.

#### **Finding WI-01-40: Access to the Food and Nutrition System**

DPI uses the Food and Nutrition System (FNS) to administer the nearly \$130.3 million in federal grants, including food commodities, received from the USDA. FNS tracks the receipt, distribution, current inventory, and value of donated commodities under the Food Donation grant (catalog #10.550). In addition, DPI accountants use FNS to calculate the amount of reimbursement due each agency based on federally determined rates, which are maintained in FNS tables, and the number of meals/milks served under the following USDA programs: School Breakfast Program (catalog #10.553), National School Lunch Program (catalog #10.555), Special Milk Program for Children (catalog #10.556), Child and Adult Care Food Program (catalog #10.558), and Summer Food Service Program for Children (catalog #10.559).

Strong access controls are necessary to ensure that no unauthorized additions, changes, or deletions are made to contracts, food inventory counts, invoices, account balances, reimbursement rates, and meal/milk counts recorded in FNS. DPI has properly separated duties, such as between establishing contracts on FNS, approving payments, and updating the various tables on FNS. However, DPI does not have a policy in place to periodically review access to FNS to ensure it is limited to the access needed for employees to perform their job duties.

We found several instances in which DPI granted employees authority to edit data on FNS, even though it was not needed to perform their job duties:

- the two program directors had authority to insert, modify, or delete over 20 commodity tables, 7 sponsor agency tables, 2 USDA tables, and 2 consultants' tables;
- three fiscal staff had authority to insert, modify, or delete 2 contract tables;
- five program assistants had authority to edit 1 menu table; and
- two individuals who are no longer employed by DPI had access to the system.

After we brought these access concerns to the attention of DPI staff, the inappropriate access was removed. As a result of the excess access, DPI was at increased risk that unauthorized transactions or changes to data could occur and remain undetected. For example, the fiscal staff, who are responsible for claims processing, could have used the access to the contract tables to establish a new contract or to change an existing contract and have a reimbursement check sent to themselves.

*We recommend the Wisconsin Department of Public Instruction at least annually review to ensure access to the Food and Nutrition System is limited to the access needed for employees to perform their job duties.*

Questioned Costs: Multiple Grants from the U.S. Department of Agriculture:  
Access to the Food and Nutrition System = None

DPI Response and Corrective Action Plan: DPI plans to annually, in January, have the database administrator generate a report of staff who have access to FNS and the authority level for each staff person. This report will be delivered to the FNS Project Manager on the Application Development Team. The Project Manager will develop a memorandum concerning these authorities that requires the approval and the signature of the Director of School Nutrition and the Director of Community Nutrition. This signed memorandum will be filed in the Application Development Supervisor's files.

The local area network administrator will inform the database administrator of all employee terminations, and individuals with FNS access will be removed upon termination.

## WI-01-41: Cross-Training Staff

In putting together a well-designed system of controls, steps should be taken to ensure that key positions in the organization have adequate backup in the event of an employee's absence. This can be accomplished through cross-training of staff and complemented by having detailed written procedures for key job duties.

DPI has not assigned backups to the financial positions on the School Management Services Team. While some informal backups have developed, we noted that at least one of the accountant positions on the School Management Services Team does not have a backup. This accountant is responsible for federal reporting for several grants received from the U.S. Department of Agriculture, including the Summer Food Service Program for Children (catalog #10.559). While documentation is maintained for the work performed by the accountant, detailed written procedures have not been prepared, and it would be difficult for another individual to readily assume responsibilities in this area. As a result, in the event of staff turnover, DPI is at increased risk of not being able to accurately process grant transactions and prepare required federal reports in a timely manner.

*We recommend the Wisconsin Department of Public Instruction establish written procedures for key job duties for staff on the School Management Services Team and cross-train staff to ensure adequate backups are available to complete the duties in an employee's absence.*

Questioned Costs: Multiple Grants from the U.S. Department of Agriculture:  
Cross-Training Staff = None

DPI Response and Corrective Action Plan: DPI agrees to establish written procedures for key job duties and further cross-train staff to ensure adequate backup.

## Prior Audit Follow-up

DPI provides federal funds to school districts, other local units of government, and nonprofit organizations through USDA and U.S. Department of Education grant programs. As a subgrantor of federal funds, DPI is required to monitor subrecipients to ensure they comply with the audit requirements of OMB Circular A-133. OMB Circular A-133 requires DPI to review subrecipient audit reports and to issue management decisions on any findings within six months of receipt of the reports.

During our FY 1999-2000 audit, we reported that DPI was not following up on school district audit reports in a timely manner (Finding WI-00-44). DPI has satisfactorily addressed this prior audit concern. We tested 30 audit reports from FY 1998-99 and FY 1999-2000 and reviewed DPI's audit reports ledgers, and we found that DPI had reviewed all audit reports within six months of receipt.

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**Wisconsin Department of Public Instruction**  
**Summary of Findings and Questioned Costs**  
FY 2000-01

**U.S. Department of Agriculture**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-01-38	10.553	School Breakfast Program	Eligibility Determination	\$ 29,815
WI-01-40		Multiple Grants	Access to the Food and Nutrition System	0
WI-01-41		Multiple Grants	Cross-Training Staff	0

**U.S. Department of Education**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-01-39	84.048	Vocational Education— Basic Grants to States	Performance Reporting	\$ 0

Inquiries regarding resolution of findings and questioned costs should be directed to the agency contact person listed in Appendix 2 of this report.

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The Wisconsin Department of Administration (DOA) provides support services to other state agencies; coordinates housing, energy, and coastal management; and performs other functions prescribed by law. DOA is also responsible for providing the Governor with fiscal management information and the policy alternatives required for preparation of Wisconsin's biennial budget. DOA disbursed \$484.7 million during FY 2000-01; federal grants to the State financed \$137.7 million of that amount.

As part of our standard audit procedures, we reviewed DOA's internal control policies and procedures related to receipts, disbursements, and the administration of federal grant programs. We tested its compliance with grant requirements for the Supporting Housing Program (catalog #14.235), a type B grant program received from the U.S. Department of Housing and Urban Development (HUD). We also followed up on the progress DOA made in addressing Findings WI-00-45 and WI-00-47 of our prior single audit report (report 01-8). Overall, DOA's internal control structure is adequate. However, we identified concerns with DOA's procedures for reviewing annual progress reports for the Supporting Housing Program and for obtaining certifications that subrecipients are not suspended or debarred.

### **Supportive Housing Program**

DOA administers the Supportive Housing Program, which provides funds to nonprofit organizations to assist the homeless in finding transitional housing. During FY 2000-01, DOA expended \$2.9 million of federal funds under the Supportive Housing Program, of which approximately \$2.8 million was subgranted to 17 nonprofit organizations. We have concerns with DOA's review of the annual progress reports and compliance with federal suspension and debarment requirements.

### **Finding WI-01-42: Review of Annual Progress Reports**

DOA is responsible for reviewing annual progress reports submitted by subrecipients and then forwarding them to HUD. We are concerned because DOA does not sufficiently review the annual progress reports to ensure they are mathematically correct and that matching requirements are met. Of the five reports selected for review, we found three had mathematical errors and two appeared to indicate that matching requirements were not met. It is important these reports are correct because they are used as a tool to monitor subrecipients.

DOA staff believed HUD was responsible for reviewing the annual progress reports. However, HUD officials indicated to us that they had taken a more active monitoring role when DOA initially began administering the Supportive Housing Program during FY 1997-98, but that it is DOA's responsibility to ensure the annual progress reports are complete and accurate.

We recommend the Wisconsin Department of Administration ensure the accuracy and completeness of the annual progress reports submitted by subrecipients. In addition, we recommend the Department determine whether those subrecipients we identified are meeting their matching requirements.

Questioned Costs: Supportive Housing Program (catalog #14.235): Review of Annual Progress Reports = None

DOA Response and Corrective Action Plan: The Rental and Special Needs Housing Section Chief within DOA's Division of Housing and Intergovernmental Relations reviews and approves by signature each of the annual progress reports as they are submitted. As a result of a recent reorganization, this responsibility has been transferred to a different staff member, who will review each annual progress report for mathematical accuracy. Additionally, implementation of the Homeless Management Information System, which will generate annual progress report detail from client-level data entered by Supportive Housing Program grantees and subgrantees, will minimize the opportunity for mathematical errors.

### **Finding WI-01-43: Suspension and Debarment**

The federal government prohibits grantees from entering into any agreement with a person or entity that is debarred, suspended, declared ineligible, or voluntarily excluded from participation in federal assistance programs. DOA is required to ensure that contractors receiving individual awards for \$100,000 or more, and all subrecipients, certify that the organizations and their principal members are not suspended, debarred, or otherwise ineligible to participate in federal programs. However, we found that DOA does not require subrecipients under the Supportive Housing Program to certify they have not been suspended or debarred from participating in federal programs. While we determined that none of the 17 subrecipients were suspended, debarred, or otherwise ineligible to participate in federal programs, DOA should have procedures in place to ensure compliance with suspension and debarment requirements.

We recommend the Wisconsin Department of Administration require all subrecipients to certify that they are not suspended, debarred, or otherwise ineligible for participation in federal programs.

Questioned Costs: Supportive Housing Program (catalog #14.235): Suspension and Debarment = None

DOA Response and Corrective Action Plan: Beginning with the 2002 contracts, DOA's Division of Housing and Intergovernmental Relations will require all grantees and their subgrantees to certify that they are not debarred, suspended, or otherwise ineligible for participation in federal programs as part of the application, technical review, and contract award process. The Division will verify debarment and suspension status using the HUD Web site and will revise the boilerplate contract language to include certification regarding debarment and suspension.

### **Prior Audit Follow-up**

We followed up on DOA's progress in implementing corrective action plans for Findings WI-00-45 and WI-00-47 in our FY 1999-2000 single audit report. DOA has implemented acceptable corrective action related to financial reporting for various U.S. Department of Justice grants. In addition, DOA is working with HUD to resolve our concerns related to the HOME Investment Partnerships Program. The results of our follow-up to Finding WI-00-46, related to the State's methodology for determining billing rates for an internal service fund, are presented in the report narrative for the Department of Electronic Government, which was recently created and is responsible for statewide computing services.

### **Financial Reporting**

The Office of Justice Assistance (OJA), which is attached to DOA for administrative purposes, administers 15 grants awarded by the U.S. Department of Justice. OJA is required to complete and submit quarterly financial status reports to the U.S. Department of Justice for each grant. According to the *Financial Guide*, published by the Office of Justice Programs within the U.S. Department of Justice, financial status reports are to be presented on the cash basis and should contain actual expenditures for the reporting period and cumulative expenditures for the award.

OJA has implemented corrective action to address concerns identified during our FY 1999-2000 audit related to preparation of quarterly financial status reports (Finding WI-00-45). To meet federal reporting requirements, OJA now prepares the financial status reports based on information recorded on WiSMART, the State's central accounting system.

### **Program Income for the Home Buyer Assistance Program**

During FY 2000-01, DOA expended \$12.5 million under the HOME Investment Partnerships Program, which was created to expand the supply of affordable housing for low-income individuals. The Home Buyer Assistance (HBA) program, a component within the HOME Program, provides assistance for down payments and closing costs to low-income home buyers. Since at least 1997, DOA has entered into contracts with C-Cap, Inc., a nonprofit organization, to administer the HBA program. Low-income individuals apply to lending institutions for funding under the HBA program. Lending

institutions forward documentation to C-Cap, which verifies applicant eligibility and compliance with HBA regulations. If applications are approved, C-Cap requests funds from DOA and forwards them to the lending institutions.

C-Cap charges lending institutions a \$150 processing fee for each closed loan. A portion of these processing fees is used to pay some of the same administrative costs for which DOA reimbursed C-Cap through its subgrant agreement. In our prior audit, we questioned whether these fees should be treated as program income (Finding WI-00-47). We have reported this finding for the past three single audits, but the issue remains unresolved.

DOA has been working with C-Cap and HUD to resolve this outstanding issue. In June 2001, HUD staff informally told DOA that the processing fees are not considered program income. However, according to the Consortium Member Participation Agreement, which is the agreement between C-Cap and the lending institutions, the processing fee is to be used to offset program expenses. Therefore, DOA may still be expected to offset C-Cap administrative costs by the processing fees collected.

As part of the process to resolve this concern, DOA obtained additional financial information related to calendar years 1998 and 1999 from C-Cap, regarding the collection and use of the \$150 fee. At DOA's request, we reviewed the information and determined that C-Cap did not offset its administrative costs by the processing fee before seeking reimbursement from DOA. In addition, the documentation appeared to indicate that C-Cap may have been reimbursed for unallowable costs, such as certain tax payments. We presented our concerns to DOA in a written interim audit communication and met with DOA staff in November 2001 to discuss these issues.

In an effort to resolve our concerns, DOA:

- has drafted changes to the subrecipient contracts to specifically reference the allowable cost principles identified in the OMB circulars;
- is planning to incorporate a new grant close-out report for all subrecipients; and
- is planning to complete, by June 2002, changes to the HOME manual to clarify the types of allowable expenditures under the program.

In addition, in March 2002, DOA contacted HUD staff in Milwaukee to determine whether the bank processing fees must be used to offset C-Cap's administrative costs charged to the federal grant. HUD staff indicated some uncertainty as to interpretation of the federal rules in this area. We also contacted the Milwaukee office and were told C-Cap may not be required to use the banking fees to offset administrative costs. Milwaukee office staff have contacted the HUD office in Washington, D.C., to obtain clarification on this matter.

While this has been an ongoing concern that was first communicated in our FY 1997-98 audit report (report 99-12), and we continue to believe the bank processing fee should be used to offset administrative costs, it appears DOA and HUD are working to resolve this issue. Therefore, we do not repeat our finding in this area at this time. However, if HUD were to determine the bank processing fees should have been used to offset administrative costs during our current audit period, there would be questioned costs for FY 2000-01.

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**Wisconsin Department of Administration  
Summary of Findings and Questioned Costs  
FY 2000-01**

**U.S. Department of Housing and Urban Development**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-01-42	14.235	Supportive Housing Program	Review of Annual Progress Reports	\$ 0
WI-01-43	14.235	Supportive Housing Program	Suspension and Debarment	0

Inquiries regarding resolution of findings and questioned costs should be directed to the agency contact person listed in Appendix 2 of this report.

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The Wisconsin Department of Natural Resources (DNR) administers programs related to environmental standards for air and water quality, water supply regulation, solid waste management, fish and wildlife management, state parks, and forestry. DNR disbursed \$498.5 million during FY 2000-01; federal grants to the State financed \$76.1 million of that amount.

As part of our standard audit procedures, we reviewed DNR's internal control policies and procedures over receipts, disbursements, and the administration of federal grant programs. We tested DNR's compliance with grant requirements for Capitalization Grants for State Revolving Funds (catalog #66.458) and Capitalization Grants for Drinking Water State Revolving Fund (catalog #66.468), both of which are type A grant programs, and Cooperative Forestry Assistance (catalog #10.664), which is a type B grant program.

Overall, DNR's internal controls are adequate, and the agency complied with the requirements for the tested grant programs. As part of our current audit, we followed up on our prior audit finding regarding DNR's compliance with Davis-Bacon Act requirements.

### **Prior Audit Follow-up**

As a condition of receiving federal financial assistance for construction projects, state agencies are required to ensure compliance with the Davis-Bacon Act. Specifically, state agencies must ensure that all laborers and mechanics employed by contractors or subcontractors who work on federally funded construction projects costing in excess of \$2,000 are paid wages that are not less than those established for the locality by the U.S. Department of Labor. State agencies are to include "prevailing wage rate" clauses in construction contracts and to require contractors to submit payroll records and certifications demonstrating that prevailing wage rates were paid.

In our prior audit, we reported that DNR did not have policies and procedures in place to ensure compliance with Davis-Bacon Act requirements (Finding WI-00-48). We identified one federally funded construction project that was subject to Davis-Bacon Act requirements and found DNR did not include prevailing wage rate clauses in the construction contracts or ensure that prevailing wages were paid.

DNR has taken reasonable steps to address our prior audit concerns. DNR revised the grant approval routing form it uses to document the review and approval of grant applications within the agency. The project officer now indicates on the revised form whether the federal grant application includes contracted construction costs, whether the construction will be contracted through DNR or the Department of Administration, and whether the grant is exempt from Davis-Bacon Act requirements. The revised form

helps to ensure staff responsible for administering construction contracts are aware of whether Davis-Bacon Act requirements apply. Since there were no construction expenditures made under the major federal grants reviewed during our current audit, we did not test DNR's new procedures for ensuring compliance with the Davis-Bacon Act.

After our current audit inquiries, DNR requested wage information from the contractor for the one construction project we had identified during the prior audit as being subject to Davis-Bacon Act requirements. DNR staff informed us that they will review the wage rates paid on this construction project to ensure they met or exceeded the prevailing wage rates established by the U.S. Department of Labor.

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The Wisconsin Department of Military Affairs (DMA) provides a military force through the Wisconsin National Guard that is available for use in state and national emergencies. Through the Division of Emergency Management, DMA also implements statewide emergency preparedness plans and administers federal disaster and emergency relief funds. During FY 2000-01, DMA disbursed \$73.2 million; federal grants to the State financed \$40.5 million of that amount.

As part of our standard audit procedures, we reviewed DMA's internal control policies and procedures over receipts, disbursements, and the administration of federal financial assistance programs. We tested DMA's compliance with grant requirements for the Public Assistance Grants program (catalog #83.544), which is a type B grant program. We also followed up on a time and effort reporting finding included in our FY 1999-2000 single audit report (report 01-8).

Overall, DMA's internal controls appear to be adequate, and the agency complied with federal requirements for the grant program we tested. However, we identified noncompliance with federal requirements for filing progress reports under the Public Assistance Grants program. In addition, DMA has not satisfactorily addressed prior-year concerns related to time and effort reporting.

### **Finding WI-01-44: Progress Reports**

The Public Assistance Grants program was established by the Federal Emergency Management Agency (FEMA) to assist state and local governments with the repair of public infrastructure and with cleanup related to federally declared disasters. During FY 2000-01, DMA expended \$13.1 million under this program for eight different disasters.

DMA is required by 44 CFR 206.204(f) to submit to FEMA quarterly progress reports describing the status of each open project and outlining problems or unusual circumstances with the project. However, DMA submitted only one progress report, for the quarter ending September 30, 2000, during FY 2000-01.

Staff explained they did not prepare the other three required quarterly reports because of other priorities. They noted that FEMA had declared two new disasters in the state during FY 2000-01, which significantly increased the time needed to process subrecipient payments. In addition, because DMA communicates regularly with FEMA on the disaster projects, staff did not place priority on completing the quarterly progress reports. However, we spoke with staff at FEMA and were told that grantees are required to and should file the progress reports on a quarterly basis.

We recommend the Wisconsin Department of Military Affairs comply with the federal requirements and submit quarterly progress reports to the federal government.

Questioned Costs: Public Assistance Grants (catalog #83.544): Progress Reports  
= None

DMA Response and Corrective Action Plan: Wisconsin Emergency Management (WEM) is fully aware of the requirement to submit to FEMA quarterly progress reports on the Public Assistance Grants program for all open Presidential Disaster Declarations. WEM also acknowledges that only one such report was filed during FY 2000-01. WEM believes that the reports serve as a useful management tool for both WEM and FEMA to track subgrantee progress in adhering to federal time lines in the administration of the Public Assistance Grants program. Unfortunately, as indicated in the audit report, due to the press of actual disaster operations and the need to staff the disaster field office, not all required reports were filed. Even though they were not filed, the Public Assistance Officer was and is aware of the status of the open declarations. While at the disaster field office, the Public Assistance Officer worked side by side with FEMA and discussed the status of the various declarations with FEMA and brought up problems or issues of concern. This is the kind of information that would have been contained in the quarterly reports. So, even though the reports were not filed, the actual tracking of subgrantee progress was and is continuous.

It should be noted that WEM did file the first quarterly report for FFY 2001-02 and will continue to do so as required. It should also be noted that quarterly financial reports are also required for this and all of the other disaster programs and they have been filed as required.

### **Prior Audit Follow-up**

We followed up on the progress DMA has made in implementing corrective action to address Finding WI-00-49 of the prior single audit report, which related to DMA's time and effort reporting.

### **Finding WI-01-45: Time and Effort Reporting**

During FY 2000-01, DMA charged \$8.3 million in salary and fringe benefits costs directly to the National Guard Military Operations and Maintenance Projects (O&M) grant (catalog #12.401) for approximately 187 full-time equivalent positions. OMB Circular A-87 has specific requirements to support salary and fringe benefit costs charged to federal programs or used to meet state matching requirements. In our prior audit, we reported that DMA was not requiring two employees whose salaries were, in part, charged to the O&M grant to complete required monthly personnel activity reports (Finding WI-00-49) and questioned \$22,791 in salary and fringe benefit costs charged to the federal government because of inadequate time and effort documentation.

These two employees perform maintenance duties for buildings owned by both the State and the federal government. DMA charges 37.5 percent of their salaries and fringe benefits to the federal government for its share of the O&M grant program.

In an effort to document that the federal government is not overcharged for work effort, DMA required these two employees to complete biweekly time sheets for a three-month period starting in November 2001. We reviewed the time sheets for the period November 4, 2001 through January 12, 2002. Based on these time sheets, DMA could have charged 47.4 percent of the work effort for one of these employees, and 81.6 percent of the work effort for the other, to the federal government for its share of O&M grant costs. Therefore, for the period November 4, 2001 through January 12, 2002, DMA did not overcharge the federal government for these two employees' work effort. Staff noted that time spent on federal projects during this period may have increased because of the events of September 11, 2001, and these results may not be typical of the time these employees normally spend on federal and state projects. Since DMA did not require documentation of work effort during FY 2000-01, it cannot be determined whether the federal government was overcharged or undercharged for salary and fringe benefit costs during the audited period. As a result, we question an undetermined amount of the salary and fringe benefit costs charged to the O&M grant during FY 2000-01.

We are also concerned because, while DMA employees have documented additional work effort that could be charged to the O&M program, DMA informed us that it does not intend to request reimbursement for the federal government's share of the additional work effort. It is the State's policy to maximize federal reimbursements. This is especially important as the State faces significant budgetary and fiscal concerns. However, DMA staff believe it may harm their working relationship with the federal government if they charge additional costs to the O&M program.

DMA staff indicated it was not a burden or time-consuming for the employees to complete the biweekly time sheets. We estimate that for the period November 4, 2001 through January 12, 2002, DMA could have charged, but chose not to, an additional \$3,200 in salaries and fringe benefits to the federal government. Had DMA done so, approximately \$3,200 in state funds could have been available for other purposes.

*We recommend the Wisconsin Department of Military Affairs require personnel activity reports to document the work effort for the two maintenance employees who have a portion of their work effort charged to federal grants. In addition, we recommend the Department adjust the accounting records to reflect actual work effort as shown on the personnel activity reports and request full reimbursement of the federal government's share of grant costs.*

Questioned Costs: National Guard Military Operations and Maintenance Projects (catalog #12.401, award #s DAHA-47-94-H-1001 and DAHA-47-99-2-1001): Time and Effort Reporting = Undetermined

DMA Response and Corrective Action Plan: This concern relates to two federally funded employees assigned to federally owned armories in Madison. At these facilities, operational costs are considered 100 percent state, while

repair and maintenance activities are 75 percent federally reimbursed. Currently, they are charged 62.5 percent state and 37.5 percent federal, based on the assumption that roughly half of their activities are reimbursable and half are not. Both of the positions in question are facility repair workers. Their positions are such that they are responsible for operation and maintenance of their assigned facility, making their jobs non-routine and ever changing.

In an effort to comply with the audit findings in prior audits, DMA embarked on a time study to determine whether or not the federal government was “receiving” its fair share of services. As noted in the audit report, the results of the study are a snapshot for a three-month period, a period during which the Wisconsin National Guard was in a state of heightened alert due to the events of September 11, 2001. This time study is simply the first step of an entire review of how DMA manages and funds the facility repair workers throughout the state. Changes in funding may occur as a result of this review; however, DMA wishes to use a longer period of evaluation before implementing changes. If proper justification can be proven over an extended time frame, DMA will explore shifts in the funding sources of affected positions.

DMA will continue its evaluation of the reimbursement structure of the facility repair workers throughout the state.

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**Wisconsin Department of Military Affairs**  
**Summary of Findings and Questioned Costs**  
FY 2000-01

**U.S. Department of Defense**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-01-45	12.401	National Guard Military Operations and Maintenance Projects	Time and Effort Reporting*	Undetermined

**Federal Emergency Management Agency**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-01-44	83.544	Public Assistance Grants	Progress Reports	\$ 0

\*Repeat finding from audit report 01-8.

Inquiries regarding resolution of findings and questioned costs should be directed to the agency contact person listed in Appendix 2 of this report.

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The Wisconsin Department of Justice (DOJ) is responsible for providing legal representation and advice, criminal investigation, and other law enforcement services to the State of Wisconsin and to local units of government. DOJ disbursed \$76.8 million during FY 2000-01; federal grants to the State funded \$9.4 million of that amount.

As part of our standard audit procedures, we reviewed DOJ's internal control policies and procedures over receipts, disbursements, and administration of federal financial assistance programs. We tested DOJ's compliance with grant requirements for the State Medicaid Fraud Control Units grant (catalog #93.775), which is part of the Medicaid Cluster, a type A major program.

Overall, we found DOJ's internal controls to be adequate and the agency to be in compliance with requirements for the major program. However, we identified concerns with DOJ's time and effort reporting.

#### **Finding WI-01-46: Time and Effort Reporting**

During FY 2000-01, DOJ incurred \$659,373 in salary and fringe benefit costs related to the State Medicaid Fraud Control Units grant for approximately ten full-time equivalent positions. Of this amount, 75 percent, or \$494,530, was charged to federal accounts and 25 percent, or \$164,843, was charged to state matching accounts. OMB Circular A-87 has specific requirements to support salary and fringe benefit costs charged to federal programs or used to meet state matching requirements. For employees working exclusively on a single federal program, DOJ must ensure that semiannual certifications are completed stating that the employees worked solely on the federal program. These certifications must be signed by the employees or their supervisors. In addition, in order to ensure expertise is developed in Medicaid fraud, federal rules specific to the Medicaid Fraud Control grant require that, in order to be eligible for federal reimbursement, professional employees must spend 100 percent of their work effort on fraud control activities. If employees spend a portion of their work effort on non-fraud control activities, DOJ must obtain a waiver from the federal government allowing the portion spent on fraud control activities to be allocated to the Medicaid Fraud Control grant.

DOJ requires the supervisor of employees in its Medicaid Fraud Control Unit to semiannually certify that the employees worked solely on fraud control activity. However, we noted that on the certification for the six-month period ending June 30, 2001, DOJ indicated that one of the employees spent 17.7 percent of his work effort on non-fraud control activities, even though 100 percent of his work effort was charged to the Medicaid Fraud Control grant. As a result, DOJ charged the federal government \$7,825 in salary and fringe benefits for work effort that was not related to the grant program. In addition, because DOJ did not seek and receive a waiver to allow

this employee to spend less than 100 percent of his effort on fraud control activities, the entire \$39,334 in salary and fringe benefits charged to the federal government for the Medicaid Fraud Control grant during the period he worked on multiple activities may be questionable.

DOJ was able to provide evidence that a different, part-time employee whose salary and fringe benefits had not been charged to the Medicaid Fraud Control grant spent 100 percent of her work effort on fraud control activity. Even though this employee worked part-time, we believe her salary and fringe benefits were eligible for federal reimbursement under the Medicaid Fraud Control grant because she spent 100 percent of her work effort on fraud control activities. However, DOJ staff had previously believed that an employee needed both to be full-time and to work 100 percent on fraud control activity to be eligible for federal reimbursement.

The salary and fringe benefits for the part-time employee that could have been charged to the federal government totaled \$13,241, which is \$5,416 more than the \$7,825 in salary and fringe benefits that DOJ charged the federal government for the first employee's work effort related to non-fraud control activities. After our inquiries, DOJ contacted the federal government to request a waiver that would take effect retroactively and would allow DOJ to retain federal funds that had already been received because the State had documented additional salaries and fringe benefits that could have been charged to the Medicaid Fraud Control grant but were not. Assuming a formal federal waiver is received, we do not question costs. We also note that DOJ would appear to be entitled to federal reimbursement for the additional \$5,416 in salary and fringe benefits that could have been charged to the federal government.

*We recommend the Wisconsin Department of Justice:*

- *obtain in advance the necessary waivers to charge the federal government for employees who work less than 100 percent on State Medicaid Fraud Control Units grant activities;*
- *limit salary and fringe benefits charged to the State Medicaid Fraud Control Units grant to reflect actual work activity; and*
- *seek federal reimbursement for the additional \$5,416 in salary and fringe benefits for the part-time employee that could have been, but were not, charged to the State Medicaid Fraud Control Units grant during FY 2000-01, as well as any additional salaries and fringe benefits charged during FY 2001-02.*

Questioned Costs: State Medicaid Fraud Control Units (catalog #93.775, award #01-0101-WI-5050): Time and Effort Reporting = None

DOJ Response and Corrective Action Plan: DOJ is continuing to incorporate the federal waiver requirements into its administrative scheme. In the future, we will seek waivers when required by staff reassignments in as timely a manner as administratively feasible. The challenge we face is to reserve management prerogatives as to which staff to assign to certain work units, and to do so in a manner that adheres to federal requirements.

DOJ has been working to clarify the federal requirements for some time. The new Medicaid Control Fraud Unit Director has been in contact with the federal Department of Health and Human Services many times over the past six months, seeking clarification regarding the issues noted in the audit report, including whether we can secure federal reimbursement for eligible activities performed by a part-time employee and how to adjust for costs incurred by the program for non-Medicaid Control Fraud Unit work performed by an employee during a transition into the unit.

DOJ awaits a written response from the Office of Inspector General of the Department of Health and Human Services. Meanwhile, preliminary indications suggest that the federal agency may well be amenable to the type of adjustments to the salary and fringe benefits noted in the paragraph immediately preceding the audit recommendations. Federal payment may be made for a part-time employee, which would more than offset the costs incurred by the grant for non-Medicaid Control Fraud Unit activities.

**Wisconsin Department of Justice**  
**Summary of Findings and Questioned Costs**  
 FY 2000-01

**U.S. Department of Health and Human Services**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-01-46	93.775	State Medicaid Fraud Control Units	Time and Effort Reporting	\$ 0

Inquiries regarding resolution of findings and questioned costs should be directed to the agency contact person listed in Appendix 2 of this report.

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The Wisconsin Higher Educational Aids Board (HEAB) is responsible for the management and oversight of the State's student financial aid system for Wisconsin residents attending institutions of higher education. HEAB disbursed over \$67.2 million during FY 2000-01 through various state financial aid programs; federal grants to the State financed nearly \$876,000 of that amount.

In the past, HEAB provided student financial aid under the Health Education Assistance Loan (HEAL) Program. Although HEAB has not issued new loans under the HEAL Program since the mid-1980s, HEAB is responsible for collecting outstanding loans, which had a reported outstanding balance of \$2.5 million as of June 30, 2001.

As part of our standard audit procedures, we obtained an understanding of and tested the internal control structure related to the policies, procedures, and systems used by HEAB to administer the HEAL Program, which is included in the student financial aid cluster. We also performed compliance tests for the applicable student financial aid federal requirements. Overall, we found HEAB's internal control structure appears adequate to ensure compliance with grant requirements for the HEAL Program. However, we identified a concern related to late fee assessments.

### **Finding WI-01-47: Late Fee Assessments**

According to federal HEAL regulations, if a borrower fails to make all of a required loan payment or fails to provide written evidence that verifies eligibility for a loan deferment within 30 days after a payment's due date, the lender will assess a late fee. The late fee must be 5.0 percent of the unpaid portion of the payment due.

In our review of loan collection procedures, we found that HEAB, as the lender, has not assessed the required late fees. We were unable to determine the exact amount of late fees that should have been assessed, because HEAB tracks only delinquent loan balances and not specific late payments. However, during our audit we reviewed 20 outstanding loans as of June 30, 2001. Of those 20 loans, 6 loans were delinquent in their June payments and should have had late fees assessed totaling nearly \$350 for that month alone.

HEAB staff stated that they decided to not apply late fees to delinquent loans because they believe the interest rates on HEAL loans were relatively high and the addition of late fees would be too burdensome to borrowers. However, late fees may also provide incentive to borrowers to remain current on their loans and make necessary loan payments. In addition, we find the application of late fees is a mandated practice not subject to lender discretion.

Therefore, we recommend the Wisconsin Higher Educational Aids Board immediately begin assessing late fees of 5.0 percent to the unpaid portion of delinquent payments within the Health Education Assistance Loan Program.

Questioned Costs: Health Education Assistance Loan Program  
(catalog #93.108): Late Fee Assessments = Undetermined

HEAB Response and Corrective Action Plan: HEAB contacted the U.S. Department of Health and Human Services to inquire about fee assessments. One employee within the U.S. Department of Health and Human Services responded that while the HEAL regulations in 42 CFR 60.15 have language that requires borrowers to be charged late fees, such charges are not necessary or mandatory. It is to the borrower's advantage if a late fee is not charged; therefore, that regulatory provision is not enforced. Presently HEAB is requesting a waiver from the U.S. Department of Health and Human Services to exempt Wisconsin from the federal regulation.

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**Wisconsin Higher Educational Aids Board  
Summary of Findings and Questioned Costs  
FY 2000-01**

**U.S. Department of Health and Human Services**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-01-47	93.108	Health Education Assistance Loan Program	Late Fee Assessments	Undetermined

Inquiries regarding resolution of findings and questioned costs should be directed to the contact person listed in Appendix 2 of this report.

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The Wisconsin Department of Electronic Government (DEG) was created during FY 2001-02 to provide leadership in information technology and efficient and effective computer and telecommunications services to state agencies and other governmental entities. The services provided by DEG were formerly the responsibility of the Wisconsin Department of Administration.

We followed up on the progress DEG has made in addressing concerns related to rate setting that were included in our FY 2000-01 single audit report (report 01-8). Although some progress has been made related to the methodology used to determine billing rates for information technology services, we continue to have concerns in this area.

### **Finding WI-01-48: Rate Setting**

The State develops billing rates for the mainframe computer services it provides by assigning budgeted costs to various cost pools and then dividing each pool's total budgeted costs by projected usage. For rates to accurately reflect the costs of providing specific services, all costs directly related to providing each of the various mainframe services should be assigned to their proper cost pools. Costs that relate to all mainframe cost pools should be assigned to overhead and then fairly distributed to the other pools.

During prior audits, we analyzed billing rates and had concerns with the Department of Administration's (currently DEG's) methodology for assigning costs to the overhead and central processing unit (CPU) cost pools, and we noted that federal grants may have subsidized other computer-related costs. We recommended the Department of Administration complete its revision to the computer services rate structure and resolve any questioned costs with the federal government (Finding WI-00-46).

We found that progress has been made in addressing some of the examples specifically identified in our prior audit. For instance, for FY 2001-02, the State no longer includes in the mainframe CPU cost pool approximately \$1.4 million related to providing desktop computer and local area network support services through the Small Agency Support Initiative (SASI) to 25 small state agencies that typically have little or no mainframe usage. A separate rate structure was developed for SASI services to more appropriately bill customers.

However, DEG has not changed its overall rate determination methodology, and thus some non-mainframe costs continue to be subsidized by mainframe cost pools, and costs continue to be allocated inappropriately among the cost pools. For instance, the CPU cost pool includes \$2.0 million related to providing computer server support services, including housing, monitoring, and maintaining servers. However, only two customers

use these services, while the mainframe CPU rate for all customers funds the service. In addition, we again identified areas in which costs or reimbursements should have been assigned differently among the cost pools. For example, an additional \$1.8 million related to providing mainframe printing services was included in two other mainframe cost pools.

As a result, most mainframe computer rates were higher than they would have been if the rates had been properly calculated. Since many state agencies allocate costs to federal grant programs, the federal government may have been overcharged for mainframe computer services. It is important to note, however, that if the correct mainframe rate had been charged, separate billing mechanisms would have been required for other costs, such as server support, which may have resulted in additional charges to federal grants. In February 2002, the State was contacted by the U.S. Department of Health and Human Services in an effort to resolve these concerns.

We recommend the Wisconsin Department of Electronic Government:

- complete its revision to the rate structure for mainframe computing services, to ensure cost pools do not include costs unrelated to providing the services;
- complete its current review to ensure it assigns mainframe computer costs to the appropriate cost pools; and
- continue working with the federal government to resolve the questioned costs for FYs 1998-99, 1999-2000, and 2000-01.

Questioned Costs: Multiple Grants: Rate Setting = Undetermined

DEG Response and Corrective Action Plan: DEG has taken steps to adjust funding for some items specifically identified in the prior review. In addition, DEG has undertaken a complete review of its rate setting methodology. The first steps, completed in conjunction with the agency's reorganization, have produced a new chart of accounts designed to facilitate accumulating and accounting for costs in appropriate cost pools. DEG is currently working on a comprehensive, integrated rate setting methodology. In addition to revising its chart of accounts, DEG intends to involve customers in analyzing the cost pools.

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**Wisconsin Department of Electronic Government**  
**Summary of Findings and Questioned Costs**  
FY 2000-01

**Noncompliance Findings Affecting Multiple Grants**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-01-48		Multiple Grants	Rate Setting*	Undetermined

\*Repeat finding from audit report 01-8.

Inquiries regarding resolution of findings and questioned costs should be directed to the agency contact person listed in Appendix 2 of this report.

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## Other State Agencies

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The previous sections of this single audit report present, for specific state agencies, our findings related to internal control weaknesses and instances of noncompliance with federal rules and regulations. We have included our recommendations, identified questioned costs, incorporated the agencies' responses and corrective action plans, and reported the results of our follow-up to the findings presented in our single audit report (report 01-8) for the previous fiscal year.

Thirteen other agencies also administered various federal financial assistance programs. For these agencies, we did not identify any new internal control weaknesses or new instances of noncompliance with federal requirements. No instances of noncompliance and no questioned costs were reported as a result of our prior-year's audit work at these agencies. Therefore, no prior audit follow-up was necessary. The other Wisconsin state agencies and each agency's direct federal expenditures, as well as expenditures under subgrant agreements, are included in the following table.

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### Other State Agencies' Federal Expenditures

FY 2000-01

<u>Wisconsin State Agency</u>	<u>Direct Federal Expenditures</u>	<u>Expenditures under Subgrant Agreements</u>	<u>Total</u>
Department of Commerce	\$ 35,016,758	\$ 76,720	\$ 35,093,478
Wisconsin Technical College System Board	29,023,206	149,821	29,173,027
Department of Veterans Affairs	16,394,648	3,877	16,398,525
Department of Corrections	7,313,933	8,700,585	16,014,518
Department of Agriculture, Trade and Consumer Protection	6,362,707	355,909	6,718,616
Wisconsin Historical Society	888,249	150,710	1,038,959
Wisconsin Arts Board	523,079	0	523,079
Child Abuse and Neglect Prevention Board	394,465	0	394,465
Board on Aging and Long-Term Care	0	353,697	353,697
Public Service Commission	161,922	0	161,922
Educational Communications Board	110,909	0	110,909
Department of Revenue	0	63,324	63,324
Department of Tourism	2,900	0	2,900

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## State of Wisconsin Schedule of Findings and Questioned Costs for the Year Ended June 30, 2001

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OMB Circular A-133 requires the auditor to prepare a schedule of findings and questioned costs that includes the following three sections:

1. a summary of the auditor's results;
2. findings relating to the financial statements, which are required to be reported in accordance with *Government Auditing Standards*; and
3. findings and questioned costs for federal awards.

### **SECTION I—Summary of Auditor's Results**

As required by OMB Circular A-133, the Wisconsin Legislative Audit Bureau is providing the following summary information related to the State of Wisconsin's single audit for FY 2000-01:

- We issued an unqualified opinion on the State of Wisconsin's general purpose financial statements.
- We noted several reportable conditions in internal control over financial reporting that were included in our "Independent Auditor's Report on the State of Wisconsin's Compliance and on Internal Control over Financial Reporting Based on an Audit of the General Purpose Financial Statements Performed in Accordance with Government Auditing Standards," dated December 13, 2001. None of the reportable conditions were considered material weaknesses in internal control over financial reporting.
- We noted no instances of noncompliance with laws, rules, regulations, and contracts that were material to the State of Wisconsin's general purpose financial statements.
- We noted several reportable conditions in internal control over major federal programs. The internal control weaknesses described in Findings WI-01-1 through WI-01-3, included in the Department of Health and Family Services report narrative, are material weaknesses in internal control over administration of the Foster Care—Title IV-E program.

- We issued an unqualified opinion on the State of Wisconsin’s compliance with requirements applicable to its major federal programs.
- We disclosed findings that are required to be reported under OMB Circular A-133, section 510(a). These findings are described in the single audit agency report narratives and accompanying summaries of findings and questioned costs.
- The dollar threshold used to distinguish between type A and type B programs, as prescribed by OMB Circular A-133, section 520(b), was \$19.4 million.
- The State of Wisconsin did not qualify as a low-risk auditee under OMB Circular A-133, section 530.
- The following were major federal grant programs, determined in accordance with OMB Circular A-133, section 520:

<u>Catalog Number</u>	<u>Name of Federal Program or Cluster</u>
10.475	Cooperative Agreements with States for Intrastate Meat and Poultry Inspection
10.551/.561	Food Stamp Cluster
10.553/.555/ 10.556/.559	Child Nutrition Cluster
10.558	Child and Adult Care Food Program
10.560	State Administrative Expenses for Child Nutrition
10.664	Cooperative Forestry Assistance
14.235	Supportive Housing Program
17.250/.246	JTPA Cluster
17.255	Workforce Investment Act
20.205/23.005	Highway Planning and Construction Cluster
20.509	Formula Grants for Other Than Urbanized Areas
66.458	Capitalization Grants for State Revolving Funds
66.468	Capitalization Grants for Drinking Water State Revolving Fund
83.544	Public Assistance Grants
84.048	Vocational Education—Basic Grants to States
84.126	Rehabilitation Services—Vocational Rehabilitation Grants to States
84.340	Class Size Reduction
93.558	Temporary Assistance for Needy Families
93.563	Child Support Enforcement

<u>Catalog Number</u>	<u>Name of Federal Program or Cluster</u>
93.575/.596	Child Care Cluster
93.576	Refugee and Entrant Assistance— Discretionary Grants
93.658	Foster Care—Title IV-E
93.667	Social Services Block Grant
93.767	State Children’s Insurance Program
93.775/.777/.778	Medicaid Cluster
93.958	Block Grants for Community Mental Health Services
93.959	Block Grants for Prevention and Treatment of Substance Abuse
93.994	Maternal and Child Health Services Block Grant to the States
Various	Research and Development Cluster
Various	Student Financial Aid Cluster, limited to: UW-Madison UW-Eau Claire UW-Green Bay UW-River Falls UW-Stout UW Colleges Higher Educational Aids Board

## **SECTION II—Financial Statement Findings**

This section of the schedule includes all reportable conditions related to internal control over financial reporting that are required to be reported by generally accepted auditing standards and *Government Auditing Standards*, including those that do not affect federal awards. Repeat findings from audit report 01-8 are indicated with an asterisk (\*).

### **Finding WI-01-49: Reconciliation of Transactions and Balances in the Support Collection Trust Fund at the Department of Workforce Development\***

*Criteria:* To provide for proper internal control and detect possible errors, procedures should ensure similar financial information recorded in different computer systems is reconciled between the systems.

*Condition:* The Department of Workforce Development has not reconciled the cash balance and other financial activity recorded in the State’s accounting system for the segregated Support Collection Trust Fund to the financial activity recorded in the Kids Information Data System (KIDS).

*Questioned Costs:* None

*Context:* The Department of Workforce Development collected and disbursed over \$800 million in support collections during FY 2000-01. As of June 30, 2001, a cash balance of \$36 million was reported for the Support Collection Trust Fund in the State's FY 2000-01 financial statements.

*Effect:* The risk of misstatement of the financial statements is increased. In addition, the Department of Workforce Development is not assured that collection and disbursement activity has been accurately reflected in the State's accounting system and KIDS.

*Cause:* The support collection and disbursement process is complex. The Department of Workforce Development has assigned responsibility for reconciling the financial activity recorded in the State's accounting system for the segregated Support Collection Trust Fund to the amounts recorded in KIDS. However, because of other priorities, staff have not yet completed any reconciliations.

*Recommendation:* We recommend the Department of Workforce Development develop and implement procedures for reconciling, on a monthly basis, support collection activity recorded in the State's accounting system for the Support Collection Trust Fund to information recorded in KIDS.

*Management Response:* The Department of Workforce Development agrees and will continue to develop and implement the reconciliation procedures as recommended.

**Finding WI-01-50: Excessive Access to University of Wisconsin System Payroll Data\***

*Criteria:* To provide proper internal control, the University of Wisconsin-Madison's Business Services and Division of Information Technology (DoIT) staff should limit access to the payroll system to those individuals who need it to perform their job duties.

*Condition:* During our review of critical payroll transactions, we identified 88 instances in which UW staff appear to have excessive access to payroll transactions that affect, for example, leave balances, pay rates, and number of hours worked. Included in these instances were people no longer employed by the UW System and an application programmer. Based on prior audit recommendations, UW-Madison's Business Services obtained a listing of people with payroll system access and, in February 2002, initiated a review of that access. This review was not complete at the time of our audit fieldwork.

*Questioned Costs:* None

*Context:* Payroll is a decentralized process within the UW System. While DoIT maintains the UW payroll systems, employees at all UW campuses and various UW divisions need access for data entry and viewing. Communication between DoIT, UW-Madison's Business Services, and the individual campuses and divisions is needed to ensure access is not excessive.

*Effect:* Payroll data, such as salaries and leave balances, could be inappropriately manipulated. In addition, an employee with extensive knowledge of the payroll system, such as an application programmer, could make unauthorized changes to data and conceal those changes.

*Cause:* In the past, UW staff indicated that they planned to review and establish appropriate access. However, a comprehensive listing of people with access was not obtained or distributed to the campuses and divisions until recently.

*Recommendation:* We recommend UW-Madison's Business Services staff immediately remove the acknowledged instances of excessive access; remove the application programmer's access or find an alternative to ensure the integrity of payroll data; complete the recently initiated review of payroll access; and continue reviewing payroll access for appropriateness in the future.

*Management's Response:* Of the 88 identified instances of potential excessive access, UW-Madison has removed access for 38 individuals and has requested that DoIT remove the application programmer's ability to update payroll transactions. Although access for the others is needed, as they often serve in a backup role for payroll staff, UW-Madison will continue to monitor those individuals who have update access. UW-Madison is also in the process of completing its review of payroll access and has established a policy to conduct such a review every six months. These reviews will include tracking and monitoring payroll access to ensure necessary changes in access have been completed.

**Finding WI-01-51: Programmer Access to Critical Production Programs at the University of Wisconsin\***

*Criteria:* To provide proper internal control, controls should be established to prevent programs from being altered and/or put into production without proper oversight and review.

*Condition:* We noted concerns related to excessive access to production programs at the University of Wisconsin. Programmers have access to the programs in production and could move programs from test to production without proper oversight and review.

*Questioned Costs:* None

*Context:* The University of Wisconsin maintains critical systems, including financial data for UW System accounting and payroll systems.

*Effect:* Programmers with extensive knowledge of the computer programs could make unauthorized changes to the programs and conceal those changes, resulting in undetected erroneous or fraudulent information.

*Cause:* Controls were not developed to ensure proper oversight before programs are moved to production.

*Recommendation:* In prior audits, we have expressed our concerns regarding access to production programs granted to programmers and have made recommendations to reduce the access allowed. We continue to believe that programmers should not have access to production programs. However, the University of Wisconsin indicated that it accepts the risks in this area because these programs, which currently reside on the mainframe, are being moved to other platforms in the future. Therefore, we make no recommendation at this time.

*Management Response:* The University of Wisconsin-Madison Department of Information Technology (DoIT) is aware that programmers' access to production programs represents a risk. However, after the audit period in question, DoIT implemented controls that help to mitigate the risk, including the mandatory use of a newly developed change information system for all changes to production systems. However, with the shift to client-server technologies and the decommissioning of the DoIT mainframe, scheduled for June 2003, additional mainframe controls will not be implemented.

#### **Finding WI-01-52: Improvement in Security at the Data Centers\***

*Criteria:* Security at the State's two data centers—one administered by the Department of Electronic Government, and one by the University of Wisconsin—should be established to ensure data and transactions processed at the data centers are not susceptible to unauthorized manipulation.

*Condition:* While control improvements have been made, continued effort is needed at the data centers to provide a more secure computing environment by limiting employee access to operating system software and other measures.

*Questioned Costs:* None

*Context:* The data centers provide centralized computer processing facilities in which critical accounting and payroll data are processed.

*Effect:* Control weaknesses increase the risk that unauthorized or erroneous changes are made to accounting, payroll, and other transactions and data.

*Cause:* Consolidations at the data centers caused large-scale changes in computer processing. Further, the recent transfer of one of the data centers from the Department of Administration to the Department of Electronic Government, and implementation of new software, resulted in additional changes. While improvements have been made to strengthen controls, because of time constraints some areas of concern remain.

*Recommendation:* We recommend the data centers continue to review their security and improve controls.

*Management Response:* The Department of Electronic Government has taken steps and is developing plans to address the concerns identified.

The University of Wisconsin-Madison Department of Information Technology (DoIT) agrees to continue to review areas in which security controls can be enhanced. There are currently projects underway that will help to reduce risks at the data centers, including a review of the physical access controls; redesigning the process used to activate and terminate technical staff access; a newly developed change information system; more complete inventorying of data assets; increasing the security of data transfers; and vulnerability scanning, research and development of firewalls, and improving the security of access to the DoIT mainframe. DoIT will continue to push forward with these efforts and to look for new opportunities to better secure the data center.

**Finding WI-01-53: Programmer Access to Critical Production Programs at the Department of Transportation\***

*Criteria:* To provide proper internal control, controls should be established to prevent computer programs from being altered and/or put into production without proper oversight and review.

*Condition:* Computer programmers at the Department of Transportation have access to the programs in production, and some are allowed to move programs from the test environment to production.

*Questioned Costs:* None

*Context:* The Department of Transportation maintains accounting and other systems critical to agency operations.

*Effect:* Programmers with extensive knowledge of the computer programs could make unauthorized changes to the programs and conceal those changes, resulting in undetected erroneous or fraudulent changes.

*Cause:* The Department of Transportation believes it can more efficiently complete program changes by allowing programmers access to the production environment.

*Recommendation:* In prior audits, we have expressed our concerns regarding the access to production data granted to programmers and have made recommendations to reduce the risk of unauthorized transactions. We continue to believe programmers should not have access to this data. However, the Department of Transportation indicated that it accepts the risks in this area. Therefore, we make no recommendation at this time.

*Management Response:* The Bureau of Automation Services (BAS) agrees that allowing programmer access to production programs is a risk, but a necessary risk. BAS has followed nationally recognized security measures to protect the integrity of its programs and has worked with the auditors to implement all their recommendations where a feasible solution was identified by either party. Access controls in combination with Changeman staging controls, user verification procedures, and supervisory oversight,

maintain a high level of production system security. Last year, BAS, with the auditors' oversight, implemented a process to more frequently review access to production programs. BAS will continue to discuss with the auditors ideas to further improve the ability to provide a sound production environment.

**Finding WI-01-54: Programmer Access to the State's Central Accounting System and Central Payroll System Data\***

*Criteria:* To provide proper internal control, programmer duties should be separated from production and data control duties.

*Condition:* Programmers for the State's central accounting system and central payroll system have "write" and "allocate" access to production data that allows them to change the data stored in the data sets.

*Questioned Costs:* None

*Context:* The State's central accounting system maintains the State's official accounting records. The system processes financial data for all state agencies and is the main source of information for financial schedules and statements, including the State's general purpose financial statements. The State's central payroll system processes the biweekly payroll for most state employees.

*Effect:* Programmers with "write" and "allocate" access and extensive knowledge of the computer programs in the systems could make unauthorized changes to data and conceal those changes.

*Cause:* The Department of Administration requires computer programmers to perform production and data control duties.

*Recommendation:* In prior audits, we have expressed our concerns regarding access to production data granted to programmers and have made recommendations to reduce the risk of unauthorized transactions. We continue to believe that programmers should not have access to this data. The Department of Administration is aware of the concerns but accepts the risks in this area. Therefore, we do not repeat our recommendation at this time.

*Management's Response:* The Department of Administration agrees that limited access for programmers is necessary and will continue to work with the Office of Computer Services to achieve this goal.

**Finding WI-01-55: Department of Administration's Capital Accounting Section Control Environment\***

*Criteria:* To provide proper internal control, the control environment should reflect the overall attitude and awareness of an organization concerning the importance of control and its effect on establishing, enhancing, or mitigating the effectiveness of specific controls.

*Condition:* In prior audits, we found significant errors and inconsistencies in the financial information prepared by the Capital Accounting Section, as well as the need for improved communications with state agency staff to ensure they understand and agree with the financial information they are to include in their financial statements. We again noted similar concerns during the current audit, as well as delays in preparing the necessary information.

*Questioned Costs:* None

*Context:* The Capital Accounting Section is responsible for preparing financial information related to the State's building program for inclusion in the State's general purpose financial statements.

*Effect:* There is an increased risk that the financial statements contain misstatements.

*Cause:* There are complex accounting issues related to reporting the activity of the debt service and capital projects funds in accordance with generally accepted accounting principles. Also, changes in staff and a lack of fully trained backup appeared to hinder the Capital Accounting Section's efforts to make improvements in its reporting process and to provide timely financial information.

*Recommendation:* We recommend the Department of Administration take additional steps to improve the accuracy and timeliness of the bonding and capital projects financial information included in the State's general purpose financial statements and to improve its explanations to staff at other agencies that rely on information provided by the Capital Accounting Section to complete their financial statements.

*Management's Response:* The State Controller's Office agrees with the auditors and is currently taking additional steps to improve the accuracy and timeliness of the bonding and capital projects financial information. These steps include 1) the implementation of a new database system that will make it easier for agencies to classify their projects for financial reporting, and 2) reducing by over 50 percent the number of accounting entries for the prior year. With regard to improving communications with agencies, the Controller's Office has increased communications to the agencies regarding classification of projects for GAAP reporting and debt service, but some agencies have difficulty understanding these concepts. Lack of knowledge in the state agencies regarding their projects has been a hindrance to the financial reporting.

**Finding WI-01-56: Access to the State's Central Accounting System Transactions\***

*Criteria:* To provide proper internal control, access to an accounting system should be limited based on employees' job duties. Employees should not have the ability to both enter and approve transactions.

*Condition:* The Department of Administration has taken steps to prevent employees from both entering and approving the same transactions. However, employees can override this restriction on transactions entered by other employees through their ability to “correct” and approve transactions that remain on the suspense file. Effectively, employees continue to have the ability to both enter and approve transactions on the State’s central accounting system, WiSMART, including those that result in the generation of checks.

*Questioned Costs:* None

*Context:* WiSMART processes financial data for all state agencies and is the main source of information for financial schedules and statements, including the State’s general purpose financial statements.

*Effect:* The ability to effectively enter and approve transactions increases the risk that unauthorized transactions will be processed.

*Cause:* Employees can override the control implemented by the Department of Administration to restrict an employee’s ability to both enter and approve the same transaction. Since WiSMART cannot effectively restrict the access and the Department believes the employees need this access to perform their job duties, the Department has chosen to accept the risk.

*Recommendation:* In prior audits, we have expressed our concerns related to WiSMART access granted to employees and have recommended the Department of Administration develop procedures that separate the entry and approval ability for processing WiSMART transactions. We continue to believe employees should not have both entry and approval abilities. However, the Department of Administration indicated that it accepts the risks in this area. Therefore, we do not repeat our recommendation at this time.

*Management’s Response:* The Department of Administration understands the finding and agrees that it has accepted an inherent risk. The Department also believes that there are safeguards in place through internal policies and reviews that will mitigate these risks.

#### **Finding WI-01-57: Excessive Access to Department of Administration Data\***

*Criteria:* To provide proper internal control, programmers should not have update access to production data. In addition, other employees’ access to production data should be limited to those employees responsible for production.

*Condition:* We continue to have concerns with access to production data. During our audit period, we found that two programmers and four purchasing staff at the Department of Administration were allowed to make changes to production data on the Financial Input System (FIS).

*Questioned Costs:* None

*Context:* The Department of Administration maintains FIS, which transfers information to the State’s central accounting system.

*Effect:* Programmers with extensive knowledge of FIS could make unauthorized changes to data and conceal those changes. Other employees could also make unauthorized changes to production data.

*Cause:* The Department of Administration uses programmers and other employees to fix problems with its systems and has granted them access to production data.

*Summary:* While the conditions noted existed during our audit period, the Department of Administration implemented a new system starting in FY 2001-02 that replaced FIS. Therefore, we make no recommendation at this time.

**Finding WI-01-58: Programmer Access to Critical Production Programs at the Department of Administration\***

*Criteria:* To provide proper internal control, controls should be established to prevent programs from being altered and/or put into production without proper oversight and review.

*Condition:* Programmers at the Department of Administration have access to the programs in production, and some are allowed to move programs from the test environment to production.

*Questioned Costs:* None

*Context:* The Department of Administration maintains critical systems, including financial data for the central accounting and payroll systems, and other systems critical to agency operations.

*Effect:* Programmers with extensive knowledge of the computer programs could make unauthorized changes to the programs and conceal those changes, resulting in undetected erroneous or fraudulent changes.

*Cause:* The Department of Administration believes the programmers require this access to help resolve production problems.

*Recommendation:* We recommend the Department of Administration remove programmers' access to production programs or implement adequate compensating controls that would detect, in a timely manner, any inappropriate access.

*Management Response:* In order to adequately maintain and ensure the smooth functioning of the State's accounting and payroll systems, a limited number of programmers have the ability to make changes to code in production to fix urgent problems. This limited number of programmers also have the ability to move code from the test region into production after sign-off by the customer.

The Department of Administration's Office of Computer Services believes that the current number of staff who have "write" access to central accounting and payroll production data (a total of nine) is appropriate given the size and complexity of the

systems and the need for adequate staff backup. This finding does not stipulate what an acceptable number of programmers who have access to production would be. We would be interested in solutions implemented in other state agencies.

**Finding WI-01-59: Programmer Access to Critical Production Programs at the Department of Natural Resources\***

*Criteria:* To provide proper internal control, controls should be established to prevent computer programs from being altered and/or put into production without proper oversight and review.

*Condition:* Programmers have the ability to move computer programs from test to production without proper oversight and review.

*Questioned Costs:* None

*Context:* The Department of Natural Resources maintains computer systems that are critical to agency operations.

*Effect:* Programmers with extensive knowledge of the computer programs could make unauthorized changes to the programs and conceal those changes, resulting in undetected erroneous or fraudulent changes.

*Cause:* The Department of Natural Resources has not developed controls to ensure proper oversight before programs are moved to production.

*Recommendation:* We recommend the Department of Natural Resources remove programmers' access to production programs or implement adequate compensating controls that would detect, in a timely manner, any inappropriate changes to programs or data.

*Management Response:* The Department of Natural Resources is in the process of migrating the computer applications now residing on the VMS operating system to a UNIX operating system. This conversion is labor-intensive but necessary to ensure continuing support of essential applications. Staff report that most of this project will be completed by the end of FY 2001-02. A key component of this migration has been the implementation of a separate test environment. Programmers have tested the impacts of converting applications to UNIX prior to their move to the production environment.

The Department's Information Technology Architect continues to analyze the enterprise in an effort to implement security improvements. One of the Department's major accomplishments during FY 2001-02 has been the successful migration of information technology help desk support to the Department of Electronic Government. This involved a thorough validation of the identification of approximately 3,000 Department of Natural Resources employees.

Significant staff and fiscal resources would be required to fully implement the audit recommendation. The Department's strategy is to address the issue in a phased approach, using the limited resources available as effectively and efficiently as possible. During this period of fiscal constraints and decreasing staff resources, staff are focusing on improving security for those applications supporting the Department's essential business systems.

**Finding WI-01-60: Programmer Access to Department of Revenue Data and Programs\***

*Criteria:* To provide proper internal control, computer programmers' ability to access or update production data and programs should be limited.

*Condition:* While the Department of Revenue has limited some access since our last audit, computer programmers continue to have "write" access to production files, allowing them to make changes directly to data in these files. In addition, while the Department has made significant progress toward restricting programmer access to production programs on the mainframe, additional work is needed to improve controls for changes to production programs on the local area network. The Department continues to work on its project to separate duties and implement new procedures to limit the inappropriate access.

*Questioned Costs:* None

*Context:* The Department of Revenue maintains critical systems to collect and process approximately \$12 billion in taxes annually for the State of Wisconsin, and issues tax refund checks.

*Effect:* The ability to access or update production files increases the risk that unauthorized additions, deletions, or changes to data will be processed, resulting in erroneous or fraudulent information or transactions. Programmers with extensive knowledge of the computer programs could make unauthorized changes to the programs and conceal those changes, resulting in undetected erroneous or fraudulent information.

*Cause:* The Department of Revenue understands the need to properly control access to data and programs and believes it will take a period of time to fully address these concerns. While progress has been made, because of other priorities there have been some delays in fully implementing corrective actions.

*Recommendation:* We encourage the Department of Revenue to continue its project to further reduce programmer "write" access to production data and programs.

*Management's Response:* The Department of Revenue agrees and has taken steps to address the areas of concern. While fully implementing the change will take time, the Department has drafted new policies and procedures, developed an implementation team, and is in the process of making the needed changes.

**Finding WI-01-61: Program Change Controls at the Department of Employee Trust Funds\***

*Criteria:* To provide proper controls over program changes, programmers should not have access to programs once testing has been completed, and an independent review of program changes should be performed to assess the reasonableness of the changes.

*Condition:* Programmers retain access to modified programs after testing is completed, and the majority of program changes do not have an independent review.

*Questioned Costs:* None

*Context:* The Department of Employee Trust Funds is the administrator of several public employee benefit programs, including the Wisconsin Retirement System.

*Effect:* Excessive access to modified programs and lack of independent review may allow programmers to make and conceal fraudulent or inappropriate changes.

*Cause:* During our prior audit, the Department of Employee Trust Funds indicated that controls such as user testing and walk-throughs of technical changes were sufficient to mitigate the majority of risk for fraudulent program changes. Furthermore, the Department's programmers make many changes and have limited resources to review all changes.

*Recommendation:* We recommend the Department of Employee Trust Funds take steps to improve the controls over the program change process, including performing annual reviews of certain staff accounts, eliminating the programmers' ability to make changes to programs once testing has been completed, and performing documented independent reviews of program changes before they are moved into production.

*Management's Response:* The Department of Employee Trust Funds agrees that reducing risks and exposures for unauthorized programmer changes is desirable. The Department has modified its process of moving programs into production so that changes to critical programs are identified and reviewed. The Department's internal audit unit has also begun an audit of staff accounts.

**Finding WI-01-62: Employee Computer Access Controls at the Department of Employee Trust Funds\***

*Criteria:* To provide proper internal control, an entity should limit access to financial records and systems to only those individuals who need it to perform their properly separated job duties.

*Condition:* The Department of Employee Trust Funds is not following its policy for properly authorizing users and limiting access to that needed for job duties.

*Questioned Costs:* None

*Context:* The Department of Employee Trust Funds is the administrator of several public employee benefit programs, including the Wisconsin Retirement System.

*Effect:* Inappropriate access may lead to improper creation, revision, or deletion of information.

*Cause:* The Department of Employee Trust Funds has not enforced its own policies for authorizing users. In addition, excessive access may have resulted from re-using identifications or overly broad requests for access and lack of communication of access changes when an employee either terminates or changes positions.

*Recommendation:* We recommend the Department of Employee Trust Funds ensure appropriate authorizations for users are obtained and develop procedures for periodic supervisory reviews of employee access to critical systems.

*Management's Response:* The Department of Employee Trust Funds agrees that proper authorization for employee access is needed and will make the changes necessary to ensure this authorization is obtained. The Department also agrees to develop procedures for periodic supervisory reviews of employees' access.

### **Finding WI-01-63: Disaster Recovery and Business Resumption Plan\***

*Criteria:* To minimize disruption that may occur in an emergency, Wisconsin state agencies should have effective disaster recovery and business resumption plans in place.

*Condition:* Although most state agencies have made significant progress, the majority do not have complete disaster recovery and business resumption plans.

*Questioned Costs:* None

*Context:* The State has made significant progress in developing and testing the plan for recovery of the data centers at an off-site backup location, but the State needs to continue efforts for the various agencies to plan for resources needed to resume activity in the event of a disaster.

*Effect:* Without effective disaster recovery and business resumption plans in place, an emergency could disrupt the State's ability to provide critical services.

*Cause:* The State has not devoted sufficient resources to the development of its disaster recovery and business resumption plans.

*Recommendation:* We recommend the agencies move forward to complete their disaster recovery and business resumption plans.

*Management's Response:* The various agencies agree to continue their disaster recovery and business resumption planning efforts.

**SECTION III—Federal Award Findings and Questioned Costs**

OMB Circular A-133 requires that audit findings be presented in sufficient detail for the auditee to prepare a corrective action plan and take corrective action, and for federal agencies and pass-through entities to arrive at a management decision. The specific information that OMB Circular A-133 requires in audit findings can be found in the agency narratives included in the single audit report. The agency narratives also include the agencies’ responses and corrective action plans, as well as summaries of findings and questioned costs. The agency narratives discuss the following findings in greater detail. Repeat findings from audit report 01-8 are marked with an asterisk (\*).

**U.S. DEPARTMENT OF AGRICULTURE**

**Wisconsin Department of Health and Family Services**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-01-8	10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	Review of Exception Reports*	\$ 0

**Wisconsin Department of Workforce Development**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-01-13	10.561	State Administrative Matching Grants for Food Stamp Program	Federal Procurement Rules	\$ 0

**Wisconsin Department of Public Instruction**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-01-38	10.553	School Breakfast Program	Eligibility Determination	\$ 29,815
WI-01-40		Multiple Grants	Access to the Food and Nutrition System	0
WI-01-41		Multiple Grants	Cross-Training Staff	0

<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>				<u>\$ 29,815</u>
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**U.S. DEPARTMENT OF DEFENSE**

**Wisconsin Department of Military Affairs**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-01-45	12.401	National Guard Military Operations and Maintenance Projects	Time and Effort Reporting*	Undetermined
<b>TOTAL U.S. DEPARTMENT OF DEFENSE</b>				<hr/> Undetermined

**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

**Wisconsin Department of Administration**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-01-42	14.235	Supportive Housing Program	Review of Annual Progress Reports	\$ 0
WI-01-43	14.235	Supportive Housing Program	Suspension and Debarment	0
<b>TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				<hr/> \$ 0

**U.S. DEPARTMENT OF LABOR**

**Wisconsin Department of Workforce Development**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-01-10	17.255	Workforce Investment Act	Earmarking and Federal Reporting	\$ 0
WI-01-11	17.255	Workforce Investment Act	Reporting of Carryover JTPA Cluster Funds	0
WI-01-12	17.255	Workforce Investment Act	Cash Management	0
<b>TOTAL U.S. DEPARTMENT OF LABOR</b>				<hr/> \$ 0

**FEDERAL EMERGENCY MANAGEMENT AGENCY**

**Wisconsin Department of Military Affairs**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-01-44	83.544	Public Assistance Grants	Progress Reports	\$ 0
<b>TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY</b>				<hr/> \$ 0

**U.S. DEPARTMENT OF EDUCATION**

**Wisconsin Department of Workforce Development**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-01-16	84.126	Rehabilitation Services—Vocational Rehabilitation Grants to States	Cash Management	\$ 10,000 Plus an Undetermined Amount
WI-01-17	84.126	Rehabilitation Services—Vocational Rehabilitation Grants to States	Direct Payments for Client Services*	786

**University of Wisconsin-Madison**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-01-20	84.038	Perkins Loan Program	Loan Assignments*	\$ 0

**University of Wisconsin-Green Bay**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-01-25	84.033	Federal Work-Study Program	Student Employee Time Sheets	\$ 0
WI-01-26	84.033	Federal Work-Study Program	Community Service Jobs	0
WI-01-22	84.038	Perkins Loan Program	Perkins Match	2,300
WI-01-24	84.063	Federal Pell Grant Program	Pell Grant Reconciliation	Undetermined
WI-01-21		Various Student Financial Aid Programs	Cash Management	0
WI-01-23		Various Student Financial Aid Programs	Federal Reporting	0

**University of Wisconsin-La Crosse**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-01-27	84.038	Perkins Loan Program	Collection Agencies*	\$ 0

**University of Wisconsin-Parkside**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-01-28	84.038	Perkins Loan Program	Loan Assignments*	\$ 0
WI-01-29		Various Student Financial Aid Programs	Return of Student Financial Aid Funds*	Undetermined

**University of Wisconsin-Platteville**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-01-30	84.063	Federal Pell Grant Program	Pell Grant Reconciliation*	\$ 2,632

**University of Wisconsin-River Falls**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-01-32	84.038	Perkins Loan Program	Post-Deferment Grace Period Contacts	\$ 0
WI-01-33	84.038	Perkins Loan Program	In-house Collection Efforts	0
WI-01-34	84.038	Perkins Loan Program	Loan Disclosures	0
WI-01-31		Various Student Financial Aid Programs	Return of Student Financial Aid Funds	0

**University of Wisconsin-Stout**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-01-35	84.038	Perkins Loan Program	Loan Assignments	\$ 0

**University of Wisconsin Colleges**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-01-36		Various Student Financial Aid Programs	Cash Management	\$ 480

**University of Wisconsin System Administration**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-01-37	84.038	Perkins Loan Program	Post-Deferment Grace Period Contacts	\$ 0

**Wisconsin Department of Public Instruction**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-01-39	84.048	Vocational Education—Basic Grants to States	Performance Reporting	\$ 0

**TOTAL U.S. DEPARTMENT OF EDUCATION**

\$ 16,198  
Plus an  
Undetermined  
Amount

**U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**Wisconsin Department of Health and Family Services**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-01-1	93.658	Foster Care—Title IV-E	Licensing and Criminal Records Checks	\$ 14,975
WI-01-2	93.658	Foster Care—Title IV-E	Undocumented Payments and Eligibility*	13,656 Plus an Undetermined Amount
WI-01-3	93.658	Foster Care—Title IV-E	Court Orders*	4,444
WI-01-4	93.658	Foster Care—Title IV-E	Reimbursements for Child Care Agencies	Undetermined
WI-01-5	93.658	Foster Care—Title IV-E	System Reimbursement Reports	Undetermined
WI-01-7	93.777	State Survey and Certification of Health Care Providers and Suppliers	Reconciliation of Quarterly Report to the Cash Management System*	0
WI-01-4	93.778	Medical Assistance Program	Reimbursements for Child Care Agencies	Undetermined
WI-01-7	93.778	Medical Assistance Program	Reconciliation of Quarterly Report to the Cash Management System*	0

**Wisconsin Department of Workforce Development**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-01-15	93.558	Temporary Assistance for Needy Families	Transfers of TANF Funds to SSBG*	\$ 45,741
WI-01-9	93.563	Child Support Enforcement	Undistributable Support Collections	Undetermined
WI-01-18	93.563	Child Support Enforcement	Access to KIDS Information*	0

**Wisconsin Department of Justice**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-01-46	93.775	State Medicaid Fraud Control Units	Time and Effort Reporting	\$ 0

**Wisconsin Higher Educational Aids Board**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-01-47	93.108	Health Education Assistance Loan Program	Late Fee Assessments	Undetermined

**TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES**

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\$ 78,816  
Plus and  
Undetermined  
Amount

**NONCOMPLIANCE FINDINGS AFFECTING MULTIPLE GRANTS**

**Wisconsin Department of Health and Family Services**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-01-6		Multiple Grants	Suspension and Debarment Certifications	\$ 0

**Wisconsin Department of Workforce Development**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-01-14		Multiple Grants	Access to Critical Data Sets and Database Tables	\$ 0
WI-01-19		Multiple Grants	Public Assistance Cost Allocation Plan*	0

**WISCONSIN DEPARTMENT OF ELECTRONIC GOVERNMENT**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-01-48		Multiple Grants	Rate Setting*	Undetermined

<b>TOTAL NONCOMPLIANCE FINDINGS AFFECTING MULTIPLE GRANTS</b>	Undetermined
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<b>TOTAL QUESTIONED COSTS FOR THE STATE OF WISCONSIN</b>	\$ 124,829 Plus an Undetermined Amount
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## State of Wisconsin Summary Schedule of Prior Audit Findings

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The Summary Schedule of Prior Audit Findings summarizes the status of the audit findings reported in the State of Wisconsin Schedule of Findings and Questioned Costs for the year ended June 30, 2000 (report 01-8). If the prior audit concern was fully addressed, the Summary Schedule of Prior Audit Findings indicates that the corrective action described in the prior audit report was taken or that corrective action is no longer needed. Otherwise, there is a reference to the page number of the FY 2000-01 single audit report where a repeat recommendation, description of the planned corrective action, or reason for not implementing the recommendation is presented.

If the audit finding was repeated from prior years, the Summary Schedule of Prior Audit Findings includes the finding reference number for the first year and all subsequent years that the finding was reported. Before FY 1996-97, the University of Wisconsin System was audited separately and discussed in separate reports. Findings previously included in these reports begin with "UW," followed by the last two digits of the fiscal year and the previous audit finding number. Findings included in the State of Wisconsin single audit report begin with "WI," followed by the last two digits of the fiscal year and the prior audit finding number. Prior audit report numbers, their corresponding fiscal year, and their finding reference numbers appear as follows:

State of Wisconsin Audit Reports			University of Wisconsin Audit Reports		
<u>Single Audit Report</u>	<u>Fiscal Year</u>	<u>Finding Reference Number</u>	<u>Single Audit Report</u>	<u>Fiscal Year</u>	<u>Finding Reference Number</u>
01-8	FY 1999-2000	WI-00-**			
00-5	FY 1998-99	WI-99-**	-	-	-
99-12	FY 1997-98	WI-98-**	-	-	-
98-12	FY 1996-97	WI-97-**	-	-	-
			97-16	FY 1995-96	UW-96-**

## U.S. DEPARTMENT OF AGRICULTURE

### Wisconsin Department of Health and Family Services

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-00-6 WI-99-1	10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	Reconciliation of WIC Food Instruments	Partially corrected, see page 36

### Wisconsin Department of Workforce Development

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-00-18 WI-99-9	10.561	State Administrative Matching Grants for Food Stamp Program	Accounting for and Reporting State Matching Expenditures	Corrective action taken

### University of Wisconsin-Extension

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-00-41	10.500	Cooperative Extension Service	Unallowable Costs	Corrective action taken

## U.S. DEPARTMENT OF DEFENSE

### Wisconsin Department of Military Affairs

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-00-49 WI-99-49 WI-98-42 WI-97-53	12.401	National Guard Military Operations and Maintenance Projects	Time and Effort Reporting	Not corrected, see page 116

## U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

### Wisconsin Department of Administration

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-00-47 WI-99-47 WI-98-35	14.239	HOME Investment Partnerships Program	Program Income	Working on resolution with HUD, see page 109

## U.S. DEPARTMENT OF JUSTICE

### Wisconsin Department of Administration

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-00-45	16.588	Violence Against Women Formula Grants	Financial Reporting	Corrective action taken
WI-00-45		Multiple Grants	Financial Reporting	Corrective action taken

## U.S. DEPARTMENT OF LABOR

### Wisconsin Department of Workforce Development

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-00-15	17.250	Job Training Partnership Act	Federal Draws and Interest Calculation	Corrective action taken

## U.S. DEPARTMENT OF TRANSPORTATION

### Wisconsin Department of Transportation

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-00-42	20.205	Highway Planning and Construction	Encumbrance Review	Corrective action taken
WI-00-43	20.205	Highway Planning and Construction	Materials Testing	Materially corrected, see page 98

## U.S. ENVIRONMENTAL PROTECTION AGENCY

### Wisconsin Department of Natural Resources

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-00-48	66.802	Superfund State Site-Specific Cooperative Agreements	Davis-Bacon Act	Materially corrected, see page 113

## U.S. DEPARTMENT OF EDUCATION

### Wisconsin Department of Workforce Development

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-00-12	84.126	Rehabilitation Services—Vocational Rehabilitation Grants to States	Questioned Obligations	Materially corrected, see page 53
WI-00-13	84.126	Rehabilitation Services—Vocational Rehabilitation Grants to States	Reporting	Corrective action taken
WI-00-20 WI-99-11	84.126	Rehabilitation Services—Vocational Rehabilitation Grants to States	Non-federal Match	Corrective action taken
WI-00-21 WI-99-15	84.126	Rehabilitation Services—Vocational Rehabilitation Grants to States	Direct Payments for Client Services	Not corrected, see page 56
WI-00-23 WI-99-19	84.126	Rehabilitation Services—Vocational Rehabilitation Grants to States	Subrecipient Monitoring	Corrective action taken

### University of Wisconsin-Madison

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-00-26 WI-99-24 WI-98-22	84.038	Perkins Loan Program	Loan Assignments	Not corrected, see page 69

### University of Wisconsin-Milwaukee

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-00-27 WI-99-25	84.038	Perkins Loan Program	Loan Assignments	Corrective action taken

### University of Wisconsin-La Crosse

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-00-32	84.033	Federal Work-Study Program	Missing Documentation	Corrective action taken
WI-00-28	84.038	Perkins Loan Program	In-house Collection Efforts	Corrective action taken
WI-00-29	84.038	Perkins Loan Program	Collection Agencies	Not corrected, see page 76
WI-00-30	84.038	Perkins Loan Program	Post-Deferment Grace Periods	Not corrected, see pages 77 and 93
WI-00-31	84.038	Perkins Loan Program	Loan Disclosures	Corrective action taken

### University of Wisconsin-Oshkosh

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-00-34 WI-99-28 WI-98-24 WI-97-21 UW-96-15		Various Student Financial Aid Programs	Federal Reporting	Corrective action taken

### University of Wisconsin-Parkside

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-00-36 WI-99-32	84.038	Perkins Loan Program	Loan Assignments	Not corrected, see page 81
WI-00-35 WI-99-34		Various Student Financial Aid Programs	Federal Reporting	Corrective action taken
WI-00-37 WI-99-36		Various Student Financial Aid Programs	Late Refund	Not corrected, see page 82

**University of Wisconsin–Platteville**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-00-39	84.063	Federal Pell Grant Program	Pell Grant Reconciliation	Not corrected, see page 84
WI-00-38		Various Student Financial Aid Programs	Refunds and Overpayments	Corrective action taken

**University of Wisconsin–Stevens Point**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-00-40		Various Student Financial Aid Programs	Cash Management	Corrective action taken

**U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES****Wisconsin Department of Health and Family Services**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-00-3	93.556	Promoting Safe and Stable Families	Inadequate Record Keeping	Corrective action taken
WI-00-1	93.658	Foster Care—Title IV-E	Undocumented Payments	Not corrected, see page 22
WI-00-2	93.658	Foster Care—Title IV-E	Lack of Court Orders in Case Files	Not corrected, see page 28
WI-00-7 WI-99-3 WI-98-4	93.777	State Survey and Certification of Health Care Providers and Suppliers	Reconciliation of Quarterly Report to FCM System	Partially corrected, see page 34
WI-00-7 WI-99-3 WI-98-4	93.778	Medical Assistance Program	Reconciliation of Quarterly Report to FCM System	Partially corrected, see page 34
WI-00-4	93.919	Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	Grant Administration	Corrective action taken

**Wisconsin Department of Workforce Development**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-00-9	93.558	Temporary Assistance for Needy Families	Transfers of TANF Funds to SSBG	Partially corrected, see page 51
WI-00-10	93.558	Temporary Assistance for Needy Families	Charges to Prior-Year Award Funds	Corrective action taken
WI-00-11	93.558	Temporary Assistance for Needy Families	Federal Reporting	Corrective action taken
WI-00-14	93.563	Child Support Enforcement	Excess Federal Reimbursements	Corrective action taken
WI-00-17 WI-99-6	93.563	Child Support Enforcement	Delayed Return of Federal Share of Collections for Public Assistance Programs	Corrective action taken
WI-00-24 WI-99-21 WI-98-14 WI-98-15 WI-98-16	93.563	Child Support Enforcement	Access to KIDS Information	Not corrected, see page 61
WI-00-19 WI-99-10	93.600	Head Start	Documentation of Non-Federal Match	Corrective action taken
WI-00-18 WI-99-9	93.778	Medical Assistance Program	Accounting for and Reporting State Matching Expenditures	Corrective action taken

**U.S. SOCIAL SECURITY ADMINISTRATION**

**Wisconsin Department of Workforce Development**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-00-13	96.001	Social Security-Disability Insurance	Reporting	Corrective action taken

## NONCOMPLIANCE FINDINGS AFFECTING MULTIPLE GRANTS

### Wisconsin Department of Health and Family Services

<u>Finding Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-00-5	Multiple Grants	Property Management	Materially corrected, see page 38
WI-00-8 WI-99-4 WI-98-6 WI-97-4	Multiple Grants	Subrecipient Monitoring	Corrective action taken

### Wisconsin Department of Workforce Development

<u>Finding Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-00-16	Multiple Grants	Review of PMS Reports	Corrective action taken
WI-00-22 WI-99-17	Multiple Grants	Property Records	Corrective action taken
WI-00-25 WI-99-22 WI-98-17 WI-97-6	Multiple Grants	Public Assistance Cost Allocation Plan	Not corrected, see page 63

### University of Wisconsin-Oshkosh

<u>Finding Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-00-33 WI-99-27	Multiple Grants	Physical Inventory	Corrective action taken

### Wisconsin Department of Public Instruction

<u>Finding Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-00-44	Multiple Grants	Subrecipient Monitoring	Corrective action taken

## Wisconsin Department of Administration

<u>Finding Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-00-46 WI-99-44	Multiple Grants	Rate Setting	Partially corrected, see page 127

## FINANCIAL STATEMENT FINDINGS

### Wisconsin Department of Workforce Development

<u>Finding Number</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-00-50 WI-99-55	Financial Reporting for the Support Collection Trust Fund	Corrective action taken
WI-00-51 WI-99-56	Reconciliations of Transactions and Balances in the Support Collection Trust Fund	Partially corrected, see page 135

### University of Wisconsin System Administration

<u>Finding Number</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-00-52 WI-99-58 WI-98-53	Excessive Access to UW System Data	Partially corrected, see page 136
WI-00-53 WI-99-66 WI-98-46	Programmer Access to Critical Production Programs	Not corrected. System Administration accepts the risk in this area. See page 137
WI-00-54 WI-99-59 WI-98-45 WI-97-62	Data Center Security Issues	Not corrected, see page 138

### Wisconsin Department of Transportation

<u>Finding Number</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-00-55 WI-99-66 WI-98-46	Programmer Access to Critical Production Programs	Not corrected, see page 139

## Wisconsin Department of Administration

<u>Finding Number</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-00-54 WI-99-59 WI-98-45	Data Center Security Issues	Partially corrected, see page 138
WI-00-56 WI-99-60 WI-98-47 WI-97-63	Programmer Access to the State's Central Accounting System and Central Payroll System Data	Not corrected. The Department accepts the risk in this area. See page 140
WI-00-57 WI-99-63 WI-98-50 WI-97-65	Capital Accounting Unit Control Environment	Not corrected, see page 140
WI-00-58 WI-99-61 WI-98-48	Access to the State's Central Accounting System Transactions	Not corrected. The Department accepts the risk in this area. See page 141
WI-00-59 WI-99-62 WI-98-49	Access to Department of Administration Data	Corrective action no longer needed
WI-00-60 WI-99-66 WI-98-46	Programmer Access to Critical Production Programs	Not corrected, see page 143

## Wisconsin Department of Natural Resources

<u>Finding Number</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-00-61 WI-99-66 WI-98-46	Programmer Access to Critical Production Programs	Not corrected, see page 144

## Wisconsin Department of Revenue

<u>Finding Number</u>	<u>Finding</u>	<u>Status of Findings</u>
WI-00-62 WI-99-64 WI-98-46 WI-98-55	Programmer Access to Data and Programs	Partially corrected, see page 145

**Wisconsin Department of Employee Trust Funds**

<u>Finding Number</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-00-63	Program Change Controls	Not corrected, see page 146
WI-00-64	Employee Computer Access Controls	Not corrected, see page 146

**Most State Agencies**

<u>Finding Number</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-00-65	Disaster Recovery and Business Resumption Plan	Not corrected, see page 147
WI-99-67		
WI-98-57		
WI-97-69		

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## State of Wisconsin Schedule of Expenditures of Federal Awards for the Year Ended June 30, 2001

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The Schedule of Expenditures of Federal Awards presents a summary of the State of Wisconsin's expenditures financed by the federal government. For the fiscal year ended June 30, 2001, the State of Wisconsin expended \$7.1 billion in federal financial assistance, consisting of \$6.4 billion in cash assistance, as presented in the schedule, \$47.5 million in noncash assistance, and \$682.4 million in outstanding loan balances, as described in Note 2 to the schedule.

As summarized on page 168, 23 state agencies, including the University of Wisconsin System, expended federal awards during FY 2000-01. These agencies administered 29 federal programs, which are listed in Note 2 to the schedule, that were selected for review according to the risk-based approach required by OMB Circular A-133.

Federal programs have been classified for purposes of the schedule into three types: 1) individual federal programs and other clusters, which are presented on pages 169 through 189; 2) the research and development (R&D) cluster, presented on pages 190 through 207; and 3) the student financial aid (SFA) cluster, presented on pages 208 through 209.

**STATE OF WISCONSIN**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2001**

STATE AGENCY OR CAMPUS	INDIVIDUAL PROGRAMS AND OTHER CLUSTERS	RESEARCH AND DEVELOPMENT CLUSTER	STUDENT FINANCIAL AID CLUSTER	TOTAL
<b>SUMMARY BY STATE AGENCY OR CAMPUS FOR YEAR ENDED JUNE 30, 2001</b>				
Department of Health and Family Services	\$ 2,741,390,809	\$ 0	\$ 0	\$ 2,741,390,809
Department of Workforce Development	1,542,436,076	0	0	1,542,436,076
Department of Transportation	601,356,360	0	0	601,356,360
Department of Public Instruction	418,067,927	0	0	418,067,927
Department of Administration	128,494,174	0	0	128,494,174
Department of Natural Resources	75,188,545	0	0	75,188,545
Department of Military Affairs	40,472,678	0	0	40,472,678
Department of Commerce	35,016,758	0	0	35,016,758
Wisconsin Technical College System Board	29,023,756	0	0	29,023,756
Department of Veterans Affairs	16,398,525	0	0	16,398,525
Department of Justice	8,192,903	0	0	8,192,903
Department of Corrections	7,313,933	0	0	7,313,933
Department of Agriculture, Trade and Consumer Protection	6,362,707	0	0	6,362,707
Wisconsin Historical Society	888,249	0	0	888,249
Higher Educational Aids Board	875,842	0	0	875,842
Wisconsin Arts Board	523,079	0	0	523,079
Child Abuse and Neglect Prevention Board	394,465	0	0	394,465
Public Service Commission	161,922	0	0	161,922
Educational Communications Board	110,909	0	0	110,909
Department of Tourism	2,900	0	0	2,900
Board on Aging and Long-Term Care	0	0	0	0
Department of Revenue	0	0	0	0
Total State Agencies	<u>5,652,672,517</u>	<u>0</u>	<u>0</u>	<u>5,652,672,517</u>
UW-Madison	26,046,882	314,826,348	113,632,360	454,505,590
UW-Milwaukee	7,714,429	10,349,473	63,622,771	81,686,673
UW-Eau Claire	2,064,600	200,902	25,439,822	27,705,324
UW-Green Bay	1,146,967	349,279	12,724,025	14,220,271
UW-La Crosse	1,487,329	1,670,242	24,529,016	27,686,587
UW-Oshkosh	4,022,460	273,303	20,825,520	25,121,283
UW-Parkside	890,877	341,052	11,090,978	12,322,907
UW-Platteville	275,392	0	14,772,301	15,047,693
UW-River Falls	1,761,192	76,954	14,676,062	16,514,208
UW-Stevens Point	2,124,761	191,419	21,990,691	24,306,871
UW-Stout	2,493,805	748,470	24,730,763	27,973,038
UW-Superior	1,086,231	47,917	9,086,407	10,220,555
UW-Whitewater	2,077,200	270,280	27,771,638	30,119,118
UW Colleges	1,188,114	(4,870)	11,805,425	12,988,669
UW-Extension	11,715,487	14,755	621	11,730,863
UW System Administration	1,005,896	0	0	1,005,896
Wisconsin Humanities Council	570,332	0	0	570,332
Total UW System	<u>67,671,954</u>	<u>329,355,524</u>	<u>396,698,400</u>	<u>793,725,878</u>
<b>TOTAL STATE OF WISCONSIN</b>	<b>\$ <u>5,720,344,471</u></b>	<b>\$ <u>329,355,524</u></b>	<b>\$ <u>396,698,400</u></b>	<b>\$ <u>6,446,398,395</u></b>

The accompanying notes are an integral part of this schedule.

**STATE OF WISCONSIN**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2001**

FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT:					
Subgrants:					
N/A	02.AGR dtd 10/26/92	Establishment of an Internet Backbone Within Costa Rica (from University of Costa Rica)	UW-Madison	\$ (9)	\$ 0
N/A	02.CCN-0005-C-00-3116-01	Privatization of Civilian and Defense Industries in the New Independent States (from Chemonics International)	UW-Madison	(363)	0
N/A	02.ANE-A-00-90-00036; EEU-A-00-99-00034	East Central European Scholars Program (from Georgetown University)	UW-La Crosse	299,176	0
N/A	02.UWCM-RX2050-836-98-P	Cass Educational and Training Program (from Georgetown University)	UW Colleges	32,492	0
TOTAL U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT				331,296	0
INTER-AMERICAN FOUNDATION:					
Other Federal Financial Assistance:					
N/A	04.F6-034-A2	New Roles for Municipal Governments in Bolivia and Their New Forms of Collaboration	UW-Madison	3,878	0
U.S. OFFICE OF NATIONAL DRUG CONTROL POLICY:					
Other Federal Financial Assistance:					
N/A	07.11-20-0001	High Intensity Drug Trafficking Area	DOJ	479,575	0
PEACE CORPS:					
Other Federal Financial Assistance:					
N/A	08.164-94-3283; 164-2040-000	Peace Corps Publicity and Recruitment Program	UW-Madison	11,217	0
U.S. DEPARTMENT OF AGRICULTURE:					
10.025		Plant and Animal Disease, Pest Control, and Animal Care	DATCP	200,660	0
10.064		Forestry Incentives Program	DNR	8,451	0
10.069		Conservation Reserve Program	DNR	85,649	0
10.153		Market News	DATCP	13,526	0
10.162		Inspection Grading and Standardization	DATCP	22,363	0
10.163		Market Protection and Promotion	DATCP	87,688	0
10.200		Grants for Agricultural Research, Special Research Grants	UW-Madison	3,330	0
10.200		Grants for Agricultural Research, Special Research Grants (from UW-Extension)	UW-Madison	7,182	0
10.200		Grants for Agricultural Research, Special Research Grants	UW-Extension	50,719	0
Total Federal Program 10.200				61,231	0
10.206		Grants for Agricultural Research-Competitive Research Grants	UW-Madison	16,448	0
10.206		Grants for Agricultural Research-Competitive Research Grants (from UW-Extension)	UW-Platteville	(33)	0
Total Federal Program 10.206				16,415	0
10.210		Food and Agricultural Sciences National Needs Graduate Fellowship Grants	UW-Madison	43,395	0
10.217		Higher Education Challenge Grants	UW-Platteville	24,031	0
10.217		Higher Education Challenge Grants	UW-River Falls	79,361	13,059
Total Federal Program 10.217				103,392	13,059
10.220		Higher Educational Multicultural Scholars Program	UW-Stout	11,865	0
10.302		Initiative for Future Agriculture and Food Systems	UW-Madison	108,036	23,281
10.303		Integrated Programs	UW-Madison	83,599	48,639
10.350		Technical Assistance to Cooperatives	UW-River Falls	5,906	0
10.435		State Mediation Grants	DATCP	186,485	0
10.475		Cooperative Agreements with States for Intrastate Meat and Poultry Inspection (Note 2)	DATCP	3,250,024	0
10.500		Cooperative Extension Service	UW-Madison	1,617,805	0
10.500		Cooperative Extension Service (from UW-Extension)	UW-Stevens Point	19,550	0
10.500		Cooperative Extension Service (from UW-Extension)	UW-Stout	(5,946)	0
10.500		Cooperative Extension Service	UW-Extension	8,997,778	400,185
Total Federal Program 10.500				10,629,187	400,185
10.550		Food Donation (Note 8)	DPI	0	0
Food Stamp Cluster:					
10.551		Food Stamps (Notes 2, 5, 6)	DWD	127,680,584	0
10.561		State Administrative Matching Grants for Food Stamp Program (Notes 2, 6)	DWD	32,152,347	22,774,373
10.561		State Administrative Matching Grants for Food Stamp Program (Note 2) (from UW-Extension)	UW-Madison	72,404	0
Total Food Stamp Cluster				159,905,335	22,774,373

The accompanying notes are an integral part of this schedule.

**STATE OF WISCONSIN**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2001**

FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
Child Nutrition Cluster:					
10.553		School Breakfast Program (Note 2)	DPI	9,294,693	9,294,693
10.555		National School Lunch Program (Note 2)	DPI	70,713,658	70,713,658
10.556		Special Milk Program for Children (Note 2)	DPI	1,297,886	1,297,886
10.559		Summer Food Service Program for Children (Note 2)	DPI	2,331,343	2,285,090
Total Child Nutrition Cluster				<u>83,637,580</u>	<u>83,591,327</u>
10.557		Special Supplemental Nutrition Program for Women, Infants, and Children (Note 7)	DHFS	54,973,834	12,188,707
10.558		Child and Adult Care Food Program (Note 2)	DPI	28,967,113	28,665,368
10.560		State Administrative Expenses for Child Nutrition (Note 2)	DPI	1,924,934	0
Emergency Food Assistance Cluster:					
10.568		Emergency Food Assistance Program (Administrative Costs) (Note 9)	DHFS	904,845	632,340
10.569		Emergency Food Assistance Program (Food Commodities) (Note 9)	DHFS	0	0
Total Emergency Food Assistance Cluster				<u>904,845</u>	<u>632,340</u>
10.570		Nutrition Program for the Elderly	DHFS	2,894,693	2,894,693
10.572		WIC Farmers' Market Nutrition Program	DHFS	574,405	0
10.574		Team Nutrition Grants	DPI	49,541	0
10.652		Forestry Research	DNR	40,639	0
10.652		Forestry Research	UW-La Crosse	4,843	0
Total Federal Program 10.652				<u>45,482</u>	<u>0</u>
10.664		Cooperative Forestry Assistance (Note 2)	DNR	1,541,785	620,953
10.664		Cooperative Forestry Assistance (Note 2)	DATCP	1,527,912	0
10.664		Cooperative Forestry Assistance (Note 2)	Tourism	2,900	0
Total Federal Program 10.664				<u>3,072,597</u>	<u>620,953</u>
Schools and Roads Cluster:					
10.665		Schools and Roads-Grants to States	DNR	2,029,983	2,029,983
Total Schools and Roads Cluster				<u>2,029,983</u>	<u>2,029,983</u>
10.901		Resource Conservation and Development	DNR	86,825	0
10.902		Soil and Water Conservation	DNR	25,000	0
10.902		Soil and Water Conservation	UW-Extension	27,896	0
Total Federal Program 10.902				<u>52,896</u>	<u>0</u>
10.912		Environmental Quality Incentives Program	UW-Extension	11,958	0
10.913		Farmland Protection Program	DNR	18,278	0
10.950		Agricultural Statistics Reports	DATCP	83,462	0
10.960		Technical Agricultural Assistance	UW-Madison	111,235	0
10.962		International Training-Foreign Participant	UW-River Falls	11,222	0
Other Federal Financial Assistance:					
N/A	10.FSIMMA13-2	Conduct Eagle/Osprey Surveys	DNR	2,500	0
N/A	10.NEXC501; NEXC600	Monitor Chequamegon Wolf Packs	DNR	15,095	0
N/A	10.5356A601083	Nicolet/Chequamegon National Forests	DNR	95,678	0
N/A	10.RV0P01	Weed Conference	DNR	7,000	0
N/A	10.489003	Wetland Reserve-NCRS	DNR	112,502	0
N/A	10.999 3115-342- 1305	SR Farmer's Market Nutrition	DATCP	37,760	0
N/A	10.12-25-G-0312	FSMIP-Pasturelands	DATCP	9,007	0
N/A	10.AID-CSD-3204	Basic Ordering Agreement in Connection with Foreign Assistance Programs	UW-Madison	149	0
N/A	10.RBS-98-34	Case Studies of Equity Management Issues in Midwest Dairy Cooperatives with Aging Membership	UW-Madison	430	0
N/A	10.00-52	Dairy Distance Education-School for Beginning Dairy Farmers	UW-Madison	5,000	0
N/A	10.AGR dtd 9/11/00	Family Nutrition Program/ Wisconsin Nutrition Education Network (from UW-Extension)	UW-Madison	53,597	0
N/A	10.74-5F48-7-132	Fox-Wolf/Green Bay Manure Education Project	UW-Madison	69	0
N/A	10.58-3148-0-009	Mitigation and Planning Support	UW-Madison	271,776	0
N/A	10.69-5F48-9- 00210	Natural Resources Conservation Service Support	UW-Madison	64,987	0
N/A	10.74-5F48-7-132	Nutrient Management Farmer Clubs	UW-Madison	14,761	0
N/A	10.69-5F48-9- 00294	Pesticide Education and Safety Testing for Hmong	UW-Madison	15,500	0
N/A	10.43-6401-1-0041	Hmong Horticulture	UW-Superior	14,973	0
N/A	10.000-1020-900- 001	National Program Coordinator Support	UW-Extension	40,719	0
Subtotal Direct Programs				<u>355,035,593</u>	<u>153,882,908</u>

The accompanying notes are an integral part of this schedule.

**STATE OF WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2001**

FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
Subgrants:					
10.217		Higher Education Challenge Grants (from Texas Tech University)	UW-Stout	8,248	0
10.303	10.103100/535956	Integrated Programs (from University of Rhode Island)	UW-Madison	5,561	0
10.443		Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers (from Lac Courte Oreilles Ojibwa Community College)	UW-River Falls	17,428	0
10.561		State Administrative Matching Grants for Food Stamp Program (Note 2) (from Rock County Human Services Department)	UW-Extension	810	0
N/A	10.P514834	UV-B Monitoring (from Colorado State University)	DNR	3,977	0
N/A	10.AGR dtd 12/2/99; 12/20/00	Various Subgrants (from Cooperative Development Services)	UW-Madison	38,484	0
N/A	10.LWF62-016-03635	Minnesota and Wisconsin State Sustainable (from University of Nebraska)	UW-Extension	9,292	0
Subtotal Subgrants				83,800	0
TOTAL U.S. DEPARTMENT OF AGRICULTURE				355,119,393	153,882,908
U.S. DEPARTMENT OF COMMERCE:					
11.303		Economic Development-Technical Assistance	UW-Stout	103,366	0
11.405		Anadromous Fish Conservation Act Program	DNR	8,285	0
11.407		Interjurisdictional Fisheries Act of 1986	DNR	17,005	0
11.417		Sea Grant Support (from UW-Madison)	UW-Milwaukee	163	0
11.419		Coastal Zone Management Administration Awards	DOA	1,065,594	688,601
11.550		Public Telecommunications Facilities-Planning and Construction	ECB	110,909	0
11.550		Public Telecommunications Facilities-Planning and Construction	UW-La Crosse	642	0
11.550		Public Telecommunications Facilities-Planning and Construction	UW-Extension	54,625	0
Total Federal Program 11.550				166,176	0
11.611		Manufacturing Extension Partnership (from UW-Extension)	UW-Madison	66,574	0
11.611		Manufacturing Extension Partnership	UW-Stout	473,939	95,977
Total Federal Program 11.611				540,513	95,977
Other Federal Financial Assistance:					
N/A	11.40AANC904124	Information Access System for Geodetic Control	UW-Madison	15,526	0
Subtotal Direct Programs				1,916,628	784,578
Subgrants:					
11.430		Undersea Research (from University of Connecticut)	UW-Milwaukee	44,142	0
11.611		Manufacturing Extension Partnership (from Wisconsin Center for Manufacturing and Productivity, Inc.)	UW-Extension	83,147	0
Subtotal Subgrants				127,289	0
TOTAL U.S. DEPARTMENT OF COMMERCE				2,043,917	784,578
U.S. DEPARTMENT OF DEFENSE:					
12.113		State Memorandum of Agreement Program for the Reimbursement of Technical Services	DNR	90,197	0
12.401		National Guard Military Operations and Maintenance Projects	DMA	17,431,298	0
12.401		National Guard Military Operations and Maintenance Projects	DVA	243,035	0
Total Federal Program 12.401				17,674,333	0
12.404		National Guard Civilian Youth Opportunities	DMA	2,009,324	0
12.420		Military Medical Research and Development	UW-Madison	67,776	0
Other Federal Financial Assistance:					
N/A	12.	Capoli Slough	DNR	1,386	0
N/A	12.N3569795MDPMIPR	Troops to Teachers	DVA	56,125	0
Subtotal Direct Programs				19,899,141	0
Subgrants:					
N/A	12.AGR dtd 3/28/00	National Defense Science and Engineering Graduate Fellowship Program (from American Society for Engineering Education)	UW-Madison	15,417	0
N/A	12.DAAH04-93-G-0285	Western Wisconsin Upper Michigan Symposium (from Academy of Applied Science)	UW-La Crosse	5,511	0
Subtotal Subgrants				20,928	0
TOTAL U.S. DEPARTMENT OF DEFENSE				19,920,069	0
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:					
14.171		Manufactured Home Construction and Safety Standards	Commerce	65,645	0
14.228		Community Development Block Grants/State's Program (Note 10)	Commerce	33,585,528	32,489,369

The accompanying notes are an integral part of this schedule.

**STATE OF WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2001**

FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
14.231		Emergency Shelter Grants Program	DOA	1,746,829	1,643,140
14.235		Supportive Housing Program (Note 2)	DOA	2,871,593	2,765,593
14.239		HOME Investment Partnerships Program	DOA	12,491,584	11,851,995
14.241		Housing Opportunities for Persons with AIDS	DOA	297,385	269,687
14.900		Lead-Based Paint Hazard Control in Privately-Owned Housing	DOA	1,204,206	1,095,839
Other Federal Financial Assistance:					
N/A	14.WILHH0081	Wisconsin Healthy Homes Initiative	UW-Madison	3,956	0
N/A	14.COPC-WI-97-021; 024	Establishing a Community-University Outreach Partnership in Racine and Kenosha Counties	UW-Parkside	110,050	0
N/A	14.H(502)6016	Housing Debt Service (from UW System Admin)	UW-Stevens Point	28,632	0
N/A	14.H(502)3507	Federal Debt Service Subsidy	UW-Stout	9,739	0
Subtotal Direct Programs				52,415,147	50,115,623
Subgrants:					
14.218	14.CD4900051325 G007	Community Development Block Grants/Entitlement Grants (from City of Milwaukee)	UW-Milwaukee	9,702	0
14.218		Community Development Block Grants/Entitlement Grants (from Housing Authority of City of Milwaukee)	UW-Extension	15,000	5,064
14.506		General Research and Technology Activity (from University Consortium for	UW-Milwaukee	612	0
N/A	14.AGR dtd 4/26/99	Roar Club (from Madison Community Development Authority)	UW-Madison	629	0
Subtotal Subgrants				25,943	5,064
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				52,441,090	50,120,687
U.S. DEPARTMENT OF THE INTERIOR:					
Fish and Wildlife Cluster:					
15.605		Sport Fish Restoration (Note 6)	DNR	9,886,932	39,586
15.611		Wildlife Restoration (Note 6)	DNR	6,852,439	1,710
Total Fish and Wildlife Cluster				16,739,371	41,296
15.614		Coastal Wetlands Planning, Protection and Restoration Act	DNR	1,200,352	0
15.615		Cooperative Endangered Species Conservation Fund	DNR	322,112	0
15.616		Clean Vessel Act	DNR	27,146	0
15.617		Wildlife Conservation and Appreciation	DNR	95,300	0
15.617		Wildlife Conservation and Appreciation	UW-Madison	5,884	0
Total Federal Program 15.617				101,184	0
15.618		Administrative Grants for Federal Aid in Sport Fish and Wildlife Restoration	UW-Stevens Point	98,279	0
15.808		U.S. Geological Survey-Research and Data Acquisition	UW-La Crosse	956	0
15.808		U.S. Geological Survey-Research and Data Acquisition	UW-Extension	6,124	0
Total Federal Program 15.808				7,080	0
15.809		National Spatial Data Infrastructure Cooperative Agreements Program	DOA	38,727	27,044
15.809		National Spatial Data Infrastructure Cooperative Agreements Program	UW-Madison	35,430	0
Total Federal Program 15.809				74,157	27,044
15.810		National Cooperative Geologic Mapping Program	UW-Extension	79,081	0
15.904		Historic Preservation Fund Grants-In-Aid	WHS	684,948	124,686
15.916		Outdoor Recreation-Acquisition, Development and Planning	DWD	22,000	0
15.916		Outdoor Recreation-Acquisition, Development and Planning	DNR	1,104,954	0
Total Federal Program 15.916				1,126,954	0
15.978		Upper Mississippi River System Long Term Resource Monitoring Program	DNR	382,649	0
Other Federal Financial Assistance:					
N/A	15.WAA6-09399	Bacterial Kidney	DNR	5,000	0
N/A	15.1448-398979	Crex Meadows-Pine Barrens	DNR	2,453	0
N/A	15.301819G012	Duck Production Study	DNR	9,297	0
N/A	15.AGF50-06-001; BIA	Forest Management Service-Indian Lands	DNR	66,218	0
N/A	15.301810G043	Genotype Seed Nurseries	DNR	4,957	0
N/A	15.1443CA628197 006	Ice Age Reserve	DNR	796,000	0
N/A	15.1448-9821097	NAWCA-GHRA Phase II	DNR	(629)	0
N/A	15.1448-9821099	NAWCA-GHRA Phase III	DNR	48,970	0
N/A	15.1448-9821098	NAWCA-Pothole Phase II	DNR	(156,722)	0
N/A	15.1448-996902	NAWCA-South East Coastal	DNR	(20,000)	0
N/A	15.1448-996902-II	NAWCA-South East Coastal II	DNR	(49,183)	0
N/A	15.301819J115	NAWCA-Superior Coastal Wetland Phase 1	DNR	142,338	0

The accompanying notes are an integral part of this schedule.

**STATE OF WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2001**

FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
N/A	15.301810G044	Prairie Habitat Restoration	DNR	3,694	0
N/A	15.301819J133	Purple Loosestrife	DNR	1,297	0
N/A	15.301810J079	Remnant Prairies	DNR	4,476	0
N/A	15.1448-3981104	St. Croix Zebra Mussel	DNR	6,500	0
N/A	15.00-221	Whooping Crane Reintroduction	DNR	91,992	0
N/A	15.1448-98210-99-G37	Woodcock Lead Study	DNR	9,587	0
N/A	15.PAA997004	Bureau of Land Management Youth Riparian Education Initiative	UW-Madison	3,674	0
N/A	15.14489110098J007	Increasing Extension's Capacity to Provide Natural Resources and Environmental Management	UW-Madison	106	0
N/A	15.AGR dtd 7/20/99; 4/6/00; 8/7/00	Intergovernmental Personnel Assignment Agreements	UW-Madison	164,518	0
N/A	15.1443CA600048045;	Midwest Region GIS Field Technical Support Center	UW-Madison	102,315	0
N/A	H6063A00001	Development of a Pre-Settlement Vegetation Model at Necedah National Wildlife Refuge	UW-Stevens Point	149	0
N/A	15.301810J064; 301811J099	Breeding Bird Monitoring Program	UW-Extension	3,227	0
N/A	15.301810J114	Coastal Wetlands Educational Exhibit	UW-Extension	15,000	13,636
N/A	15.99HQAG0128	Geologic Mapping and Digitizing	UW-Extension	5,170	1,671
TOTAL U.S. DEPARTMENT OF THE INTERIOR				22,103,717	208,333
<b>U.S. DEPARTMENT OF JUSTICE:</b>					
16.000		State Forfeiture Sharing	DOT	30,917	0
16.000		State Forfeiture Sharing	DOJ	430,263	0
Total Federal Program 16.000				461,180	0
16.523		Juvenile Accountability Incentive Block Grants	DOA	5,076,740	4,775,202
16.540		Juvenile Justice and Delinquency Prevention-Allocation to States	DOA	1,217,628	1,058,539
16.543		Missing Children's Assistance	DOJ	290,431	4,811
16.548		Title V-Delinquency Prevention Program	DOA	800,105	800,105
16.549		Part E-State Challenge Activities	DOA	207,459	198,803
16.550		State Justice Statistics Program for Statistical Analysis Centers	DOA	211,743	188,056
16.554		National Criminal History Improvement Program	DOA	1,403,355	1,403,355
16.554		National Criminal History Improvement Program	DOJ	3,886	0
Total Federal Program 16.554				1,407,241	1,403,355
16.560		National Institute of Justice Research, Evaluation, and Development Project Grants	DOJ	442,071	0
16.575		Crime Victim Assistance	DOJ	3,929,421	3,719,765
16.576		Crime Victim Compensation	DOJ	706,884	0
16.579		Byrne Formula Grant Program	DOA	9,770,011	8,040,442
16.580		Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	DOJ	620,742	0
16.582		Crime Victim Assistance/Discretionary Grants	DOJ	19,547	0
16.586		Violent Offender Incarceration and Truth in Sentencing Incentive Grants	DOC	4,967,297	0
16.588		Violence Against Women Formula Grants	DOA	2,797,321	2,589,421
16.589		Rural Domestic Violence and Child Victimization Enforcement Grant Program	DOA	663,199	648,317
16.592		Local Law Enforcement Block Grants Program	DOA	800,099	732,864
16.593		Residential Substance Abuse Treatment for State Prisoners	DOA	735,290	727,368
16.598		State Identification Systems Grant Program	DOA	142,575	142,575
16.606		State Criminal Alien Assistance Program (Note 11)	DOC	2,098,210	0
16.607		Bulletproof Vest Partnership Program	DOT	43,639	44,407
16.710		Public Safety Partnership and Community Policing Grants	UW-Green Bay	10,046	0
16.710		Public Safety Partnership and Community Policing Grants	UW-Parkside	29,687	0
16.710		Public Safety Partnership and Community Policing Grants	UW-Stout	12,788	0
Total Federal Program 16.710				52,521	0
16.712		Police Corps	DOA	470,714	337,357
16.727		Enforcing Underage Drinking Laws Program	DOT	762,739	296,989
<b>Other Federal Financial Assistance:</b>					
N/A	16.98-DD-BX-29	Byrne Evaluation Partnership Program	DOA	21,340	21,340
N/A	16.97-TT-VX-0006	1997 Closed-circuit Televising of Testimony of Children who are Victims of Abuse	DOA	25,950	25,950
N/A	16.99-88; 2000-95	Domestic Cannabis Eradication/Suppression Program	DOJ	381,154	162,835
N/A	16.96UMWX1286	Cops Universal Hiring Award	UW-Madison	5,479	0
N/A	16.97PRWX0422	Cops Problem-Solving Partnership	UW-Madison	1,078	0
Subtotal Direct Programs				39,129,808	25,918,501

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**STATE OF WISCONSIN**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2001**

FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
Subgrants:					
16.523		Juvenile Accountability Incentive Block Grants (from City of Oshkosh)	UW-Oshkosh	24,139	0
16.540		Juvenile Justice and Delinquency Prevention-Allocation to States (from Winnebago County)	UW-Oshkosh	21,770	0
16.541		Juvenile Justice and Delinquency Prevention-Special Emphasis (from Safe and Sound, Inc.)	UW-Milwaukee	8,000	0
16.544		Gang-Free Schools and Communities-Community-Based Gang Intervention (from Boys and Girls Club)	UW-La Crosse	7,453	0
16.548		Title V-Delinquency Prevention Program (from Winnebago County)	UW-Oshkosh	101,074	0
N/A	16.96-UM-WX-0400	Victim Advocate Project (from Racine County Office of the District Attorney)	UW-Parkside	10,280	0
N/A	16.J41003C-0029; 0013	Oxford Prison Educational Program (from Federal Correction Institute-Oxford)	UW Colleges	84,480	(74,288)
Subtotal Subgrants				<u>257,196</u>	<u>(74,288)</u>
TOTAL U.S. DEPARTMENT OF JUSTICE				<u>39,387,004</u>	<u>25,844,213</u>
U.S. DEPARTMENT OF LABOR:					
17.002		Labor Force Statistics	DWD	1,658,747	0
17.005		Compensation and Working Conditions	DWD	70,937	0
17.203		Labor Certification for Alien Workers	DWD	82,524	0
Employment Services Cluster:					
17.207		Employment Service	DWD	15,641,488	0
17.801		Disabled Veterans' Outreach Program	DWD	1,618,307	0
17.804		Local Veterans' Employment Representative Program	DWD	1,657,727	0
Total Employment Services Cluster				<u>18,917,522</u>	<u>0</u>
17.225		Unemployment Insurance (Notes 6, 12)	DWD	745,520,799	0
17.235		Senior Community Service Employment Program	DHFS	2,295,899	1,995,702
17.245		Trade Adjustment Assistance-Workers	DWD	15,105,640	0
17.249		Employment Services and Job Training Pilots-Demonstrations and Research	DWD	99,454	0
17.249		Employment Services and Job Training Pilots-Demonstrations and Research	UW-Parkside	174,897	0
Total Federal Program 17.249				<u>274,351</u>	<u>0</u>
JTPA Cluster:					
17.250		Job Training Partnership Act (Note 2)	DWD	1,169,638	1,196,851
17.246		Employment and Training Assistance-Dislocated Workers (Note 2)	DWD	3,919,222	3,413,469
17.246		Employment and Training Assistance-Dislocated Workers (Note 2)	UW-Superior	325,519	0
Total JTPA Cluster				<u>5,414,379</u>	<u>4,610,320</u>
17.253		Welfare-to-Work Grants to States and Localities	DWD	4,763,010	4,695,553
17.255		Workforce Investment Act (Notes 2, 13)	DWD	21,682,485	19,069,287
17.504		Consultation Agreements	DHFS	2,561,132	0
17.504		Consultation Agreements	DWD	40,624	0
17.504		Consultation Agreements	Commerce	692,806	0
Total Federal Program 17.504				<u>3,294,562</u>	<u>0</u>
17.600		Mine Health and Safety Grants	Commerce	174,012	0
17.802		Veterans' Employment Program	DWD	133,942	0
Other Federal Financial Assistance:					
N/A	17.E9454655	Basic Assistance Grant	DWD	(2,657)	0
N/A	17.E-9-4-0-0007	Youth Leadership Forum	UW-Whitewater	5,850	0
Subtotal Direct Programs				<u>819,392,002</u>	<u>30,370,862</u>
Subgrants:					
17.250	17.00-74-NC	Job Training Partnership Act (Note 2) (from North Central Community Action Program)	DPI	(454)	0
17.250		Job Training Partnership Act (Note 2) (from Fox Valley Workforce Development Board)	UW-Oshkosh	396,169	0
17.255	17.WEOP-ABC	Workforce Investment Act (Note 2) (from North Central Community Action Program)	DPI	2,947	0
17.255	17.00-44	Workforce Investment Act (Note 2) (from Racine County Human Services Department)	UW-Parkside	133,749	0
N/A	17.10-110	Youth Resource Center Project (from Racine County Human Services)	UW-Extension	2,503	0
Subtotal Subgrants				<u>534,914</u>	<u>0</u>
TOTAL U.S. DEPARTMENT OF LABOR				<u>819,926,916</u>	<u>30,370,862</u>
U.S. DEPARTMENT OF STATE:					
19.415		Professional Exchanges-Annual Open Grant	UW-Parkside	85,950	0

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**STATE OF WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2001**

FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
N/A	19.IA-ASDH-G8190316	Other Federal Financial Assistance: Develop Courses and Collaborative Projects with the Far Eastern State University Law Institute Subtotal Direct Grants	UW-Madison	7,770 <u>93,720</u>	0 <u>0</u>
N/A	19.P804-0352	Subgrants: Inova Cairo Biennale Project (from Institute of Arts International)	UW-Milwaukee	28	0
N/A	19.AGR dtd 9/24/99; 11/18/99; 7/13/00	Community College Programs (from Youth for Understanding International Exchange) Subtotal Subgrants	UW Colleges	296,258 <u>296,286</u>	0 <u>0</u>
TOTAL U.S. DEPARTMENT OF STATE				<u>390,006</u>	<u>0</u>
U.S. DEPARTMENT OF TRANSPORTATION:					
20.005		Boating Safety Financial Assistance	DNR	1,584,339	1,081,359
20.106		Airport Improvement Program	DOT	28,041,906	2,674,846
Highway Planning and Construction Cluster:					
20.205		Highway Planning and Construction (Notes 2, 14, 15) Total Highway Planning and Construction Cluster	DOT	534,118,901 <u>534,118,901</u>	6,190,025 <u>6,190,025</u>
20.215		Highway Training and Education	UW-Milwaukee	1,238	0
20.218		National Motor Carrier Safety	DOT	2,589,829	0
20.219		Recreational Trails Program	DNR	532,847	30,746
20.308		Local Rail Freight Assistance (Note 15)	DOT	0	0
20.312		High Speed Ground Transportation-Next Generation High Speed Rail Program	DOT	12,895	0
Federal Transit Cluster:					
20.500		Federal Transit-Capital Investment Grants	DOT	11,396,512	11,202,184
20.507		Federal Transit-Formula Grants Total Federal Transit Cluster	DOT	5,137,891 <u>16,534,403</u>	4,513,437 <u>15,715,621</u>
20.505		Federal Transit-Metropolitan Planning Grants	DOT	557,261	90,505
20.509		Formula Grants for Other Than Urbanized Areas (Note 2)	DOT	9,490,126	8,996,378
20.513		Capital Assistance Program for Elderly Persons and Persons with Disabilities	DOT	932,526	843,973
20.516		Job Access-Reverse Commute	DOT	1,862,481	1,862,481
Highway Safety Cluster:					
20.600		State and Community Highway Safety	DOT	4,316,591	1,821,876
20.601		Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants Total Highway Safety Cluster	DOT	2,062,146 <u>6,378,737</u>	1,565,900 <u>3,387,776</u>
20.700		Pipeline Safety	PSC	161,922	0
20.703		Interagency Hazardous Materials Public Sector Training and Planning Grants	DMA	234,336	56,274
Other Federal Financial Assistance:					
N/A	20.2984-06-75	Lakeshore State Park	DNR	219,743	0
N/A	20.5556-00-73	Military Ridge Trail-ISTEA	DNR	147,130	0
N/A	20.DDEGFP-98-X-00725	Dwight David Eisenhower Fellowship Subtotal Direct Programs	UW-Madison	35,440 <u>603,436,060</u>	0 <u>40,929,984</u>
20.601		Subgrants: Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants (from Waukesha County)	UW-Whitewater	1,075	0
N/A	20.F32-6820UWM	Freight Forecasting Course (from Cambridge Systematics)	UW-Milwaukee	3,327	0
N/A	20.AGR dtd 1/24/94	Air Pollution Control-Technical Training (from Southeastern Wisconsin Regional Planning Commission) Subtotal Subgrants	UW-Extension	(41,367) <u>(36,965)</u>	0 <u>0</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION				<u>603,399,095</u>	<u>40,929,984</u>
U.S. DEPARTMENT OF THE TREASURY:					
21.008		Low-Income Taxpayer Clinics	UW-Milwaukee	26,156	0
U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION:					
30.002		Employment Discrimination-State and Local Fair Employment Practices Agency	DWD	1,032,251	0
FEDERAL MEDIATION AND CONCILIATION SERVICE:					
34.002		Labor Management Cooperation	DWD	27,140	0
U.S. GENERAL SERVICES ADMINISTRATION:					
39.003		Donation of Federal Surplus Personal Property (Note 16)	DOA	0	0

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**STATE OF WISCONSIN**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2001**

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<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION:					
Other Federal Financial Assistance:					
N/A	43.NAG5-9028	Earth Science Component for Academic Professional Enhancement	UW-Madison	26,212	0
N/A	43.AGR dtd 3/19/01	Intergovernmental Personnel Assignment Agreement	UW-Madison	10,865	0
N/A	43.AGR dtd 2/29/00	Scopes for Schools (from UW-Milwaukee)	UW-Madison	16,497	0
N/A	43.AGR dtd 3/2/00	Universe in the Park (from UW-Milwaukee)	UW-Madison	2,189	0
N/A	43.NGT5-40039	Wisconsin Space Grant Program	UW-Milwaukee	176,188	0
Subtotal Direct Programs				<u>231,951</u>	<u>0</u>
Subgrants:					
N/A	43.CK 9068; CK 12903; UWM4301	NASA Sharp Plus Research Apprenticeship Program (from Quality Education for Minorities Network)	UW-Madison	63,223	0
TOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION				<u>295,174</u>	<u>0</u>
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES:					
45.024		Promotion of the Arts-Grants to Organizations and Individuals	UW-Milwaukee	6,394	0
45.025		Promotion of the Arts-Partnership Agreements	Arts Board	523,079	139,377
45.129		Promotion of the Humanities-Federal/State Partnership (from Wisconsin Humanities Council)	DVA	3,877	0
45.129		Promotion of the Humanities-Federal/State Partnership	WHS	3,435	0
45.129		Promotion of the Humanities-Federal/State Partnership (from Wisconsin Humanities Council)	UW-Madison	2,000	0
45.129		Promotion of the Humanities-Federal/State Partnership (from Wisconsin Humanities Council)	UW-Milwaukee	9,703	0
45.129		Promotion of the Humanities-Federal/State Partnership (from Wisconsin Humanities Council)	UW-Eau Claire	1,852	0
45.129		Promotion of the Humanities-Federal/State Partnership (from Wisconsin Humanities Council)	UW-Green Bay	420	0
45.129		Promotion of the Humanities-Federal/State Partnership (from Wisconsin Humanities Council)	UW-La Crosse	258	0
45.129		Promotion of the Humanities-Federal/State Partnership (from Wisconsin Humanities Council)	UW-River Falls	1,016	0
45.129		Promotion of the Humanities-Federal/State Partnership (from Wisconsin Humanities Council)	UW Colleges	10,936	0
45.129		Promotion of the Humanities-Federal/State Partnership (Note 2)	Wis Humanities Council	570,332	99,931
Total Federal Program 45.129				<u>603,829</u>	<u>99,931</u>
45.130		Promotion of the Humanities-Challenge Grants	UW-Whitewater	26,425	0
45.149		Promotion of the Humanities-Division of Preservation and Access	WHS	84,164	0
45.162		Promotion of the Humanities-Education Development and Demonstration	UW-Madison	8,135	0
45.162		Promotion of the Humanities-Education Development and Demonstration	UW-River Falls	28,825	0
Total Federal Program 45.162				<u>36,960</u>	<u>0</u>
45.163		Promotion of the Humanities-Seminars and Institutes	UW-Milwaukee	25,477	0
45.163		Promotion of the Humanities-Seminars and Institutes (from Wisconsin Humanities Council)	UW-River Falls	171,580	0
Total Federal Program 45.163				<u>197,057</u>	<u>0</u>
45.301		Institute of Museum and Library Services	DVA	83,020	0
45.301		Institute of Museum and Library Services	WHS	6,000	0
Total Federal Program 45.301				<u>89,020</u>	<u>0</u>
45.310		State Library Program	DPI	2,637,042	1,260,628
45.312		Institute of Museum and Library Services-National Leadership Grants	UW-Milwaukee	46,721	0
Other Federal Financial Assistance:					
N/A	45.LL-80131-98	Africana Image and Sound Database	UW-Madison	(93)	0
N/A	45.FY99-041-99	Beads, Body and Soul Educational Programs	UW-Madison	450	0
N/A	45.FY00-040-S00	Culture and Meaning of Folk Dance in East Europe	UW-Madison	1,270	0
N/A	45.IC-90170-99	Detailed Condition Survey of Painting Collection	UW-Madison	(50)	0
N/A	45.IG-00408-00	General Operating Support	UW-Madison	20,548	0
N/A	45.FY00-091-99	Jane Austen in the 21st Century	UW-Madison	5,339	0
N/A	45.CK dtd 1/12/88	1987 Museum Assessment Program	UW-Madison	270	0
N/A	45.9944006124	Two Catalogues from the Permanent Collection: Indian Miniature Paintings and Ancient Collection	UW-Madison	(2,291)	0
Subtotal Direct Programs				<u>4,276,134</u>	<u>1,499,936</u>

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2001**

FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
Subgrants:					
45.025		Promotion of the Arts-Partnership Agreements (from Heartland Art Fund)	UW-Whitewater	4,800	0
N/A	45.AGR dtd 11/11/98; 12/1/00	Preservation Project (from Committee on Institutional Cooperation)	UW-Madison	45,535	0
Subtotal Subgrants				<u>50,335</u>	<u>0</u>
TOTAL NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES				<u>4,326,469</u>	<u>1,499,936</u>
NATIONAL SCIENCE FOUNDATION:					
47.049		Mathematical and Physical Sciences	UW-Madison	90,975	0
47.050		Geosciences	UW-Extension	2,500	0
47.070		Computer and Information Science and Engineering	UW-Madison	47,640	0
47.074		Biological Sciences	UW-Milwaukee	7,481	0
47.075		Social, Behavioral, and Economic Sciences	UW-Whitewater	14,251	0
47.076		Education and Human Resources	UW-Madison	1,909,620	7,352
47.076		Education and Human Resources	UW-Milwaukee	158,511	42,916
47.076		Education and Human Resources	UW-Eau Claire	55,876	0
47.076		Education and Human Resources	UW-La Crosse	20,935	0
47.076		Education and Human Resources	UW-Oshkosh	16,627	0
47.076		Education and Human Resources	UW-Parkside	34,724	0
47.076		Education and Human Resources	UW-River Falls	56,987	0
47.076		Education and Human Resources (from UW-Madison)	UW-River Falls	11,491	0
47.076		Education and Human Resources	UW-Stevens Point	10,965	856
47.076		Education and Human Resources	UW-Superior	27,731	0
Total Federal Program 47.076				<u>2,303,467</u>	<u>51,124</u>
Other Federal Financial Assistance:					
N/A	47.STI-9602212	Renovation of Laboratories in the Daniels and Mathews Chemistry Building	UW-Madison	1,600,000	0
Subtotal Direct Programs				<u>4,066,314</u>	<u>51,124</u>
Subgrants:					
47.049	47.USM- 0111717106-BIO	Mathematical and Physical Sciences (from Southern Mississippi University)	UW-Stevens Point	35,356	0
47.076		Education and Human Resources (from Milwaukee Public Schools)	UW-Milwaukee	211,608	0
47.076		Education and Human Resources (from Arizona State University)	UW-River Falls	(98)	0
47.076		Education and Human Resources (from University of Minnesota)	UW-River Falls	35,289	0
47.076		Education and Human Resources (from Milwaukee Area Technical College)	UW-Stout	39,017	0
N/A	47.4680210	Student Travel Grants (from Committee on Institutional Cooperation)	UW-Madison	3,000	0
Subtotal Subgrants				<u>324,172</u>	<u>0</u>
TOTAL NATIONAL SCIENCE FOUNDATION				<u>4,390,486</u>	<u>51,124</u>
U.S. SMALL BUSINESS ADMINISTRATION:					
59.005		Business Development Assistance to Small Business	UW-Oshkosh	570	0
59.005		Business Development Assistance to Small Business (from UW-Extension)	UW-Stevens Point	102	0
Total Federal Program 59.005				<u>672</u>	<u>0</u>
59.037		Small Business Development Center	UW-Madison	68,086	0
59.037		Small Business Development Center (from UW-Extension)	UW-Madison	18,654	0
59.037		Small Business Development Center	UW-Milwaukee	(32,796)	0
59.037		Small Business Development Center (from UW-Extension)	UW-Milwaukee	47,537	0
59.037		Small Business Development Center (from UW-Extension)	UW-Eau Claire	(13,412)	0
59.037		Small Business Development Center (from UW-Extension)	UW-Green Bay	62,150	0
59.037		Small Business Development Center (from UW-Extension)	UW-La Crosse	88,176	0
59.037		Small Business Development Center (from UW-Extension)	UW-Oshkosh	(418)	0
59.037		Small Business Development Center (from UW-Extension)	UW-Parkside	(474)	0
59.037		Small Business Development Center (from UW-Extension)	UW-Platteville	(9,458)	0
59.037		Small Business Development Center (from UW-Extension)	UW-River Falls	(4,698)	0
59.037		Small Business Development Center (from UW-Extension)	UW-Stevens Point	(15,734)	0
59.037		Small Business Development Center (from UW-Extension)	UW-Superior	(309)	0
59.037		Small Business Development Center (from UW-Extension)	UW-Whitewater	168,408	0
59.037		Small Business Development Center	UW-Extension	1,605,496	0
Total Federal Program 59.037				<u>1,981,208</u>	<u>0</u>
TOTAL U.S. SMALL BUSINESS ADMINISTRATION				<u>1,981,880</u>	<u>0</u>
SMITHSONIAN INSTITUTION:					
Other Federal Financial Assistance:					
N/A	60.F9936CC10615	Intergovernmental Personnel Assignment Agreement to Provide Onsite Expertise and Advisement	UW-Madison	176,192	0

The accompanying notes are an integral part of this schedule.

**STATE OF WISCONSIN**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2001**

FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
U.S. DEPARTMENT OF VETERANS AFFAIRS:					
64.005		Grants to States for Construction of State Home Facilities	DVA	1,507,985	0
64.014		Veterans State Domiciliary Care	DVA	526,275	0
64.015		Veterans State Nursing Home Care	DVA	10,343,710	0
64.024		VA Homeless Providers Grant and Per Diem Program	DVA	330,389	0
64.101		Burial Expenses Allowance for Veterans	DVA	80,148	0
64.124		All-Volunteer Force Educational Assistance	DWD	162,288	0
64.203		State Cemetery Grants	DVA	3,012,044	0
Other Federal Financial Assistance:					
N/A	64.V101(223B) P-4066	Reimbursement Contract-Educational Approval Board	DVA	196,681	0
N/A	64.AGR dtd 1/27/99 - 3/29/01	Intergovernmental Personnel Assignment Agreements	UW-Madison	317,761	0
N/A	64.V69DP-2515; V69DP-3262	Specialized Radiologist Services	UW-Madison	607,664	0
				17,084,945	0
TOTAL U.S. DEPARTMENT OF VETERANS AFFAIRS					
U.S. ENVIRONMENTAL PROTECTION AGENCY:					
66.001		Air Pollution Control Program Support	DNR	3,168,670	0
66.032		State Indoor Radon Grants	DHFS	244,236	199,682
66.432		State Public Water System Supervision	DNR	3,297,807	0
66.433		State Underground Water Source Protection	DNR	84,975	0
66.454		Water Quality Management Planning	DNR	363,242	99,977
66.458		Capitalization Grants for State Revolving Funds (Notes 2, 17)	DNR	8,753,764	7,302,420
66.460		Nonpoint Source Implementation Grants	DNR	2,055,890	1,883,055
66.461		Wetlands Grants	DNR	197,941	0
66.463		Water Quality Cooperative Agreements	DNR	397,652	104,134
66.467		Wastewater Operator Training Grant Program (Technical Assistance)	DNR	35,000	0
66.468		Capitalization Grants for Drinking Water State Revolving Fund (Notes 2, 17)	DNR	11,346,799	9,327,729
66.469		Great Lakes Program	DNR	175,582	0
66.500		Environmental Protection-Consolidated Research	DHFS	68,739	59,152
66.500		Environmental Protection-Consolidated Research	DNR	526,169	0
				594,908	59,152
Total Federal Program 66.500					
66.605		Performance Partnership Grants	DNR	7,349,000	2,275,931
66.605		Performance Partnership Grants	DATCP	489,663	0
				7,838,663	2,275,931
Total Federal Program 66.605					
66.606		Surveys, Studies, Investigations and Special Purpose Grants	DHFS	23,221	0
66.606		Surveys, Studies, Investigations and Special Purpose Grants	DOA	28,368	3,978
66.606		Surveys, Studies, Investigations and Special Purpose Grants	DNR	1,230,915	41,607
66.606		Surveys, Studies, Investigations and Special Purpose Grants	UW-Madison	41,752	0
				1,324,256	45,585
Total Federal Program 66.606					
66.607		Training and Fellowships for the Environmental Protection Agency	UW-Madison	5,916	0
66.608		One Stop Reporting	DNR	113,162	0
66.700		Consolidated Pesticide Enforcement Cooperative Agreements	DATCP	86,540	0
66.701		Toxic Substances Compliance Monitoring Cooperative Agreements	DHFS	13,734	0
66.701		Toxic Substances Compliance Monitoring Cooperative Agreements	DNR	56,019	0
				69,753	0
Total Federal Program 66.701					
66.707		TSCA Title IV State Lead Grants-Certification of Lead-Based Paint Professionals	DHFS	408,947	0
66.708		Pollution Prevention Grants Program	DNR	85,630	0
66.708		Pollution Prevention Grants Program	UW-Green Bay	(6,564)	0
66.708		Pollution Prevention Grants Program (from UW-Extension)	UW-La Crosse	3,551	0
66.708		Pollution Prevention Grants Program	UW-Extension	53,270	0
				135,887	0
Total Federal Program 66.708					
66.801		Hazardous Waste Management State Program Support	DNR	2,225,762	0
66.802		Superfund State Site-Specific Cooperative Agreements	DNR	3,179,594	0
66.804		State and Tribal Underground Storage Tanks Program	Commerce	216,422	0
66.805		Leaking Underground Storage Tank Trust Fund Program	DNR	2,120,672	0
66.805		Leaking Underground Storage Tank Trust Fund Program	Commerce	208,954	0
				2,329,626	0
Total Federal Program 66.805					
66.808		Solid Waste Management Assistance	UW-Extension	(4,355)	0
66.809		Superfund State Core Program Cooperative Agreements	DNR	658,060	0

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**STATE OF WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2001**

FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
66.951		Environmental Education Grants	UW-Green Bay	4,981	0
66.951		Environmental Education Grants	UW-Stevens Point	423,363	211,323
		Total Federal Program 66.951		<u>428,344</u>	<u>211,323</u>
Other Federal Financial Assistance:					
N/A	66.G8-W20015	Pesticide Data Program	DATCP	56,016	0
N/A	66.U-915435	Fellowship Expense Allocation	UW-Madison	13,648	0
N/A	66.U-915162; U-915164	Graduate Fellowship	UW-Madison	3,205	0
N/A	66.U-915623	Star Fellowship Agreement	UW-Madison	2,274	0
N/A	66.C X826455	Underground Tank Technology Update Newsletter	UW-Madison	75,455	0
N/A	66.X-97509001	Using Farm Models to Develop a Risk Management Tool for Apple Growers	UW-Madison	6,559	0
N/A	66.U-915xxx	Various Fellowship Awards	UW-Madison	54,565	0
N/A	66.X 826956-01-0	Development of Pollution Prevention Material	UW-Extension	28,935	0
N/A	66.GL005702-01	Mercury Education Program for Schools	UW-Extension	22,078	12,790
		Subtotal Direct Programs		<u>49,995,778</u>	<u>21,521,778</u>
Subgrants:					
66.500	66.96-144	Environmental Protection-Consolidated Research (from University of Illinois)	UW-Extension	3,048	0
66.607		Training and Fellowships for the Environmental Protection Agency (from Arizona Board of Regents)	UW-Stevens Point	24,988	0
66.950		Environmental Education and Training Program (from North American Association for Environmental Education)	UW-Stevens Point	122,687	9,643
N/A	66.399-00-06	NSF-Filtration System (from NSF International)	DNR	71,613	0
N/A	66.GL-RAPIDS	Rapids (from Great Lakes Commission)	DNR	108,990	0
N/A	66.031749-07425	Collaboration Program Plan for Implementing IPM (from American Farmland Trust)	UW-Madison	10,510	0
N/A	66.AGR dtd 7/12/99	Implementation of Area-Wide Integrated Farming Program (from Lodi Woodbridge Winegrape Commission)	UW-Madison	(301)	0
N/A	66.960238Z1	Biosynthesis of Polyhydroxyalkanoate Polymers from Industrial Wastewater (from Michigan Technological University)	UW-Madison	40,627	0
N/A	66.NFIPME ID 77	Partnership to Promote Healthy Homes by Reducing Indoor Pesticide Risk (from National Center for IPM Education)	UW-Madison	47,201	19,997
N/A	66.970623Z1	Compliance Assistance Center (from Michigan Technological University)	UW-Extension	16,570	0
N/A	66.96-144	ETI-Virtual National Resource Center (from University of Illinois-Urbana-Champaign)	UW-Extension	(4,977)	0
N/A	66.01-233	Mercury Education Program for the Great Lakes (from University of Illinois)	UW-Extension	3,000	0
N/A	66.01-237	Operation of PNEAC for Compliance Assistance (from University of Illinois-Urbana-Champaign)	UW-Extension	45,565	0
		Subtotal Subgrants		<u>489,521</u>	<u>29,640</u>
		TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY		<u>50,485,299</u>	<u>21,551,418</u>
U.S. DEPARTMENT OF ENERGY:					
81.039		National Energy Information Center	DOA	7,639	0
81.041		State Energy Program	DOA	795,957	187,289
81.042		Weatherization Assistance for Low-Income Persons	DOA	4,296,765	3,548,598
81.052		Energy Conservation for Institutional Buildings	DOA	177,655	26,843
81.086		Conservation Research and Development	DOA	21,707	20,713
81.087		Renewable Energy Research and Development	DOA	20,841	20,841
81.117		Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Assistance	DOA	6,892	0
81.119		State Energy Program Special Projects	DOA	396,029	342,670
Other Federal Financial Assistance:					
N/A	81.	Petroleum Violation Escrow Funds	DOA	2,355,669	941,222
		Subtotal Direct Programs		<u>8,079,154</u>	<u>5,088,176</u>
Subgrants:					
81.079	81.CGLG-97-001	Regional Biomass Energy Programs (from Council of Great Lakes Governors)	DOA	37,956	0
N/A	81.963412402	Services Support of Research Assistant at Desy for the Hera/Zeus Project (from Argonne National Laboratory)	UW-Madison	8,172	0
N/A	81.LTR dtd 8/5/98; 3/31/00	Computational Science Graduate Fellowship Program (from Krell Institute)	UW-Madison	49,801	0
N/A	81.AGR dtd 2/25/99	Consulting Agreement (from Siemens Solar Industries)	UW-Madison	608	0
N/A	81.W31109ENG38	Mikkelson Argonne (from University of Chicago)	UW-Stout	48,269	0
		Subtotal Subgrants		<u>144,806</u>	<u>0</u>
		TOTAL U.S. DEPARTMENT OF ENERGY		<u>8,223,960</u>	<u>5,088,176</u>
U.S. INFORMATION AGENCY:					
Other Federal Financial Assistance:					
N/A	82.IA-PELJ-G9190238	Central and Eastern Europe Training Programs	UW-Eau Claire	24,476	0

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**STATE OF WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2001**

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<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
FEDERAL EMERGENCY MANAGEMENT AGENCY:					
83.105		Community Assistance Program-State Support Services Element	DMA	1,269	1,269
83.536		Flood Mitigation Assistance	DMA	33,640	33,640
83.543		Individual and Family Grants	DMA	3,573,667	0
83.544		Public Assistance Grants (Note 2)	DMA	13,082,127	13,002,732
83.544		Public Assistance Grants (Note 2)	UW-Platteville	6,284	0
Total Federal Program 83.544				<u>13,088,411</u>	<u>13,002,732</u>
83.547		First Responder Counter-Terrorism Training Assistance	WTCSB	30,953	0
83.547		First Responder Counter-Terrorism Training Assistance	DMA	494,795	256,130
Total Federal Program 83.547				<u>525,748</u>	<u>256,130</u>
83.548		Hazard Mitigation Grant	DMA	1,344,747	1,277,074
83.550		National Dam Safety Program	DNR	73,214	0
83.551		Project Impact-Building Disaster Resistant Communities	DMA	50,961	0
83.552		Emergency Management Performance Grants	DMA	2,214,948	1,086,236
83.553		State Fire Training Systems Grants	WTCSB	2,145	2,145
Other Federal Financial Assistance:					
N/A	83.11X-9034-9053-2-4120D	Comprehensive Environmental Response, Compensation and Liability Act of 1980	DMA	1,566	0
TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY				<u>20,910,316</u>	<u>15,659,226</u>
U.S. DEPARTMENT OF EDUCATION:					
84.002		Adult Education-State Grant Program	WTCSB	6,677,179	5,993,093
84.010		Title I Grants to Local Educational Agencies	DPI	128,768,891	127,143,150
84.011		Migrant Education-Basic State Grant Program	DPI	653,149	416,716
84.013		Title I Program for Neglected and Delinquent Children	DPI	961,309	949,409
84.015		National Resource Centers and Fellowships Program for Language and Area or Language and International Studies	UW-Madison	2,076,106	0
84.015		National Resource Centers and Fellowships Program for Language and Area or Language and International Studies	UW-Milwaukee	80,255	0
84.015		National Resource Centers and Fellowships Program for Language and Area or Language and International Studies (from UW-Madison)	UW-Milwaukee	37,986	0
Total Federal Program 84.015				<u>2,194,347</u>	<u>0</u>
84.016		Undergraduate International Studies and Foreign Language Programs	UW-Whitewater	80,764	0
84.017		International Research and Studies	UW-Madison	74,776	0
84.021		International: Overseas-Group Projects Abroad	UW-Parkside	1,300	0
Special Education Cluster:					
84.027		Special Education-Grants to States	DPI	89,133,205	80,559,117
84.173		Special Education-Preschool Grants	DPI	9,703,718	9,308,699
Total Special Education Cluster				<u>98,836,923</u>	<u>89,867,816</u>
84.029		Special Education-Personnel Development and Parent Training	UW-Madison	198,185	0
84.031		Higher Education-Institutional Aid	UW-Eau Claire	27,346	0
84.031		Higher Education-Institutional Aid	UW-River Falls	308,488	0
84.031		Higher Education-Institutional Aid	UW-Whitewater	505,887	0
Total Federal Program 84.031				<u>841,721</u>	<u>0</u>
TRIO Cluster:					
84.042		TRIO-Student Support Services	UW-Madison	214,469	0
84.042		TRIO-Student Support Services	UW-Milwaukee	247,552	0
84.042		TRIO-Student Support Services	UW-Eau Claire	262,529	0
84.042		TRIO-Student Support Services	UW-Green Bay	273,675	0
84.042		TRIO-Student Support Services	UW-La Crosse	278,613	0
84.042		TRIO-Student Support Services	UW-Oshkosh	297,420	0
84.042		TRIO-Student Support Services	UW-Parkside	198,496	0
84.042		TRIO-Student Support Services	UW-Platteville	242,696	0
84.042		TRIO-Student Support Services	UW-River Falls	195,027	0
84.042		TRIO-Student Support Services	UW-Stevens Point	242,397	0
84.042		TRIO-Student Support Services	UW-Stout	232,122	0
84.042		TRIO-Student Support Services	UW-Superior	212,438	0
84.042		TRIO-Student Support Services	UW-Whitewater	278,283	0
84.042		TRIO-Student Support Services	UW Colleges	452,840	0
84.044		TRIO-Talent Search	DPI	240,064	0
84.044		TRIO-Talent Search	UW-Milwaukee	236,436	0
84.044		TRIO-Talent Search	UW-Stout	221,432	0
84.044		TRIO-Talent Search	UW-Whitewater	239,444	0
84.047		TRIO-Upward Bound	UW-Milwaukee	753,737	0

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2001**

FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
84.047		TRIO-Upward Bound	UW-Eau Claire	255,204	0
84.047		TRIO-Upward Bound	UW-Green Bay	531,247	0
84.047		TRIO-Upward Bound	UW-La Crosse	359,097	0
84.047		TRIO-Upward Bound	UW-River Falls	215,271	0
84.047		TRIO-Upward Bound	UW-Stevens Point	400,639	0
84.047		TRIO-Upward Bound	UW-Superior	224,594	0
84.047		TRIO-Upward Bound	UW-Whitewater	272,212	0
84.047		TRIO-Upward Bound	UW Colleges	316,885	0
84.066		TRIO-Educational Opportunity Centers	UW-Eau Claire	282,879	0
84.066		TRIO-Educational Opportunity Centers (from UW-Eau Claire)	UW Colleges	129	0
84.217		McNair Post-Baccalaureate Achievement	UW-Madison	218,606	0
84.217		McNair Post-Baccalaureate Achievement	UW-Milwaukee	207,113	0
84.217		McNair Post-Baccalaureate Achievement	UW-Eau Claire	233,073	0
84.217		McNair Post-Baccalaureate Achievement	UW-River Falls	133,266	0
84.217		McNair Post-Baccalaureate Achievement	UW-Superior	190,756	0
84.217		McNair Post-Baccalaureate Achievement	UW-Whitewater	237,330	0
		Total TRIO Cluster		9,397,971	0
84.048		Vocational Education-Basic Grants to States (Note 2)	WTCSB	20,420,851	19,045,577
84.069		Leveraging Educational Assistance Partnership	HEAB	875,842	0
84.086		Special Education-Program for Severely Disabled Children (from UW-Milwaukee)	UW-Stevens Point	(162)	0
84.116		Fund for the Improvement of Postsecondary Education	UW-Madison	68,327	0
84.116		Fund for the Improvement of Postsecondary Education	UW-Milwaukee	147,107	0
84.116		Fund for the Improvement of Postsecondary Education (from UW-Madison)	UW-Eau Claire	21,199	0
84.116		Fund for the Improvement of Postsecondary Education	UW-Green Bay	55,648	0
84.116		Fund for the Improvement of Postsecondary Education	UW-Stevens Point	496,159	0
84.116		Fund for the Improvement of Postsecondary Education	UW-Superior	56,108	0
84.116		Fund for the Improvement of Postsecondary Education	UW-Whitewater	2,655	0
		Total Federal Program 84.116		847,203	0
84.126		Rehabilitation Services-Vocational Rehabilitation Grants to States (Note 2)	DWD	43,998,595	7,869,133
84.128		Rehabilitation Services-Service Projects	UW-La Crosse	22,506	0
84.129		Rehabilitation Long-Term Training	UW-Madison	210,241	0
84.129		Rehabilitation Long-Term Training	UW-Stout	323,990	0
		Total Federal Program 84.129		534,231	0
84.153		Business and International Education Projects	UW-Platteville	3,789	0
84.153		Business and International Education Projects	UW-Whitewater	101,442	0
		Total Federal Program 84.153		105,231	0
84.161		Rehabilitation Services-Client Assistance Program	DHFS	2	0
84.161		Rehabilitation Services-Client Assistance Program	DATCP	160,948	0
		Total Federal Program 84.161		160,950	0
84.162		Immigrant Education	DPI	658,201	654,405
84.169		Independent Living-State Grants	DWD	698,014	698,014
84.170		Javits Fellowships	UW-Madison	372,669	0
84.170		Javits Fellowships	UW-Milwaukee	44,791	0
		Total Federal Program 84.170		417,460	0
84.177		Rehabilitation Services-Independent Living Services for Older Individuals Who are Blind	DWD	587,143	546,193
84.181		Special Education-Grants for Infants and Families with Disabilities	DHFS	5,851,923	5,422,076
84.184		Safe and Drug-Free Schools and Communities-National Programs	UW-Whitewater	36,431	0
84.185		Byrd Honors Scholarships	DPI	770,000	770,000
84.186		Safe and Drug-Free Schools and Communities-State Grants	DHFS	1,771,334	1,701,972
84.186		Safe and Drug-Free Schools and Communities-State Grants	DPI	6,470,719	5,959,968
		Total Federal Program 84.186		8,242,053	7,661,940
84.187		Supported Employment Services for Individuals with Severe Disabilities	DWD	659,083	0
84.194		Bilingual Education Support Services	DPI	95,659	0
84.195		Bilingual Education-Professional Development	DPI	60,983	16,714
84.195		Bilingual Education-Professional Development	UW-Milwaukee	157,461	0
84.195		Bilingual Education-Professional Development (from UW-La Crosse)	UW-Eau Claire	29,957	0
84.195		Bilingual Education-Professional Development	UW-La Crosse	280,237	87,578
84.195		Bilingual Education-Professional Development	UW-Oshkosh	110,771	0
84.195		Bilingual Education-Professional Development (from UW-La Crosse)	UW-Stevens Point	94,929	0
84.195		Bilingual Education-Professional Development (from UW-La Crosse)	UW-Stout	36,005	0
84.195		Bilingual Education-Professional Development	UW-Whitewater	62,749	0
		Total Federal Program 84.195		833,092	104,292

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**STATE OF WISCONSIN**  
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**FOR THE YEAR ENDED JUNE 30, 2001**

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<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
84.196		Education for Homeless Children and Youth	DPI	552,441	493,291
84.200		Graduate Assistance in Areas of National Need	UW-Madison	25,813	0
84.200		Graduate Assistance in Areas of National Need	UW-Milwaukee	133,321	0
		Total Federal Program 84.200		<u>159,134</u>	<u>0</u>
84.213		Even Start-State Educational Agencies	DPI	2,154,645	2,042,496
84.215		Fund for the Improvement of Education	DPI	200,087	143,447
84.216		Capital Expenses	DPI	129,737	129,737
84.220		Centers for International Business Education	UW-Madison	188,736	0
84.220		Centers for International Business Education (from UW-Madison)	UW-Whitewater	730	0
		Total Federal Program 84.220		<u>189,466</u>	<u>0</u>
84.224		Assistive Technology	DHFS	347,824	250,501
84.234		Projects with Industry	UW-Stout	236,506	0
84.243		Tech-Prep Education	WTCSB	1,716,118	1,716,118
84.264		Rehabilitation Training-Continuing Education	UW-Stout	582,291	89,745
84.265		Rehabilitation Training-State Vocational Rehabilitation Unit In-Service Training	DWD	117,199	0
84.272		National Early Intervention Scholarship and Partnership	DPI	41,204	(500)
84.276		Goals 2000-State and Local Education Systemic Improvement Grants	DPI	8,503,475	7,885,463
84.278		School to Work Opportunities	DWD	858,325	831,869
84.281		Eisenhower Professional Development State Grants	DPI	4,449,143	4,054,039
84.281		Eisenhower Professional Development State Grants (from UW Center Washington County)	UW-Madison	(982)	0
84.281		Eisenhower Professional Development State Grants (from UW System Admin)	UW-Madison	133,465	0
84.281		Eisenhower Professional Development State Grants (from UW System Admin)	UW-Milwaukee	(17,819)	0
84.281		Eisenhower Professional Development State Grants (from UW System Admin)	UW-Eau Claire	49,269	0
84.281		Eisenhower Professional Development State Grants (from UW System Admin)	UW-Green Bay	81,396	0
84.281		Eisenhower Professional Development State Grants (from UW System Admin)	UW-La Crosse	(26,328)	0
84.281		Eisenhower Professional Development State Grants (from UW System Admin)	UW-Oshkosh	(24,565)	0
84.281		Eisenhower Professional Development State Grants (from UW System Admin)	UW-Parkside	4,704	0
84.281		Eisenhower Professional Development State Grants (from UW System Admin)	UW-Platteville	(8,960)	0
84.281		Eisenhower Professional Development State Grants (from UW System Admin)	UW-River Falls	21,604	0
84.281		Eisenhower Professional Development State Grants (from UW System Admin)	UW-Stevens Point	4,006	0
84.281		Eisenhower Professional Development State Grants (from UW System Admin)	UW-Stout	(17,495)	0
84.281		Eisenhower Professional Development State Grants (from UW System Admin)	UW-Superior	(2,918)	0
84.281		Eisenhower Professional Development State Grants (from UW System Admin)	UW-Whitewater	10,309	0
84.281		Eisenhower Professional Development State Grants (from UW System Admin)	UW Colleges	(4,234)	0
84.281		Eisenhower Professional Development State Grants	UW System Admin	999,772	107,741
		Total Federal Program 84.281		<u>5,650,367</u>	<u>4,161,780</u>
84.282		Charter Schools	DPI	4,197,436	3,950,593
84.287		Twenty-First Century Community Learning Centers	UW-Parkside	12,307	0
84.293		Foreign Language Assistance	DPI	57,062	7,867
84.298		Innovative Education Program Strategies	DPI	6,814,059	5,748,796
84.314		Even Start-Statewide Family Literacy Program	WTCSB	175,960	44,725
84.318		Technology Literacy Challenge Fund Grants	DPI	6,553,451	6,070,282
84.324		Special Education-Research and Innovation to Improve Services and Results for Children with Disabilities	UW-Milwaukee	147,161	0
84.325		Special Education-Personnel Preparation to Improve Services and Results for Children with Disabilities	UW-Madison	391,708	29,535
84.325		Special Education-Personnel Preparation to Improve Services and Results for Children with Disabilities	UW-Milwaukee	487,303	0
84.325		Special Education-Personnel Preparation to Improve Services and Results for Children with Disabilities	UW-La Crosse	52,534	0
		Total Federal Program 84.325		<u>931,545</u>	<u>29,535</u>
84.330		Advanced Placement Incentive Program	DPI	606,685	125,543
84.331		Grants to States for Incarcerated Youth Offenders	DOC	248,426	0
84.332		Comprehensive School Reform Demonstration	DPI	2,607,827	2,447,002
84.333		Demonstration Projects to Ensure Students with Disabilities Receive a Higher Education	UW-Stout	104,297	0
84.334		Gaining Early Awareness and Readiness for Undergraduate Programs	DPI	1,812,020	687,855
84.334		Gaining Early Awareness and Readiness for Undergraduate Programs	UW-Milwaukee	806,704	0
84.334		Gaining Early Awareness and Readiness for Undergraduate Programs	UW-Eau Claire	263,675	0
		Total Federal Program 84.334		<u>2,882,399</u>	<u>687,855</u>
84.335		Child Care Access Means Parents in School	UW-Oshkosh	30,486	0
84.335		Child Care Access Means Parents in School	UW-Stevens Point	42,169	0
		Total Federal Program 84.335		<u>72,655</u>	<u>0</u>

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**STATE OF WISCONSIN**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2001**

FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
84.336		Teacher Quality Enhancement Grants	DPI	1,082,293	530,068
84.336		Teacher Quality Enhancement Grants	UW-Milwaukee	2,182,457	0
84.336		Teacher Quality Enhancement Grants	UW-Platteville	(7,600)	0
84.336		Teacher Quality Enhancement Grants (from UW System Admin)	UW-River Falls	(6,102)	0
Total Federal Program 84.336				<u>3,251,048</u>	<u>530,068</u>
84.337		Technological Innovation and Cooperation for Foreign Information Access	UW-Madison	181,309	46,090
84.339		Learning Anytime Anywhere Partnerships (from UW System Admin)	UW-Oshkosh	656	0
84.339		Learning Anytime Anywhere Partnerships (from UW System Admin)	UW-Stevens Point	2,133	0
84.339		Learning Anytime Anywhere Partnerships	UW System Admin	6,124	0
Total Federal Program 84.339				<u>8,913</u>	<u>0</u>
84.340		Class Size Reduction (Note 2)	DPI	20,190,040	20,190,040
84.342		Preparing Tomorrow's Teachers to Use Technology	UW-Milwaukee	418,492	0
84.342		Preparing Tomorrow's Teachers to Use Technology	UW-Oshkosh	200,272	0
84.342		Preparing Tomorrow's Teachers to Use Technology	UW-River Falls	175,062	0
Total Federal Program 84.342				<u>793,826</u>	<u>0</u>
84.346		Occupational and Employment Information State Grants	DWD	22,821	0
84.348		Title I Accountability Grants	DPI	175,996	175,996
Other Federal Financial Assistance:					
N/A	84.H029K970100	Accommodating Challenges: Training for Inclusion (from UW-Madison)	UW-Milwaukee	32,546	0
N/A	84.H029G970190	Action Project: Accommodating Challenges (from UW-Madison)	UW-Milwaukee	17,708	0
N/A	84.H078C970021	Project Impact: Integrated Multi-Perspective	UW-Milwaukee	92,492	0
N/A	84.H086U960006	Serving Students with Significant Disabilities (from UW-Madison)	UW-Milwaukee	(8)	0
N/A	84.ED-98-CO-0087 MOD2	Zelinko National Conference (from UW-Madison)	UW-Milwaukee	48,801	0
Subtotal Direct Programs				<u>406,166,402</u>	<u>324,940,153</u>
Subgrants:					
84.015	84.221681A	National Resource Centers and Fellowships Program for Language and Area or Language and International Studies (from University of Oregon)	UW-Madison	26,372	0
84.025	84.RI-36082-X	Services for Children with Deaf-Blindness (from University of Dayton Research Institute)	DPI	(726)	0
84.078	84.4629; 7759	Special Education-Postsecondary Education Programs for Persons with Disabilities (from St. Paul Technical College)	UW-Milwaukee	62,600	0
84.116		Fund for the Improvement of Postsecondary Education (from Capital University)	UW-Eau Claire	8,593	0
84.133		National Institute on Disability and Rehabilitation Research (from University of Illinois-Chicago)	DHFS	30,537	0
84.213		Even Start-State Educational Agencies (from Platteville Public School District)	UW-Platteville	3,038	0
84.215	84.R215U60011-99	Fund for the Improvement of Education (from Council of Chief State School Officers)	DPI	35,334	34,310
84.215		Fund for the Improvement of Education (from Great Cities Foundation)	UW-Milwaukee	15,039	0
84.215		Fund for the Improvement of Education (from Wisconsin Educational Partnership Initiatives)	UW-Eau Claire	46,729	0
84.257		National Institute for Literacy (from Kent State University)	WTCSB	550	0
84.276		Goals 2000-State and Local Education Systemic Improvement Grants (from Platteville Public School District)	UW-Platteville	6,131	0
84.276		Goals 2000-State and Local Education Systemic Improvement Grants (from Whitewater School District)	UW-Whitewater	9,773	0
84.287		Twenty-First Century Community Learning Centers (from Milwaukee Public Schools)	UW-Milwaukee	229,426	0
84.287	84.AGR dtd 10/18/98	Twenty-First Century Community Learning Centers (from Kenosha Unified School District)	UW-Parkside	69,290	0
84.287		Twenty-First Century Community Learning Centers (from Superior School District)	UW-Superior	30,273	0
84.295		Ready-To-Learn Television (from Public Broadcasting Service)	UW-Extension	14,517	0
84.299		Special Projects Professional Development Grants (from College of Menominee Nation)	UW-Eau Claire	87,664	0
84.303		Technology Innovation Challenge Grants (from Nicolet Distance Education Network)	UW-Stevens Point	4,740	0
84.324	84.2000-0114	Special Education-Research and Innovation to Improve Services and Results for Children with Disabilities (from Cardinal Stritch University)	UW-Stevens Point	17,129	0
N/A	84.69533; 69527	Parents in Partnership: Collaborative Strategies for the 21st Century (from Cooperative Educational Service Agency #1)	UW-Madison	(2,185)	0
N/A	84.1126	Waisman Center Parent Projects in Collaboration with the Department of Public Instruction (from Cooperative Educational Service Agency #12)	UW-Madison	44,411	0
N/A	84.78006	Columbus Developmental Mentoring Program: A Developmentally-Based Prevention Program (from Columbus Middle School)	UW-Madison	37,791	0
N/A	84.AGR dtd 10/27/99	Language Sample Analysis II (from Madison Metropolitan School District)	UW-Madison	56	0
N/A	84.50249C-P1211-7803	Point of Transition Outreach Project (from San Diego State University)	UW-Madison	30,687	0
N/A	84.164	Mathematics and Science Teachers' Business (from Marquette University)	UW-Milwaukee	16	0
N/A	84.164	Milwaukee Urban Systemic Initiative (from Milwaukee Public Schools)	UW-Milwaukee	5,283	0
N/A	84.427451	Series of Three Professional Development (from St. Catherine College)	UW-Milwaukee	463	0
N/A	84.10276	Midwest Center for Postsecondary Outreach (from St. Paul Technical College)	UW-Milwaukee	6,856	0

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**FOR THE YEAR ENDED JUNE 30, 2001**

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<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
N/A	84.MOU dtd 3/28/00; 1/11/01	Partnership for Learning (from Seymour Community School District)	UW-Green Bay	14,376	0
N/A	84.98-44	Workforce Development Center Employment and Training Coordinator (from Racine County Human Services Department)	UW-Parkside	(4,291)	0
N/A	84.928	National Writing Project (from University of California)	UW-Oshkosh	15,917	0
N/A	84.928	National Writing Project (from University of California)	UW-Stevens Point	20,681	0
N/A	84.13-06-91	Personal Care DVR (from State of Iowa)	UW-Whitewater	58	0
N/A	84.AGR dtd 8/30/99	Adaptation of the External Diploma Program to Electronic Format (from American Council on Education)	UW-Extension	72,461	0
N/A	84.AGR dtd 9/20/99	PBS's Ready To Learn Service (from Public Broadcasting Service)	UW-Extension	6,364	0
		Subtotal Subgrants		<u>945,953</u>	<u>34,310</u>
		TOTAL U.S. DEPARTMENT OF EDUCATION		<u>407,112,355</u>	<u>324,974,463</u>
U.S. CONSUMER PRODUCT SAFETY COMMISSION:					
Other Federal Financial Assistance:					
N/A	87.SO14744xx	State and Local Cooperative Contracts Program	DATCP	3,492	0
NATIONAL ARCHIVES AND RECORDS ADMINISTRATION:					
89.003		National Historical Publications and Records Grants	WHS	109,702	0
Subgrants:					
89.003	89.AGR dtd 8/20/97	National Historical Publications and Records Grants (from University of South Carolina)	UW-Madison	6,250	0
		TOTAL NATIONAL ARCHIVES AND RECORDS ADMINISTRATION		<u>115,952</u>	<u>0</u>
U.S. INSTITUTE OF PEACE:					
Other Federal Financial Assistance:					
N/A	91.USIP-027-98S	Beyond State Crisis: Quest for the Efficacious State in Africa and Eurasia	UW-Madison	7,383	0
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:					
93.000		State Planning Grant	DHFS	453,601	0
93.003		Public Health and Social Services Emergency Fund	DHFS	(2,380)	0
93.006		State and Territorial and Technical Assistance Capacity Development Minority HIV/AIDS Demonstration Program	DHFS	169,096	0
93.041		Special Programs for the Aging-Title VII, Chapter 3-Programs for Prevention of Elder Abuse, Neglect, and Exploitation	DHFS	104,386	3,600
93.042		Special Programs for the Aging-Title VII, Chapter 2-Long Term Care Ombudsman Services for Older Individuals	DHFS	155,417	122,149
93.043		Special Programs for the Aging-Title III, Part F-Disease Prevention and Health Promotion Services	DHFS	312,755	308,185
Aging Cluster:					
93.044		Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers	DHFS	6,795,163	6,511,239
93.045		Special Programs for the Aging-Title III, Part C-Nutrition Services	DHFS	10,959,706	10,489,438
		Total Aging Cluster		<u>17,754,869</u>	<u>17,000,677</u>
93.046		Special Programs for the Aging-Title III, Part D-In-Home Services for Frail Older Individuals	DHFS	(77,392)	(77,392)
93.048		Special Programs for the Aging-Title IV-Training, Research and Discretionary Projects and Programs	DHFS	66,174	45,580
93.051		New Demonstration Grants to States with Respect to Alzheimer's Disease	DHFS	69,570	69,570
93.052		National Family Caregiver Support Program	DHFS	204,300	136,005
93.103		Food and Drug Administration-Research	DATCP	2,801	0
93.104		Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances	DHFS	1,591,331	1,225,380
93.107		Model State-Supported Area Health Education Centers	UW-Madison	51,421	23,033
93.110		Maternal and Child Health Federal Consolidated Programs	DHFS	178,727	0
93.110		Maternal and Child Health Federal Consolidated Programs	UW-Madison	1,063,965	0
		Total Federal Program 93.110		<u>1,242,692</u>	<u>0</u>
93.113		Biological Response to Environmental Health Hazards	UW-Milwaukee	75,031	0
93.116		Project Grants and Cooperative Agreements for Tuberculosis Control Programs	DHFS	415,721	100,861
93.119		Grants for Technical Assistance Activities Related to the Block Grant for Community Mental Health Services-Technical Assistance Centers for Evaluation	DHFS	9,467	0
93.127		Emergency Medical Services for Children	DHFS	163,142	0
93.130		Primary Care Services-Resource Coordination and Development-Primary Care Offices	DHFS	87,587	0
93.136		Injury Prevention and Control Research and State and Community Based Programs	DHFS	(338)	0
93.139		Financial Assistance for Disadvantaged Health Professional Students	DHFS	4,726	0
93.150		Projects for Assistance in Transition from Homelessness	DHFS	314,321	274,058
93.156		Geriatric Training Regarding Physicians and Dentists	UW-Parkside	13,232	0
93.161		Health Program for Toxic Substances and Disease Registry	DHFS	881,724	255,131
93.165		Grants for State Loan Repayment	Commerce	73,391	0

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**STATE OF WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2001**

FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
93.173		Research Related to Deafness and Communication Disorders	UW-Madison	37,718	0
93.176		Teacher/Scientist Partnerships: Impacting Drug Abuse	UW-Madison	50,445	0
93.186		National Research Services Awards	UW-Madison	(11,777)	0
93.197		Childhood Lead Poisoning Prevention Projects-State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	DHFS	1,073,150	845,454
93.218		Substance Abuse Treatment Conference Grants	DHFS	7,285	0
93.225		National Research Service Awards-Health Services Research Training	UW-Madison	151,018	0
93.230		Consolidated Knowledge Development and Application Program	DHFS	1,386,116	1,369,121
93.230		Consolidated Knowledge Development and Application Program	UW-Madison	184,740	22,650
93.230		Consolidated Knowledge Development and Application Program (from UW-Extension)	UW-Madison	10,857	0
93.230		Consolidated Knowledge Development and Application Program	UW-Extension	43,059	3,388
		Total Federal Program 93.230		<u>1,624,772</u>	<u>1,395,159</u>
93.234		Traumatic Brain Injury-State Demonstration Grant Program	DHFS	213,723	213,723
93.235		Abstinence Education	DHFS	775,601	0
93.239		Policy Research and Evaluation Grants	DWD	(40,707)	0
93.241		State Rural Hospital Flexibility Program	DHFS	448,659	30,617
93.245		Innovative Food Safety Projects	DATCP	1,723	0
93.251		Universal Newborn Hearing Screening	DHFS	35,957	0
93.262		Occupational Safety and Health Research Grants	DHFS	68,105	0
93.263		Occupational Safety and Health-Training Grants	UW-Stevens Point	142	0
93.263		Occupational Safety and Health-Training Grants	UW-Stout	57,371	0
		Total Federal Program 93.263		<u>57,513</u>	<u>0</u>
93.268		Immunization Grants (Note 18)	DHFS	3,286,212	1,235,168
93.278		Drug Abuse National Research Service Awards for Research Training	UW-Madison	18,853	0
93.282		Mental Health National Research Service Awards for Research Training	UW-Madison	478,450	0
93.283		Centers for Disease Control and Prevention-Investigations and Technical Assistance	DHFS	4,155,503	2,296,103
93.283		Centers for Disease Control and Prevention-Investigations and Technical Assistance	DPI	122,713	83,231
		Total Federal Program 93.283		<u>4,278,216</u>	<u>2,379,334</u>
93.358		Advanced Education Nursing Traineeships	UW-Madison	52,671	0
93.358		Advanced Education Nursing Traineeships	UW-Milwaukee	63,956	0
93.358		Advanced Education Nursing Traineeships	UW-Eau Claire	51,152	0
93.358		Advanced Education Nursing Traineeships	UW-Oshkosh	29,181	0
		Total Federal Program 93.358		<u>196,960</u>	<u>0</u>
93.359		Basic Nurse Education and Practice Grants	UW-Madison	151,082	0
93.359		Basic Nurse Education and Practice Grants	UW-Green Bay	3,991	0
93.359		Basic Nurse Education and Practice Grants	UW-Oshkosh	12,178	0
		Total Federal Program 93.359		<u>167,251</u>	<u>0</u>
93.361		Nursing Research	UW-Madison	241,502	0
93.389		Research Infrastructure	UW-Madison	31,083	0
93.389		Research Infrastructure	UW-Milwaukee	20,162	0
		Total Federal Program 93.389		<u>51,245</u>	<u>0</u>
93.398		Cancer Research Manpower	UW-Madison	1,656,237	0
93.556		Promoting Safe and Stable Families	DHFS	2,741,090	2,578,866
93.558		Temporary Assistance for Needy Families (Note 2)	DWD	299,204,545	121,631,592
93.563		Child Support Enforcement (Notes 2, 6)	DWD	46,075,512	34,740,436
93.566		Refugee and Entrant Assistance-State Administered Programs	DWD	1,785,917	1,044,375
93.568		Low-Income Home Energy Assistance (Note 19)	DOA	73,545,150	12,634,647
93.569		Community Services Block Grant (Note 19)	DHFS	6,790,010	6,543,406
93.570		Community Services Block Grant-Discretionary Awards	DHFS	10,678	0
		Child Care Cluster:			
93.575		Child Care and Development Block Grant (Note 2)	DWD	90,119,761	63,273,005
93.596		Child Care Mandatory and Matching Funds of the Child Care and Development Fund (Note 2)	DWD	44,078,626	24,907,690
		Total Child Care Cluster		<u>134,198,387</u>	<u>88,180,695</u>
93.576		Refugee and Entrant Assistance-Discretionary Grants (Note 2)	DHFS	(1,146)	0
93.576		Refugee and Entrant Assistance-Discretionary Grants (Note 2)	DWD	5,228,985	5,135,099
93.576		Refugee and Entrant Assistance-Discretionary Grants (Note 2)	DPI	1,594,168	1,524,068
		Total Federal Program 93.576		<u>6,822,007</u>	<u>6,659,167</u>
93.585		Empowerment Zones Program (Note 19)	DHFS	198,143	198,143
93.597		Grants to States for Access and Visitation Programs	DHFS	143,003	138,692

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**STATE OF WISCONSIN**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2001**

FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
93.600		Head Start	DWD	46,570	39,423
93.600		Head Start	UW-Oshkosh	2,790,213	0
		Total Federal Program 93.600		<u>2,836,783</u>	<u>39,423</u>
93.603		Adoption Incentive Payments	DHFS	524,583	0
93.630		Developmental Disabilities Basic Support and Advocacy Grants	DHFS	1,443,784	0
93.631		Developmental Disabilities Projects of National Significance	UW-Madison	22,530	0
93.632		Developmental Disabilities University Affiliated Programs	UW-Madison	267,166	10,201
93.643		Children's Justice Grants to States	DOJ	235,115	58,620
93.645		Child Welfare Services-State Grants	DHFS	4,717,704	4,444,271
93.647		Social Services Research and Demonstration	UW-Extension	141,164	0
93.648		Child Welfare Services Training Grants	UW-Green Bay	127,220	0
93.658		Foster Care-Title IV-E (Note 2)	DHFS	84,500,655	41,412,722
93.659		Adoption Assistance	DHFS	22,294,969	0
93.667		Social Services Block Grant (Notes 2, 19, 20)	DHFS	66,034,784	61,715,174
93.669		Child Abuse and Neglect State Grants	DHFS	383,720	0
93.671		Family Violence Prevention and Services/Grants for Battered Women's Shelters-Grants to States and Indian Tribes	DHFS	1,329,442	1,261,613
93.672		Community-Based Prevention Program	CANPB	394,465	339,726
93.674		Independent Living	DHFS	1,668,672	1,455,733
93.767		State Children's Insurance Program (Note 2)	DHFS	36,465,728	0
93.768		Medicaid Infrastructure Grants to Support the Competitive Employment of People with Disabilities	DHFS	5,307	0
93.773		Medicare-Hospital Insurance	DVA	15,236	0
		Medicaid Cluster:			
93.778		Medical Assistance Program (Notes 2, 6)	DHFS	2,311,100,626	243,724,152
93.778		Medical Assistance Program (Note 2)	DWD	33,808,470	23,998,579
93.775		State Medicaid Fraud Control Units (Note 2)	DOJ	653,814	0
93.777		State Survey and Certification of Health Care Providers and Suppliers (Note 2)	DHFS	9,904,320	0
		Total Medicaid Cluster		<u>2,355,467,230</u>	<u>267,722,731</u>
93.779		Health Care Financing Research, Demonstrations and Evaluations	DHFS	460,864	300,778
93.821		Cell Biology and Biophysics Research	UW-Madison	1,901,425	0
93.822		Health Careers Opportunity Program	UW-Milwaukee	12,804	0
93.824		Basic/Core Area Health Education Centers	UW-Madison	34,747	0
93.838		Lung Diseases Research	UW-Madison	201,950	0
93.839		Blood Diseases and Resources Research	UW-Madison	175,201	0
93.848		Digestive Diseases and Nutrition Research	UW-Madison	172,506	0
93.853		Extramural Research Programs in the Neurosciences and Neurological Disorders	UW-Madison	1,561	0
93.854		Biological Basis Research in the Neurosciences	UW-Madison	1,389	0
93.855		Allergy, Immunology and Transplantation Research	UW-Madison	1,264	0
93.856		Microbiology and Infectious Diseases Research	UW-Madison	146,576	0
93.859		Pharmacology, Physiology, and Biological Chemistry Research	UW-Madison	1,406,629	0
93.862		Genetics and Developmental Biology Research and Research Training	UW-Madison	615,702	0
93.864		Population Research	UW-Madison	260,590	0
93.865		Center for Research for Mothers and Children	UW-Madison	79,608	0
93.866		Aging Research	UW-Madison	526,939	0
93.867		Vision Research	UW-Madison	225,384	0
93.880		Minority Access to Research Careers	UW-Madison	24,399	0
93.886		Physician Assistant Training in Primary Care	UW-Madison	64,281	0
93.894		Resource and Manpower Development in the Environmental Health Sciences	UW-Madison	283,632	0
93.896		Predoctoral Training in Primary Care (Family Medicine, General Internal Medicine/General Pediatrics)	UW-Madison	81,615	0
93.900		Grants for Faculty Development in General Internal Medicine and/or General Pediatrics	UW-Madison	8,204	0
93.913		Grants to States for Operation of Offices of Rural Health	UW-Madison	86,632	11,692
93.917		HIV Care Formula Grants	DHFS	4,455,021	2,299,256
93.918		Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	UW-Madison	(7,371)	0
93.919		Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	DHFS	2,526,026	1,515,821
93.938		Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	DPI	858,906	351,683
93.940		HIV Prevention Activities-Health Department Based	DHFS	3,145,519	2,218,086
93.942		Research, Treatment and Education Programs on Lyme Disease in the United States	DHFS	115,451	112,057
93.944		Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	DHFS	327,511	0
93.945		Assistance Program for Chronic Disease Prevention and Control	DHFS	119,746	0
93.958		Block Grants for Community Mental Health Services (Notes 2, 19)	DHFS	5,881,671	5,677,272
93.959		Block Grants for Prevention and Treatment of Substance Abuse (Notes 2, 19)	DHFS	25,850,881	24,728,569
93.960		Special Minority Initiatives	UW-Madison	42,534	0
93.970		Health Professions Recruitment Program for Indians	UW-Eau Claire	279,599	0
93.977		Preventive Health Services-Sexually Transmitted Diseases Control Grants	DHFS	1,137,459	576,043
93.984		Academic Administrative Units in Primary Care	UW-Madison	168,369	0
93.988		Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems	DHFS	730,798	210,770

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**STATE OF WISCONSIN**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2001**

FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
93.989		Senior International Fellowships	UW-Madison	6,660	0
93.991		Preventive Health and Health Services Block Grant (Note 19)	DHFS	3,104,144	1,780,329
93.994		Maternal and Child Health Services Block Grant to the States (Notes 2, 19)	DHFS	11,805,544	7,542,316
Other Federal Financial Assistance:					
N/A	93.N01-CN-15373	American Stop Smoking Intervention Study	DHFS	(16,221)	0
N/A	93.2709847057	AODA Treatment Needs Assessment	DHFS	163,520	122,913
N/A	93.98D364255	Chronic Disease Minority	DHFS	1,198	0
N/A	93.05-9x-05-WI-5002	Clinical Lab Improvement Act	DHFS	385,852	0
N/A	93.200-95-7252	DHFS Vital Statistics (Note 21)	DHFS	475,916	0
N/A	93.223-9x-4449	Mammography Quality Standards Act	DHFS	156,278	0
N/A	93.T061122401D	Minority Health Infrastructure Development Project	DHFS	12,646	0
N/A	93.223994847	Tobacco Investigations	DHFS	1,831	0
N/A	93.283-95-0046	Uniform AODA Data Collection System	DHFS	80,849	26,811
N/A	93.98D36438301D	Wisconsin Minority Women's Health	DHFS	(2,000)	0
N/A	93.	Federal Data Sharing	DWD	10,901	0
N/A	93.223-95-4073	Food Inspections	DATCP	80,851	0
N/A	93.223-95-4016	Medicated Feed Inspections	DATCP	28,567	0
N/A	93.223-9x-4008	Tissue Residue Inspections	DATCP	33,219	0
N/A	93.1 C06 CA22506-01	Alterations and Renovations to B-Wing of 1300 University Avenue Complex	UW-Madison	7,956	0
N/A	93.N02-CO-81114; N02-CO-01111	Cancer Information Service	UW-Madison	962,149	44,461
N/A	93.5 D08 HP50097-03	Faculty Development in General Internal Medicine/ Pediatrics	UW-Madison	169,527	0
N/A	93.N02-CO-01111	Feasibility Study of Chess Dissemination through the CIS Network	UW-Madison	123,856	283
N/A	93.6537107	Financial Assistance for Disadvantaged Health Professions Students	UW-Madison	18,440	0
N/A	93.01 IPA 03378	Intergovernmental Personnel Assignment Agreement	UW-Madison	16,510	0
N/A	93.2 H46 MC00123-11	Nationwide Blood Lead and Erythrocyte Protoporphyrin Proficiency Testing Program	UW-Madison	149	0
N/A	93.1-F2-CA-25269	Postdoctoral Fellowship Supply Allowance	UW-Madison	224	0
N/A	93.5 F31 NS10205; 5 F31 NS10859	Predocctoral Individual National Research Service Award	UW-Madison	52,134	0
N/A	93.290-98-0015	Update the Ahopr-Supported Smoking Cessation Clinical Practice Guideline	UW-Madison	7,904	0
N/A	93.213-98-0017	Wisconsin Centers of Excellence in Women's Health-Wisconsin Outreach for Adolescent Health	UW-Madison	894	0
N/A	93.1 D11 NU 00016-01	Wisconsin Collaborative BSN Program for Rural RNs	UW-Madison	49,152	0
N/A	93.AGR dtd 2/27/01	Personnel Agreement	UW-Stevens Point	51,462	0
N/A	93.1 D11 NU 00016-01	Wisconsin Collaborative BSN Program for Rural RNs	UW-Extension	1,586	0
Subtotal Direct Programs				3,259,593,175	725,915,665
Subgrants:					
93.107	93.AGR dtd 8/9/00	Model State-Supported Area Health Education Centers (from Eastern Wisconsin Area Health Education Center, Inc.)	UW-Madison	7,913	0
93.107	93.AGR dtd 4/19/99	Model State-Supported Area Health Education Centers (from Eastern Wisconsin Area Health Education Center, Inc.)	UW-Parkside	8,975	0
93.144		Demonstration Grants for the Prevention of Alcohol and Drug Abuse Among High-Risk Populations (from Milwaukee Board of School Directors)	UW-Extension	3,562	0
93.389	93.205-00C	Research Infrastructure (from Milwaukee School of Engineering)	UW-Madison	32,738	0
93.556		Promoting Safe and Stable Families (from Oconto County Partnership)	UW-Extension	13,794	0
93.556		Promoting Safe and Stable Families (from Racine County Department of Human Services)	UW-Extension	23,303	0
93.556		Promoting Safe and Stable Families (from United Way of Portage County, Inc.)	UW-Extension	5,680	0
93.558		Temporary Assistance for Needy Families (Note 2) (from Florence County Department of Human Services)	UW-Extension	11,676	0
93.558		Temporary Assistance for Needy Families (Note 2) (from Portage County Department of Health and Human Services)	UW-Extension	51,883	0
93.558		Temporary Assistance for Needy Families (Note 2) (from Racine County Department of Health and Human Services)	UW-Extension	8,000	0
93.558		Temporary Assistance for Needy Families (Note 2) (from Rock County Department of Health and Human Services)	UW-Extension	3,184	0
93.558		Temporary Assistance for Needy Families (Note 2) (from Holy Family Memorial)	UW-Extension	2,462	0
93.570		Community Services Block Grant-Discretionary Awards (from National Youth Sports Corporation)	UW-Eau Claire	93,337	0
93.570		Community Services Block Grant-Discretionary Awards (from National Youth Sport Program Fund)	UW-La Crosse	84,364	0
93.575		Child Care and Development Block Grant (Note 2) (from Family Resources)	UW-La Crosse	4,805	0
93.575		Child Care and Development Block Grant (Note 2) (from Pleasant Prairie Child Care Center)	UW-Extension	16,469	0
93.576		Refugee and Entrant Assistance-Discretionary Grants (Note 2) (from Hmong National Development)	UW-Milwaukee	36,923	0
93.576		Refugee and Entrant Assistance-Discretionary Grants (Note 2) (from Hmong Educational Advancements)	UW-Extension	6,318	0

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**STATE OF WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2001**

FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
93.596		Child Care Mandatory and Matching Funds of the Child Care and Development Fund (Note 2) (from City of Platteville)	UW-Platteville	2,937	0
93.658		Foster Care-Title IV-E (Note 2) (from Milwaukee Bureau of Child Welfare)	UW-Milwaukee	9,290	0
93.658		Foster Care-Title IV-E (Note 2) (from Rock County Department of Human Services)	UW-Extension	54,553	0
93.674	93.521080	Independent Living (from Milwaukee Bureau of Child Welfare)	UW-Milwaukee	143,563	0
93.778	93.AGR dtd 9/13/99; 8/7/00	Medical Assistance Program (Note 2) (from Sally Mather Associates)	UW-Madison	79,013	0
93.824	93.AGR dtd 10/27/99	Basic/Core Area Health Education Centers (from Eastern Wisconsin Area Health Education Center)	UW-Madison	16	0
93.824	93.AGR dtd 8/3/99	Basic/Core Area Health Education Centers (from Medical College of Wisconsin, Inc.)	UW-Madison	12,381	0
93.824	93.AGR dtd 7/26/99 - 10/12/00; C1-4-01	Basic/Core Area Health Education Centers (from Southwest Wisconsin Area Health Education Center)	UW-Madison	40,152	0
93.824	93.AGR dtd 10/1/98	Basic/Core Area Health Education Centers (from Eastern Wisconsin Area Health Education Center)	UW-Parkside	8,001	0
93.856	93.22-4177-5220	Microbiology and Infectious Diseases Research (from American Association for the Advancement of Science)	UW-Madison	49,526	0
93.912		Rural Health Outreach and Rural Network Development Program (from Southwestern Wisconsin Community Action Program)	UW-Platteville	12,537	0
93.917	93.AGR dtd 5/15/00	HIV Care Formula Grants (from AIDS Network)	UW-Madison	14,361	0
93.969	93.AGR dtd 2/26/01	Grants for Geriatric Education Centers (from Marquette University)	UW-Madison	3,199	0
93.969		Grants for Geriatric Education Centers (from Marquette University)	UW-Milwaukee	21,147	0
N/A	93.AGR dtd 7/2/01	HIV Care Program-Beloit Nursing Case Manager (from AIDS Network)	UW-Madison	4,792	0
N/A	93.AGR dtd 5/3/00	Midwest AIDS Training and Education Program (from AIDS Resource Center of Wisconsin)	UW-Madison	1,573	0
N/A	93.AGR dtd 12/10/96	Health Care Professionals Training and Technical Assistance-Medical Specialists (from American Academy of Addiction Psychiatry)	UW-Madison	69,521	0
N/A	93.AGR dtd 10/11/00; 1U78 HP 0001	Faculty Development Program (from Association for Medical Education and Research in Substance Abuse)	UW-Madison	21,475	0
N/A	93.WC04	Birth to Three Program Review and Technical Assistance (from Cooperative Educational Service Agency #5)	UW-Madison	32,537	0
N/A	93.AGR dtd 9/1/00; WC04 #5	Head Start Quality Improvement Center (from Cooperative Educational Service Agency #5)	UW-Madison	75,059	0
N/A	93.AGR dtd 5/1/99	Early Head Start Program (from Dane County Parent Council, Inc.)	UW-Madison	44,960	0
N/A	93.CK 972621	NRSA Fellows to the Sixth Annual NRSA Trainees Meeting (from Duke University)	UW-Madison	1,794	0
N/A	93.AGR dtd 9/15/00	Improving Web-Based Access and Delivery of Health Information Resources for Eastern Wisconsin Area (from Eastern Wisconsin Area Health Education Center)	UW-Madison	5,339	0
N/A	93.AGR dtd 5/8/01	Honoring our Children with a Healthy Start Project (from Great Lakes Inter-Tribal Council, Inc.)	UW-Madison	48,337	0
N/A	93.AGR dtd 9/26/00; 3/15/01	Rural Health Outreach (from Ho-Chunk Nation)	UW-Madison	37,657	0
N/A	93.AGR dtd 5/25/00; 8/30/01	American Indian/Alaska Native Initiative on Cancer (from Mayo Clinic)	UW-Madison	98,754	0
N/A	93.9858302	Multi-Media Video Task Analysis Ergonomics Analysis and Design Consortium (from Pittsburgh Research Center)	UW-Madison	1,184	0
N/A	93.AGR dtd 10/13/98	Family Medicine Faculty Database Design and Maintenance Planning (from Society of Teachers of Family Medicine)	UW-Madison	16	0
N/A	93.CK 6179859	U.S.-Canada Forum on Women's Health (from University of Illinois-Chicago)	UW-Madison	166	0
N/A	93.AGR dtd 12/21/00	Environmental Health Sciences Training and Education Program (from University of Medicine and Dentistry of New Jersey)	UW-Madison	3,218	0
N/A	93.3PA0000053	Illinois Role for 2000 and 2001 (from State of Illinois)	UW-Stout	21,985	0
N/A	93.AGR dtd 2/1/01	Brown County Individual Development (from Integrated Community Services)	UW-Extension	28,643	0
N/A	93.00-110	Family Resource Coordinator Support (from Racine County Human Services Department)	UW-Extension	18,000	0
N/A	93.AGR dtd 1/12/00; 2/14/01	Family Support Worker (from Oconto County Department of Health Services)	UW-Extension	50,712	0
N/A	93.AGR dtd 1/12/00	Youth Futures (from Oconto County Department of Human Services)	UW-Extension	3,018	0
N/A	93.01-ES-08	Taylor County Community Reinvestment Project (from Taylor County)	UW-Extension	2,267	0
		Subtotal Subgrants		1,437,069	0
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				<b>3,261,030,244</b>	<b>725,915,665</b>
<b>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE:</b>					
94.003		State Commissions	DOA	199,785	0
94.004		Learn and Serve America-School and Community Based Programs	DPI	475,151	371,758
94.004		Learn and Serve America-School and Community Based Programs	DOA	115,660	115,660
Total Federal Program 94.004				590,811	487,418
94.005		Learn and Serve America-Higher Education (from UW-River Falls)	UW-Milwaukee	82	10,485
94.005		Learn and Serve America-Higher Education	UW-Eau Claire	3,603	0
94.005		Learn and Serve America-Higher Education (from UW-River Falls)	UW-Green Bay	(11,619)	7,890
94.005		Learn and Serve America-Higher Education	UW-River Falls	199,193	0
94.005		Learn and Serve America-Higher Education (from UW-River Falls)	UW-Stout	(5,984)	16,721
94.005		Learn and Serve America-Higher Education (from UW-River Falls)	UW-Superior	7,066	20,803

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**STATE OF WISCONSIN**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2001**

FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
94.005		Learn and Serve America-Higher Education (from UW-River Falls)	UW-Whitewater	18,324	0
94.005		Learn and Serve America-Higher Education (from UW-Green Bay)	UW Colleges	(1,672)	0
		Total Federal Program 94.005		<u>208,993</u>	<u>55,899</u>
94.006		AmeriCorps	DOA	2,174,382	2,174,382
94.007		Planning and Program Development Grants	DOA	156,948	156,849
94.009		Training and Technical Assistance	DOA	97,324	0
		Foster Grandparent/Senior Companion Cluster:			
94.011		Foster Grandparent Program	DHFS	1,275,935	1,150,633
		Total Foster Grandparent/Senior Companion Cluster		<u>1,275,935</u>	<u>1,150,633</u>
94.013		Volunteers in Service to America	DPI	99,720	9,700
		Subtotal Direct Programs		<u>4,803,898</u>	<u>4,034,881</u>
		Subgrants:			
94.004		Learn and Serve America-School and Community Based Programs (from Cooperative Education Services Agency #9)	DPI	511	0
94.004	94.LSSIA015	Learn and Serve America-School and Community Based Programs (from State of Iowa Department of Education)	DPI	4,723	0
94.004	94.220302BB	Learn and Serve America-School and Community Based Programs (from State of Minnesota Department of Education)	DPI	15,225	0
94.007		Planning and Program Development Grants (from National Youth Leadership Council)	UW-River Falls	105,074	0
		Subtotal Subgrants		<u>125,533</u>	<u>0</u>
		TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE		<u>4,929,431</u>	<u>4,034,881</u>
		U.S. SOCIAL SECURITY ADMINISTRATION:			
		Disability Insurance/SSI Cluster:			
96.001		Social Security-Disability Insurance	DHFS	20,665,307	0
96.001		Social Security-Disability Insurance (Note 21)	DWD	937,819	600,000
		Total Disability Insurance/SSI Cluster		<u>21,603,126</u>	<u>600,000</u>
96.007		Social Security-Research and Demonstration	DHFS	881,011	0
		Other Federal Financial Assistance:			
N/A	96.0600-98-32704; 0600-95-18362	Social Security Administration Death Records (Note 21)	DHFS	1,490	0
N/A	96.0600-98-32750; 0600-95-17707	Social Security Enumeration (Note 21)	DHFS	118,070	0
		TOTAL U.S. SOCIAL SECURITY ADMINISTRATION		<u>22,603,697</u>	<u>600,000</u>
		TOTAL INDIVIDUAL PROGRAMS AND OTHER CLUSTERS		<u>\$ 5,720,344,471</u>	<u>\$ 1,401,516,454</u>

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**STATE OF WISCONSIN**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2001**

FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER (Note 2)</b>					
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT:					
N/A	02. RD	R&D	UW-Madison	\$ 3,873,544	\$ 2,096,034
R&D Subgrants:					
N/A	02.522-0325-C-00-3298	Honduras Policy Analysis and Implementation Project (from Chemonics International)	UW-Madison	(56,372)	0
N/A	02.4050-98-S-002; S-003	R&D Subgrants (from Development Alternatives, Inc.)	UW-Madison	34,314	0
N/A	02.AGR dtd 10/4/99	Project Colibries (from Fundacion Antisana)	UW-Madison	8,745	0
N/A	02.C16-020	Characterization and Management of Tomato and Pepper Geminiviruses (from Hebrew University of Jerusalem)	UW-Madison	119	0
N/A	02.AGR dtd 2/21/01	Identification of Peanut Genes and Gene Products Important in the Peanut Seed (from International Crops Policy Research Institute)	UW-Madison	24,305	0
N/A	02.AGR dtd 6/19/97	Women's Legal Rights to Property in Ethiopia, South Africa, Peru and Bangladesh (from International Food Policy Research Institute)	UW-Madison	(28)	0
N/A	02.AGR dtd 1/11/00	Albanian Watershed Assessment Program (from Materials, Communication and Computers, Inc.)	UW-Madison	122,084	0
N/A	02.AGR dtd 5/15/89	Molecular Approaches to Control of Bean Golden Mosaic (from Michigan State University)	UW-Madison	131,906	15,415
N/A	02.TMG/LTC-9-00	Assistance to CILSS in the Establishment of Land Tenure Observatories in Member Countries (from Mitchell Group, Inc.)	UW-Madison	59,411	0
N/A	02.22145	Property Registration Database Population (from Organization of American States)	UW-Madison	12,103	0
N/A	02.120-20-24	Community Planning for Sustainable Livestock-Based Forested Ecosystems in Latin America (from University of California-Davis)	UW-Madison	330,797	222,653
N/A	02.121-20-23	Increased Lamb Production from Sheep Flocks in Central Asia (from University of California-Davis)	UW-Madison	104,188	0
N/A	02.RD309-022/2265417	Genetic Approaches to Eliminate Aflatoxin Contamination of Peanuts (from University of Georgia)	UW-Madison	66,103	0
N/A	02.RC710-006/5912994	Sustainable Agriculture and Natural Resource Management Systems (from University of Georgia)	UW-Madison	441,453	322,184
N/A	02.CR-19126-434604	Cattle, Manure and Soil Fertility Management to Increase Nutrients Availability (from Virginia Polytechnical Institute and State University)	UW-Madison	5,887	0
Subtotal R&D Subgrants				<u>1,285,015</u>	<u>560,252</u>
TOTAL R&D FROM U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT				<u>5,158,559</u>	<u>2,656,286</u>
U.S. DEPARTMENT OF AGRICULTURE:					
10.001		Agricultural Research-Basic and Applied Research	UW-Madison	48,311	0
10.001		Agricultural Research-Basic and Applied Research	UW-Stevens Point	26,140	0
Total Federal Program 10.001				<u>74,451</u>	<u>0</u>
10.200		Grants for Agricultural Research, Special Research Grants	UW-Madison	1,636,613	578,786
10.200		Grants for Agricultural Research, Special Research Grants	UW-Milwaukee	7,486	0
Total Federal Program 10.200				<u>1,644,099</u>	<u>578,786</u>
10.203		Payments to Agricultural Experiment Stations Under the Hatch Act	UW-Madison	5,722,684	0
10.206		Grants for Agricultural Research-Competitive Research Grants	UW-Madison	3,361,396	111,568
10.206		Grants for Agricultural Research-Competitive Research Grants	UW-Milwaukee	50,753	38,527
10.206		Grants for Agricultural Research-Competitive Research Grants	UW-Oshkosh	3,463	0
10.206		Grants for Agricultural Research-Competitive Research Grants	UW-Parkside	59,649	0
Total Federal Program 10.206				<u>3,475,261</u>	<u>150,095</u>
10.217		Higher Education Challenge Grants	UW-Madison	5,222	0
10.224		Fund for Rural America-Research, Education, and Extension Activities	UW-Madison	138,822	0
10.302		Initiative for Future Agriculture and Food Systems	UW-Madison	77,761	0
10.303		Integrated Programs	UW-Madison	42,555	0
10.652		Forestry Research	UW-Madison	156,917	57,637
10.652		Forestry Research (from UW-Madison)	UW-Stevens Point	77,687	0
Total Federal Program 10.652				<u>234,604</u>	<u>57,637</u>
10.664		Cooperative Forestry Assistance	UW-Madison	67,248	0
10.664		Cooperative Forestry Assistance	UW-Milwaukee	9,907	0
10.664		Cooperative Forestry Assistance	UW-Stevens Point	6,542	0
Total Federal Program 10.664				<u>83,697</u>	<u>0</u>
10.672		Rural Development, Forestry, and Communities	UW-Madison	19,592	0
10.902		Soil and Water Conservation	UW-Madison	680	0
10.960		Technical Agricultural Assistance	UW-Madison	(142)	0
10.961		Scientific Cooperation and Research	UW-Madison	4,145	5,000
10.962		International Training-Foreign Participant	UW-Madison	807	0
N/A	10.RD	R&D from Agricultural Research Service	UW-Madison	1,381,703	75,393
N/A	10.RD	R&D from Cooperative State Research, Education and Extension Service	UW-Madison	698	0
N/A	10.RD	R&D from Forest Service	UW-Madison	439,485	0
N/A	10.RD	R&D	UW-Madison	384,102	116,270

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2001**

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<b>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER (Note 2)</b>					
N/A	10.23-97-40-RJVA	Evaluation of Changes in Population Size, Size Structure, Angling Success, and Habitat Use of Smallmouth Bass	UW-Stevens Point	6,520	0
N/A	10.00-CS-11090903-023	Superior National Forest Ecology	UW-Stevens Point	5,866	0
N/A	10.AGR dtd 8/17/99	Education Program	UW-Extension	14,755	0
Subtotal Direct R&D Grants				13,757,367	983,181
R&D Subgrants:					
10.200	10.37038-6123	Grants for Agricultural Research, Special Research Grants (from Cornell University)	UW-Madison	2,546	0
10.200	10.61-4132K; 61-4141A	Grants for Agricultural Research, Special Research Grants (from Michigan State University)	UW-Madison	27,032	0
10.200	10.4453 F	Grants for Agricultural Research, Special Research Grants (from North Dakota State University)	UW-Madison	5,356	0
10.200	10.C0203A-05	Grants for Agricultural Research, Special Research Grants (from Oregon State University)	UW-Madison	87,023	0
10.200	10.593-0244	Grants for Agricultural Research, Special Research Grants (from Purdue University)	UW-Madison	51,212	0
10.200	10.BAK165-04; BAK356-UWM-99	Grants for Agricultural Research, Special Research Grants (from University of Idaho)	UW-Madison	16,033	0
10.200	10.25-6222-0017-006	Grants for Agricultural Research, Special Research Grants (from University of Nebraska)	UW-Madison	8,500	0
10.200	10.61-4069J	Grants for Agricultural Research, Special Research Grants (from Michigan State University)	UW-Milwaukee	120	0
10.206	10.RD	Grants for Agricultural Research-Competitive Research Grants (from Michigan State University)	UW-Madison	45,170	0
10.206	10.UKRF4-63342-01-185	Grants for Agricultural Research-Competitive Research Grants (from University of Kentucky Research Foundation)	UW-Madison	4,892	0
10.206	10.6239-0043-002	Grants for Agricultural Research-Competitive Research Grants (from University of Nebraska)	UW-Madison	38,491	0
10.206	10.UA AES 99-100	Grants for Agricultural Research-Competitive Research Grants (from University of Arkansas)	UW-Stevens Point	13,550	0
10.217	10.61-4532B	Higher Education Challenge Grants (from Michigan State University)	UW-Madison	11,123	0
10.302	10.SDSU 483909	Initiative for Future Agriculture and Food Systems (from South Dakota State University)	UW-Madison	25,524	0
10.302	10.25-6363-0006-015	Initiative for Future Agriculture and Food Systems (from University of Nebraska)	UW-Madison	7,505	0
10.303	10.AGR dtd 11/1/00	Integrated Programs (from Iowa State University)	UW-Madison	305	0
10.303	10.61-4164D; 61-4169B	Integrated Programs (from Michigan State University)	UW-Madison	17,365	0
10.652		Forestry Research (from Forestry Products Laboratory)	UW-La Crosse	29,144	0
10.769		Rural Business Enterprise Grants (from Poweshiek Water Association)	UW-La Crosse	13,677	0
N/A	10.US-2968-98C; AGR dtd 6/17/99	R&D Subgrants (from Binational Agricultural Research and Development)	UW-Madison	3,046	0
N/A	10.AGR dtd 7/5/00	Improving Yellow Perch Aquaculture Using All Female and Triploid Stock (from Coolwater Aquaculture, Inc.)	UW-Madison	19,324	0
N/A	10.AGR dtd 2/23/01; 5/2/01	Developing Consumer-Driven Markets for Southern Wisconsin Farmers (from Cooperative Development Services Fund, Inc.)	UW-Madison	2,823	0
N/A	10.AGR dtd 9/13/00	Socio-Cultural Preservation Project (from Indian Lands Working Group)	UW-Madison	26,679	0
N/A	10.AGR dtd 11/17/99	Genetic Markers for Dry Cattle Health (from Iowa State University)	UW-Madison	9	0
N/A	10.AGR dtd 1/5/01	New Herbicide Research (from IR-4 Center for Minor Crop Pest Management)	UW-Madison	10,028	0
N/A	10.AGR dtd 8/30/00	Precision Land Application of Animal Waste Slurry (from J-Star Industries)	UW-Madison	12,803	0
N/A	10.11614; 61-5051B	IR-4 Program Food Use Projects (from Michigan State University)	UW-Madison	31,027	0
N/A	10.RF826993; RF852714	Effects of Pathogenic Variability in Verticillium Dahliae and Pratylenchus Penetrans (from Ohio State University)	UW-Madison	21,133	0
N/A	10.3x-32091-130-62112	Center for Minority Land and Community Security (from Tuskegee University)	UW-Madison	209,142	27,204
N/A	10.IS-2894-97	Regulation of Senescence by Sugar Metabolism (from U.S.-Israel Binational Agricultural Research and Development)	UW-Madison	47,756	0
N/A	10.UA AES 2000-114	Development of a Computer/Internet-Based Poultry Science Curriculum (from University of Arkansas)	UW-Madison	923	0
N/A	10.C4116178101; H4169014201	R&D Subgrants (from University of Minnesota)	UW-Madison	17,096	0
N/A	10.25-6205-0016-006	Development of Sustainable Practices for Integrated Management of Apple Diseases (from University of Nebraska)	UW-Madison	50,935	0
N/A	10.RD	R&D Subgrants (from University of Nebraska)	UW-Madison	32,760	6,957
Subtotal R&D Subgrants				890,052	34,161
TOTAL R&D FROM U.S. DEPARTMENT OF AGRICULTURE				14,647,419	1,017,342
U.S. DEPARTMENT OF COMMERCE:					
11.303		Economic Development-Technical Assistance	UW-Milwaukee	6,190	0
11.417		Sea Grant Support	UW-Madison	1,973,305	0
11.417		Sea Grant Support	UW-Milwaukee	28,659	0
11.417		Sea Grant Support (from UW-Madison)	UW-Milwaukee	66,829	0

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**STATE OF WISCONSIN**  
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**FOR THE YEAR ENDED JUNE 30, 2001**

FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER (Note 2)</b>					
11.417		Sea Grant Support (from UW-Madison)	UW-Green Bay	55,817	0
11.417		Sea Grant Support (from UW-Madison)	UW-La Crosse	(694)	0
11.417		Sea Grant Support (from UW-Madison)	UW-Stevens Point	362	0
11.417		Sea Grant Support (from UW-Madison)	UW-Superior	4,075	0
11.417		Sea Grant Support (from UW-Madison)	UW Colleges	(4,870)	0
Total Federal Program 11.417				<u>2,123,483</u>	<u>0</u>
11.420		Coastal Zone Management Estuarine Research Reserves	UW-Madison	16,589	0
11.426		Financial Assistance for National Centers for Coastal Ocean Science	UW-Milwaukee	210,907	0
11.431		Climate and Atmospheric Research	UW-Madison	90,793	0
11.431		Climate and Atmospheric Research	UW-Milwaukee	66,014	0
Total Federal Program 11.431				<u>156,807</u>	<u>0</u>
N/A	11.RD	R&D from National Oceanic and Atmospheric Administration	UW-Madison	3,308,304	0
N/A	11.RD	R&D from National Institute of Standards and Technology	UW-Madison	60,835	0
N/A	11.06-66-04472	University Center for Economic Development	UW-Milwaukee	56,608	0
Subtotal Direct R&D Grants				<u>5,939,723</u>	<u>0</u>
R&D Subgrants:					
11.430	11.UAF 00-071	Undersea Research (from University of Alaska-Fairbanks)	UW-Madison	44,733	0
11.430	11.PSA 2267	Undersea Research (from University of Connecticut)	UW-Milwaukee	105,365	0
11.432	11.UMICH-300052519	Office of Oceanic and Atmospheric Research Joint and Cooperative Institutes (from University of Michigan)	UW-Milwaukee	12,347	0
11.443	11.S00-18116	Short Term Climate Fluctuations (from University Corporation for Atmospheric Research)	UW-Milwaukee	31,428	0
N/A	11.AGR dtd 4/30/99	Statistical Analysis of Atmospheric Ozone Profile Data for Trends and Sensitivity Study (from Research and Data Systems Corporation)	UW-Madison	26,424	0
N/A	11.RU04738	Development of New Electronic Data Sets-Wisconsin State Climatologist Office (from University of Illinois-Urbana-Champaign)	UW-Madison	490	0
N/A	11.UCAR S98-93861; 94733	R&D Subgrants (from University Corporation for Atmospheric Research)	UW-Madison	18,061	0
Subtotal R&D Subgrants				<u>238,848</u>	<u>0</u>
TOTAL R&D FROM U.S. DEPARTMENT OF COMMERCE				<u>6,178,571</u>	<u>0</u>
U.S. DEPARTMENT OF DEFENSE:					
12.300		Basic and Applied Scientific Research	UW-Madison	3,260,573	267,262
12.300		Basic and Applied Scientific Research	UW-Milwaukee	107,397	0
Total Federal Program 12.300				<u>3,367,970</u>	<u>267,262</u>
12.420		Military Medical Research and Development	UW-Madison	999,674	142,516
12.630		Basic, Applied, and Advanced Research in Science and Engineering	UW-Madison	190,663	3,175
12.800		Air Force Defense Research Sciences Program	UW-Madison	1,642,058	177,440
12.901		Mathematical Sciences Grants Program	UW-Madison	126,983	0
12.901		Mathematical Sciences Grants Program	UW-Milwaukee	333	0
Total Federal Program 12.901				<u>127,316</u>	<u>0</u>
12.910		Research and Technology Development	UW-Madison	1,280,517	311,806
N/A	12.DSWA01-98-1-08	Seismic Event Location Analysis with Ground-Truth Datasets	UW-Madison	82,549	12,500
N/A	12.RD	R&D from Army	UW-Madison	3,478,202	241,695
N/A	12.RD	R&D from Navy	UW-Madison	344,907	0
N/A	12.RD	R&D from Air Force	UW-Madison	14,998	0
N/A	12.RD	R&D from Defense Advanced Research Projects Agency	UW-Madison	2,489,894	40,843
N/A	12.RD	R&D from Defense Naval Surface Warfare Center	UW-Madison	10,799	0
N/A	12.RD	R&D from Defense Space and Naval Warfare Systems Center	UW-Madison	30,955	0
N/A	12.RD	R&D from Army Corps of Engineers	UW-Madison	97,387	0
N/A	12.RD	R&D from Army Corps of Engineers	UW-La Crosse	11,627	0
Subtotal Direct R&D Grants				<u>14,169,516</u>	<u>1,197,237</u>
R&D Subgrants:					
12.300	12.E-21-E73-G1	Basic and Applied Scientific Research (from Georgia Institute of Technology)	UW-Madison	29,714	0
12.300	12.57995	Basic and Applied Scientific Research (from Texas Engineering Experiment Station)	UW-Madison	92,571	7,095
12.301		Basic and Applied Scientific Research (from Boston University)	UW-Eau Claire	10,406	0
12.420	12.AGR dtd 11/9/00	Military Medical Research and Development (from Rush University)	UW-Madison	37,983	0
12.420	12.AGR dtd 5/14/01	Military Medical Research and Development (from SLIL Biomedical Corporation)	UW-Madison	8,150	0
12.630	12.99RA0734-05	Basic, Applied, and Advanced Research in Science and Engineering (from University of California-Davis)	UW-Madison	94,714	0
12.800	12.5405-0015-17	Air Force Defense Research Sciences Program (from Technical Management Concepts, Inc.)	UW-Milwaukee	2,229	0
12.900	12.CG 9818	Language Grant Program (from University of Maryland-Baltimore County)	UW-Milwaukee	87,902	0

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2001**

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<b>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER (Note 2)</b>					
12.910		Research and Technology Development (from Carnegie Mellon University)	UW-Milwaukee	52,720	0
N/A	12.AGR dtd 10/13/00	39th Annual Junior Sciences, Engineering and Humanities Symposium (from Academy of Applied Science)	UW-Madison	6,709	0
N/A	12.AC-99-10; AC-01-01	Computational Tools for Optimized Design of Advanced Traveling Wave Tubes (from Analax Corporation)	UW-Madison	79,471	0
N/A	12.SC-132383	Computer Code Analysis and Modeling Support for Advanced Launching System Technical Support (from Bae Systems)	UW-Madison	66,900	0
N/A	12.PC279342	GAN Thyristors and Schottky Diodes (from California Institute of Technology)	UW-Madison	54,155	0
N/A	12.1005952	Silicon Heterogeneous Integration (from California Institute of Technology)	UW-Madison	39,861	0
N/A	12.PC290628	Technical Support for Advanced Air Pollution Emissions Testing (from California Institute of Technology)	UW-Madison	37,603	0
N/A	12.1694	Micromachined Shock Sensor Array for an Environmental Monitoring System (from Canopus System, Inc.)	UW-Madison	17,521	0
N/A	12.119528-1140027	Static Analysis to Empower Model Checking for Distributed Programs (from Carnegie Mellon University)	UW-Madison	47,497	0
N/A	12.DABT63-99-C-0008 UW	Mesoscopic Integrated Conformal Electronics (from CMS Technetronics)	UW-Madison	11,856	0
N/A	12.404891	IFE Power Plant Based on Laser Driven Fusion (from Commonwealth Technology)	UW-Madison	30,000	0
N/A	12.35352-6087	Complex Interactive Networks/Systems Initiative (from Cornell University)	UW-Madison	313,956	0
N/A	12.2FR5041	Efficient, Reliable, High-Power Vmdps for Linear Fiber-Optic Signal Transmission (from Focused Research, Inc.)	UW-Madison	41,597	0
N/A	12.200-1X-14J50112	Aim Phase I Program (from GE Aircraft Engines)	UW-Madison	38,681	0
N/A	12.A0287997	Thermodynamic Modeling of Phase Stability in Multicomponent Niobium Silicide Composites (from General Electric Company)	UW-Madison	58,500	0
N/A	12.AGR dtd 8/25/00	Framework for Aspect-Oriented Programming of Embedded Systems (from Grammatech, Inc.)	UW-Madison	33,267	0
N/A	12.AGR dtd 5/18/00	PSII High Energy Carbon Studies (from Kearfott Guidance and Navigation Corporation)	UW-Madison	44,239	0
N/A	12.QS4951	Point Source X-ray Lithographic Systems for Sub-0.15 Um Design Rules (from Lockheed Sanders, Inc.)	UW-Madison	(12,671)	0
N/A	12.SC-127481	Radiation Hydrodynamics Modeling (from Marconi Systems Technologies, Inc.)	UW-Madison	(663)	0
N/A	12.DP4-00-UWM-001	Evaluation of Thin Films of Catalytic Materials on Provided Supports (from Mesosystems Technology, Inc.)	UW-Madison	12,000	0
N/A	12.AGR dtd 9/24/97	Novel Gene Gun Mediated Il-12 Gene Therapy for Breast Cancer (from Powderject, Inc.)	UW-Madison	(14,903)	0
N/A	12.F809575	Solidification and Processing of Mo-Si-B Alloys (from Pratt and Whitney)	UW-Madison	78,703	0
N/A	12.F809581	Thermodynamic Characterization Development Program (from Pratt and Whitney)	UW-Madison	46,111	0
N/A	12.PP 00132	Testing of PDA Air Filters for Antimicrobial Activity (from Product Development Assistance, Inc.)	UW-Madison	362	0
N/A	12.SSAN: 188-62-0324	National Defense Science and Engineering Graduate Fellowship (from Southeastern Center for Electrical Engineering)	UW-Madison	2,251	0
N/A	12.S-789-000-033	Laboratory Graduate Fellowship Program (from Universal Energy Systems, Inc.)	UW-Madison	4,409	0
N/A	12.00-233	Engineering Solutions for Robust and Efficient Microfluidic Biomolecular Systems (from University of Illinois-Urbana-Champaign)	UW-Madison	234,808	0
N/A	12.98-129	Integrated, Language-Directed Performance Prediction, Measurement and Analysis Environment (from University of Illinois-Urbana-Champaign)	UW-Madison	250	0
N/A	12.RD	R&D Subgrants (from University of Michigan)	UW-Madison	20,404	0
N/A	12.63692	Monitoring and Managing Grassland Birds (from University of Tennessee)	UW-Madison	17,903	0
N/A	12.UTA98-0111	Environment for End-to-End Performance Design of Large-Scale Parallel Adaptive Computer (from University of Texas-Austin)	UW-Madison	28,851	0
N/A	12.UTA96-0033	Intelligent Manufacturing in Electronics and Materials Processing (from University of Texas-Austin)	UW-Madison	66,121	0
N/A	12.UTA96-0034	Silicon and Germanium Thin Film Chemical Vapor Deposition, Modeling and Control (from University of Texas-Austin)	UW-Madison	(2,642)	0
N/A	12.CR-19126-430771	Power Electronic Building Blocks and System Integration (from Virginia Polytechnical Institute and State University)	UW-Madison	(1,324)	0
N/A	12.AGR dtd 6/5/01	Making Stormwater Basins Effective in Both Water Quality Improvement and Habitat Support Functions (from Wetlands Research, Inc.)	UW-Madison	31,318	0
N/A	12.10000	Design and Engineering of WIYN Instrument Adapter System (from WIYN Consortium, Inc.)	UW-Madison	28,384	0
N/A	12.S1127	Wide Angle Beam Propagation In Nonlinear (from Anteon Corporation)	UW-Milwaukee	7,180	0
N/A	12.158502	Development and Hardware Construction (from Arinc, Inc.)	UW-Milwaukee	63,436	0
N/A	12.MOD-1	Investigation of Deadtime Effects and Compensation (from P.C. Krause and Associates)	UW-Milwaukee	269	0
N/A	12.N61533-94-D0028	Multi-Level Power Converter Modeling and Control (from P.C. Krause and Associates)	UW-Milwaukee	1,592	0
N/A	12.DACA45-95D-0019	Fort McCoy Field School (from Earth Tech, Inc.)	UW-La Crosse	468	0
Subtotal R&D Subgrants				1,950,819	7,095
TOTAL R&D FROM U.S. DEPARTMENT OF DEFENSE				16,120,335	1,204,332
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:					
14.506		General Research and Technology Activity	UW-Milwaukee	15,501	0
14.511		Community Outreach Partnership Center Program	UW-Milwaukee	1,846	0
N/A	14.RD	R&D	UW-Madison	27,881	0
Subtotal Direct R&D Grants				45,228	0

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**STATE OF WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2001**

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<b>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER (Note 2)</b>					
		R&D Subgrants:			
14.218		Community Development Block Grants/Entitlement Grants (from Milwaukee Department of Parks)	UW-Milwaukee	11,932	0
14.219		Community Development Block Grants/Small Cities Program (from City of La Crosse)	UW-La Crosse	3,935	0
		Subtotal R&D Subgrants		15,867	0
		TOTAL R&D FROM U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		61,095	0
U.S. DEPARTMENT OF THE INTERIOR:					
15.035		Forestry on Indian Lands	UW-Stevens Point	1,647	0
15.608		Fish and Wildlife Management Assistance	UW-La Crosse	2,667	0
15.614		Coastal Wetlands Planning, Protection and Restoration Act	UW-Eau Claire	6,148	0
15.805		Assistance to State Water Resources Research Institutes	UW-Madison	123,159	0
15.807		Earthquake Hazards Reduction Program	UW-Madison	26,450	0
15.808		U.S. Geological Study-Research and Data Acquisition	UW-Madison	56,263	0
15.808		U.S. Geological Study-Research and Data Acquisition	UW-La Crosse	2,077	0
		Total Federal Program 15.808		58,340	0
15.912		National Historic Landmark	UW-La Crosse	5,225	0
15.978		Upper Mississippi River System Long Term Resource Monitoring Program	UW-La Crosse	1,186,017	0
N/A	15.RD	R&D from U.S. Fish and Wildlife Service	UW-Madison	17,409	0
N/A	15.RD	R&D from National Biological Service	UW-Madison	53,345	0
N/A	15.RD	R&D from U.S. Geological Survey	UW-Madison	210,295	0
N/A	15.RD	R&D	UW-Madison	50,712	0
N/A	15.301819J119	Development of a Lake-Wide Lake Trout Population Model for Lake Superior	UW-Stevens Point	20,170	0
N/A	15.301810G030	Disturbance, Structure and Regeneration Patterns in Yellow River Floodplain Forests	UW-Stevens Point	17,589	0
		Subtotal Direct R&D Grants		1,779,173	0
		R&D Subgrants:			
15.904		Historic Preservation Fund Grants-In-Aid (from Nebraska State Historical Society)	UW-La Crosse	2,483	0
15.914		National Register of Historic Places (from City of Chatfield)	UW-La Crosse	1,451	0
N/A	15.5314; 5834	Metapopulation Biology of Polygonella Basiramia, a Federally Endangered Florida Scrub (from Florida Department of Agriculture and Consumer)	UW-Madison	8,574	0
N/A	15.AGR dtd 8/10/00	Project Agreement Between GLIFWC and LICFG (from Great Lakes Indian Fish and Wildlife Commission)	UW-Madison	7,000	0
N/A	15.LTR dtd 9/10/96	Wild Turkey Survival and Habitat Use in Chase County, Kansas (from Kansas Department of Wildlife and Parks)	UW-Madison	25,064	0
N/A	15.UI-TPSU-UW-929-1432	Recreation Fee Program (from Pennsylvania State University)	UW-Madison	1,017	0
N/A	15.AGR dtd 11/29/99	Wisconsin and National Framework Surveys-Comparison, Validation and Recommendations (from University Consortium for Geographic)	UW-Madison	21,621	0
N/A	15.DOINPS4234	National Park Service Effects of Climatically Altered Fire Regimes (from University of Wyoming)	UW-Madison	2,500	0
		Subtotal R&D Subgrants		69,710	0
		TOTAL R&D FROM U.S. DEPARTMENT OF THE INTERIOR		1,848,883	0
U.S. DEPARTMENT OF JUSTICE:					
N/A	16.2000-WT-VX-005	Community Partnership Models Addressing Violence Against Migrant and Seasonal Farmworker Women	UW-Madison	95,657	0
N/A	16.98-RT-VX-K00x	R&D	UW-Madison	19,113	0
		Subtotal Direct R&D Grants		114,770	0
		R&D Subgrants:			
16.542	16.97-S23-03	National Institute for Juvenile Justice and Delinquency Prevention (from George Washington University)	UW-Milwaukee	238,744	0
16.609		Planning, Implementing, and Enhancing Strategies in Community Prosecution-Gun Violence Prosecution (from Milwaukee County)	UW-Milwaukee	7,236	0
		Subtotal R&D Subgrants		245,980	0
		TOTAL R&D FROM U.S. DEPARTMENT OF JUSTICE		360,750	0
U.S. DEPARTMENT OF LABOR:					
17.002		Labor Force Statistics	UW-Milwaukee	14,492	0
		R&D Subgrants:			
N/A	17.4892	National Longitudinal Survey of Youth (from National Opinion Research Center)	UW-Madison	78,641	0
		TOTAL R&D FROM U.S. DEPARTMENT OF LABOR		93,133	0
U.S. DEPARTMENT OF STATE:					
N/A	19.IA-ASPS-G7190294	Partnership of the African Studies Program	UW-Madison	41,322	0

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**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2001**

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<b>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER (Note 2)</b>					
R&D Subgrants:					
N/A	19.AIAB65059	Faculty, Program and Distance Learning Development (from Council for International Exchange of Scholars)	UW-Madison	1,298	0
N/A	19.AGR dtd 8/10/00	Cosmological Controversy Before Copernicus: Establishing the Text of Regiomontanus (from International Research and Exchanges Board)	UW-Madison	1,590	0
N/A	19.AGR dtd 11/24/97	Effects of Variable Harvest Levels on Winter Populations of Northern Bobwhite in Kansas (from Kansas Department of Wildlife and Parks)	UW-Madison	28,070	0
N/A	19.R&D	R&D Subgrants (from National Council for Eurasian and East European)	UW-Madison	9,868	0
		Subtotal R&D Subgrants		<u>40,826</u>	<u>0</u>
TOTAL R&D FROM U.S. DEPARTMENT OF STATE				<u>82,148</u>	<u>0</u>
U.S. DEPARTMENT OF TRANSPORTATION:					
20.205		Highway Planning and Construction (from UW-Madison)	UW-Milwaukee	668	0
20.215		Highway Training and Education	UW-Milwaukee	588	0
N/A	20.DTFH61-00-C-00020	Accelerated-Test Based Material Specifications for FRP Highway Bridge Applications	UW-Madison	180,184	47,816
N/A	20.DTRS99-G-0005	Optimization of Transportation Investment and Operations	UW-Madison	400,589	53,590
		Subtotal Direct R&D Grants		<u>582,029</u>	<u>101,406</u>
R&D Subgrants:					
20.205		Highway Planning and Construction (from Ayres Associates)	UW-La Crosse	1,506	0
20.205		Highway Planning and Construction (from Jewell and Associates, Inc.)	UW-La Crosse	46	0
20.205		Highway Planning and Construction (from Leech Lake Band of Ojibwa)	UW-La Crosse	20	0
20.205		Highway Planning and Construction (from Minnesota Department of Transportation)	UW-La Crosse	157	0
N/A	20.NCHRP 9-10	Superpave Protocols for Modified Asphalt Binders (from Asphalt Institute)	UW-Madison	69,719	0
N/A	20.DTFH61-95-C-055	Superwave Level 2/3 Training and Field Assistance (from Asphalt Institute)	UW-Madison	33,620	0
N/A	20.AGR dtd 6/9/00	Madison Beltline Pilot ITS Deployment-Traffic Study (from HNTB Engineering Corporation)	UW-Madison	64,065	0
N/A	20.HR10-58	Construction Engineering and Management Research Program (from National Academy of Sciences)	UW-Madison	152,068	34,226
N/A	20.HR 20-27(3)	Guidelines for the Implementation of Multimodal Transportation Location Referencing Systems (from National Academy of Sciences)	UW-Madison	19,798	0
N/A	20.Y701845	Modeling Intermodal and Wide-Area Traffic Flows (from University of Arizona)	UW-Madison	23,696	0
N/A	20.KK0021	Applications of Remote Sensing to Transportation Infrastructure Management (from University of California-Santa Barbara)	UW-Madison	119,105	0
		Subtotal R&D Subgrants		<u>483,800</u>	<u>34,226</u>
TOTAL R&D FROM U.S. DEPARTMENT OF TRANSPORTATION				<u>1,065,829</u>	<u>135,632</u>
U.S. DEPARTMENT OF THE TREASURY:					
R&D Subgrants:					
N/A	21.DBBA0002196	Hastings Army Reserve (from Adecco Technical)	UW-La Crosse	2,020	0
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION:					
43.001		Aerospace Education Services Program	UW-Milwaukee	21,999	0
43.001		Aerospace Education Services Program	UW-La Crosse	24,813	0
43.001		Aerospace Education Services Program (from UW-Milwaukee)	UW-La Crosse	3,486	0
43.001		Aerospace Education Services Program	UW-Oshkosh	4,320	0
		Total Federal Program 43.001		<u>54,618</u>	<u>0</u>
N/A	43.RD	R&D from Ames Research Center	UW-Madison	450,993	0
N/A	43.RD	R&D from Goddard Space Flight Center	UW-Madison	7,702,099	67,069
N/A	43.RD	R&D from Jet Propulsion Laboratory	UW-Madison	456,188	0
N/A	43.RD	R&D from Langley Research Center	UW-Madison	1,506,437	0
N/A	43.RD	R&D from Lewis Research Center	UW-Madison	(1,960)	0
N/A	43.RD	R&D from Marshall Space Flight Center	UW-Madison	2,776,254	465,849
N/A	43.RD	R&D	UW-Madison	664,220	41,677
N/A	43.NCC-1-354-01	Pion Production Cross Sections	UW-Milwaukee	44,199	0
N/A	43.NGT5-40039	Wisconsin Space Grant Consortium	UW-Green Bay	122,631	0
N/A	43.NGT5-40039	Wisconsin Space Grant Consortium (from UW-Milwaukee)	UW-Whitewater	10,116	0
		Subtotal Direct R&D Grants		<u>13,785,795</u>	<u>574,595</u>
R&D Subgrants:					
43.002		Technology Transfer (from University of Toledo)	UW-Whitewater	2,554	0
N/A	43.G00-1022X	Diffuse X-ray Emission from Nearby Spiral Galaxies (from AXAF Science Center)	UW-Madison	10,847	0
N/A	43.2400-60019	Planning of the Observations to be Made Using the Fuse Satellite (from Johns Hopkins University)	UW-Madison	269,321	0
N/A	43.R107378	World Deltas: Baseline and Changes (from Louisiana State University)	UW-Madison	3,829	0
N/A	43.520-0935-1	Control-Crew Network Communication During Routine and Non-Routine Events (from Purdue University)	UW-Madison	77,152	0
N/A	43.R51516	Combined Synchrotron White Beam X-ray Topography and High Resolution Triple Axis X-ray Diffraction (from Research Foundation of State University of New York)	UW-Madison	11,924	0

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**STATE OF WISCONSIN**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2001**

FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER (Note 2)</b>					
N/A	43.G00-1140B	Chemical Composition of the Nearest Starburst-Driven Galactic Wind (from Smithsonian Astrophysical Observatory)	UW-Madison	26,003	0
N/A	43.G00-1090A	High-Resolution Spectral Diagnostics of O-Star X-ray Sources (from Smithsonian Astrophysical Observatory)	UW-Madison	22,873	0
N/A	43.G00-1089B	Are B Star X-ray Sources Wind-Coronal Hybrids? (from Smithsonian Institution)	UW-Madison	2,908	0
N/A	43.G00-1076A	Extended X-ray Emission from Massive Star Formation Region (from Smithsonian Institution)	UW-Madison	29,599	0
N/A	43.GO-02227.05-87A	Determination of the Extragalactic Distance Scale (from Space Telescope Science Institute)	UW-Madison	57,476	0
N/A	43.HST-AR-08760.01A	Dynamics of Dark Spots on Neptune (from Space Telescope Science Institute)	UW-Madison	75,430	0
N/A	43.AR-08377.01-97A	Multispectral Investigation of Jovian Cloud Structure (from Space Telescope Science Institute)	UW-Madison	45,919	0
N/A	43.HST-GO-08142.01-A	Orientation and Extent of the Bipolar Outflow in Beta Lyrae (from Space Telescope Science Institute)	UW-Madison	28,462	0
N/A	43.GO-08165.02-97A	Pervasive Hot Gas in Galaxy Groups: Substantial Baryon Reservoir (from Space Telescope Science Institute)	UW-Madison	27,359	0
N/A	43.RD	R&D Subgrants (from Space Telescope Science Institute)	UW-Madison	158,909	0
N/A	43.97-21	Collaborative Support for a High Resolution, Wide Field-of-View Spectrometer for X-ray (from University of California)	UW-Madison	720	0
N/A	43.S00016745	Cosmic Origins Spectrograph (from University of Colorado)	UW-Madison	10,521	0
N/A	43.K-0-55025/3912	Healing Response of Injured Rodent Knee Ligaments (from University of Houston)	UW-Madison	35,468	0
N/A	43.CG98-01; 97-16	R&D Subgrants (from University of Maryland-Baltimore County)	UW-Madison	2,657	0
N/A	43.668134/P44376	Infrared Algorithm Development for Ocean Observations with Eos/Modis (from University of Miami)	UW-Madison	2,410	0
N/A	43.R4056307201	Upper Midwest Regional Earth Science Application Center (from University of Minnesota)	UW-Madison	118,589	0
N/A	43.922244	Polar Exchange at the Sea Surface (from University of Washington)	UW-Madison	17,287	0
N/A	43.C922185	Gifts Sensor Module (from Utah State University Research Foundation)	UW-Madison	231,421	0
		Subtotal R&D Subgrants		<u>1,269,638</u>	<u>0</u>
		TOTAL R&D FROM NATIONAL AERONAUTICS AND SPACE ADMINISTRATION		<u>15,055,433</u>	<u>574,595</u>
<b>NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES:</b>					
45.129		Promotion of the Humanities-Federal/State Partnership (from Wisconsin Humanities Council)	UW-Stout	1,797	0
45.149		Promotion of the Humanities-Division of Preservation and Access	UW-Madison	484,702	0
45.161		Promotion of the Humanities-Research	UW-Madison	209,538	0
45.304		Conservation Assessment Program	UW-Madison	2,050	0
N/A	45.RD	R&D from National Endowment for the Humanities	UW-Madison	133,672	0
		Subtotal Direct R&D Grants		<u>831,759</u>	<u>0</u>
		R&D Subgrants:			
N/A	45.18069	Suffering and the Prophetic Past and Future (from Northern Illinois University)	UW-Milwaukee	17,840	0
		TOTAL R&D FROM NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES		<u>849,599</u>	<u>0</u>
<b>NATIONAL SCIENCE FOUNDATION:</b>					
47.041		Engineering Grants	UW-Madison	4,583,086	80,448
47.041		Engineering Grants	UW-Milwaukee	354,043	93,605
47.041		Engineering Grants	UW-Green Bay	1,142	0
		Total Federal Program 47.041		<u>4,938,271</u>	<u>174,053</u>
47.049		Mathematical and Physical Sciences	UW-Madison	15,681,765	1,011,261
47.049		Mathematical and Physical Sciences	UW-Milwaukee	1,515,145	9,150
47.049		Mathematical and Physical Sciences	UW-Eau Claire	60,988	0
47.049		Mathematical and Physical Sciences	UW-La Crosse	30,630	0
47.049		Mathematical and Physical Sciences	UW-Oshkosh	26,456	0
		Total Federal Program 47.049		<u>17,314,984</u>	<u>1,020,411</u>
47.050		Geosciences	UW-Madison	3,258,526	49,137
47.050		Geosciences	UW-Milwaukee	713,623	22,206
47.050		Geosciences	UW-Eau Claire	3,683	0
47.050		Geosciences	UW-Oshkosh	67,674	0
47.050		Geosciences	UW-Whitewater	26,852	0
		Total Federal Program 47.050		<u>4,070,358</u>	<u>71,343</u>
47.070		Computer and Information Science and Engineering	UW-Madison	3,893,136	178,473
47.070		Computer and Information Science and Engineering	UW-Milwaukee	350,439	0
47.070		Computer and Information Science and Engineering	UW-La Crosse	16,419	0
47.070		Computer and Information Science and Engineering	UW-Parkside	48,255	0
		Total Federal Program 47.070		<u>4,308,249</u>	<u>178,473</u>

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**STATE OF WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2001**

FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER (Note 2)</b>					
47.074		Biological Sciences	UW-Madison	9,124,074	1,496,149
47.074		Biological Sciences	UW-Milwaukee	622,058	0
47.074		Biological Sciences	UW-Eau Claire	74,239	0
47.074		Biological Sciences	UW-Green Bay	15,919	0
47.074		Biological Sciences	UW-La Crosse	8,399	0
47.074		Biological Sciences	UW-Oshkosh	90,914	0
47.074		Biological Sciences	UW-Stout	41,214	0
47.074		Biological Sciences	UW-Whitewater	108,819	0
Total Federal Program 47.074				<u>10,085,636</u>	<u>1,496,149</u>
47.075		Social, Behavioral, and Economic Sciences	UW-Madison	1,447,217	72,556
47.075		Social, Behavioral, and Economic Sciences	UW-Milwaukee	2,989	0
47.075		Social, Behavioral, and Economic Sciences	UW-Oshkosh	11,298	0
47.075		Social, Behavioral, and Economic Sciences	UW-Stevens Point	15,346	0
47.075		Social, Behavioral, and Economic Sciences	UW-Whitewater	29,859	0
Total Federal Program 47.075				<u>1,506,709</u>	<u>72,556</u>
47.076		Education and Human Resources	UW-Madison	3,997,124	331,375
47.076		Education and Human Resources	UW-Milwaukee	119,832	0
47.076		Education and Human Resources	UW-Green Bay	6,140	0
47.076		Education and Human Resources	UW-Whitewater	89,586	0
Total Federal Program 47.076				<u>4,212,682</u>	<u>331,375</u>
47.078		Polar Programs	UW-Madison	2,448,007	122,029
47.078		Polar Programs	UW-Milwaukee	89,842	0
47.078		Polar Programs	UW-La Crosse	31,268	0
47.078		Polar Programs	UW-Oshkosh	20,476	0
Total Federal Program 47.078				<u>2,589,593</u>	<u>122,029</u>
N/A	47.RD	R&D	UW-Madison	6,147	0
N/A	47.DEB-0074777	Powre: Phylogenetic Study of Andropogoneae	UW-Parkside	37,440	0
Subtotal Direct R&D Grants				<u>49,070,069</u>	<u>3,466,389</u>
R&D Subgrants:					
47.041	47.1004082-113619	Engineering Grants (from Carnegie Mellon University)	UW-Madison	30,404	0
47.041	47.UKRF 464070-01-075	Engineering Grants (from University of Kentucky)	UW-Madison	37,549	0
47.041	47.737308	Engineering Grants (from Ohio State University)	UW-Madison	70,636	0
47.041	47.503-1374-1	Engineering Grants (from Purdue University)	UW-Madison	135,174	0
47.041	47.57008; 570028	Engineering Grants (from Texas A&M University)	UW-Madison	109,169	0
47.041	47.570038	Engineering Grants (from Texas Engineering Experimental Station)	UW-Madison	244,827	0
47.049	47.IAS-DMS-9900969; 9412914	Mathematical and Physical Sciences (from Institute for Advanced Study)	UW-Madison	12,938	0
47.049	47.5710000596	Mathematical and Physical Sciences (from Massachusetts Institute of Technology)	UW-Madison	41,036	0
47.049	47.RF861158	Mathematical and Physical Sciences (from Ohio State University Research Foundation)	UW-Madison	28,051	0
47.050	47.1816-UW-NSF-0545	Geosciences (from Pennsylvania State University)	UW-Madison	33,088	0
47.050	47.23694; 59564	Geosciences (from University of Southern California)	UW-Madison	31,343	0
47.070	47.AGR dtd 6/26/00	Computer and Information Science and Engineering (from Computing Research Association)	UW-Madison	56,901	0
47.070	47.0830-350-Z601 WIS	Computer and Information Science and Engineering (from Northwestern University)	UW-Madison	66,564	0
47.070	47.500-3279-3; 3564-1	Computer and Information Science and Engineering (from Purdue University)	UW-Madison	26,374	0
47.070	47.UF00111	Computer and Information Science and Engineering (from University of Florida)	UW-Madison	5,607	0
47.070	47.795	Computer and Information Science and Engineering (from University of Illinois-Urbana-Champaign)	UW-Madison	893,173	46,412
47.070	47.BE5156	Computer and Information Science and Engineering (from Wright State University)	UW-Milwaukee	70,336	0
47.070		Computer and Information Science and Engineering (from University of California-San Francisco)	UW-Eau Claire	2,746	0
47.074	47.39023-6457	Biological Sciences (from Cornell University)	UW-Madison	15,038	0
47.074	47.61-2558W	Biological Sciences (from Michigan State University)	UW-Madison	550,951	0
47.074	47.805465	Biological Sciences (from Ohio State University Research Foundation)	UW-Madison	716	0
47.074	47.500-3708-1	Biological Sciences (from Purdue University)	UW-Madison	1,594	0
47.074	47.P0001702	Biological Sciences (from San Diego State University Foundation)	UW-Madison	(15)	0
47.074	47.991365971	Biological Sciences (from University of California-Davis)	UW-Madison	123,976	0
47.074	47.PSA 3111	Biological Sciences (from University of Connecticut)	UW-Madison	22,995	0
47.074	47.RR167-348/9266954	Biological Sciences (from University of Georgia)	UW-Madison	176,028	0
47.074		Biological Sciences (from Washington State University)	UW-Milwaukee	12,936	0
47.075	47.542818-55148	Social, Behavioral, and Economic Sciences (from Carnegie Mellon University)	UW-Madison	66,166	0
47.075	47.00-242	Social, Behavioral, and Economic Sciences (from University of Illinois)	UW-Madison	43,621	0
47.075		Social, Behavioral, and Economic Sciences (from Portland State University)	UW-Milwaukee	5,362	0

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**STATE OF WISCONSIN**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2001**

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<b>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER (Note 2)</b>					
47.075		Social, Behavioral, and Economic Sciences (from U.S. Civilian Research and Development)	UW-Milwaukee	915	0
47.076	47.GV1-99-01587	Education and Human Resources (from American Institutes for Research)	UW-Madison	14,118	0
47.076	47.AGR dtd 11/16/98	Education and Human Resources (from Council of Chief State School Officers)	UW-Madison	78,828	0
47.076	47.AGR dtd 10/1/99	Education and Human Resources (from Education Development Center, Inc.)	UW-Madison	52,600	0
47.076	47.AGR dtd 10/15/99	Education and Human Resources (from Madison Area Technical College)	UW-Madison	579	0
47.076	47.AGR dtd 5/18/01; CK 219399	Education and Human Resources (from Milwaukee School of Engineering)	UW-Madison	14,968	0
47.076	47.R36040-24600098	Education and Human Resources (from Rice University)	UW-Madison	52,795	0
47.076	47.00-296	Education and Human Resources (from University of Illinois)	UW-Madison	5,019	0
47.076	47.00S018/22642	Education and Human Resources (from University of Massachusetts)	UW-Madison	25,703	16,348
47.076	47.ESI-9714999/WI	Education and Human Resources (from University of Missouri)	UW-Madison	196,590	85,000
47.078	47.1016-06	Polar Programs (from H.T. Harvey and Associates)	UW-Madison	152	0
47.078	47.AGR dtd 11/12/97; 4/10/01	Polar Programs (from University of Chicago)	UW-Madison	48,648	0
N/A	47.AGR dtd 9/25/00	College of Engineering Future Car (from American Society for Engineering Education, Inc.)	UW-Madison	3,045	0
N/A	47.C10346A	Processing Spectra of the Sodium Emission from Io and Europa (from Association of Universities for Research in Astronomy)	UW-Madison	1,644	0
N/A	47.RD	Technology Transfer Agreement (from Compact Membrane Systems, Inc.)	UW-Madison	12,905	0
N/A	47.AGR dtd 3/29/01	Experimental Design for Measuring Effects of Teachers Using Data on Enacted Curriculum (from Council of Chief State School Officers)	UW-Madison	34,923	0
N/A	47.98-SC-NSF-1003	Prototyping Biomolecular Computations (from Duke University)	UW-Madison	84,243	0
N/A	47.RD	Evaluation of the Advanced Networking Project with Minority Serving Institutions (from Educause)	UW-Madison	82,895	0
N/A	47.AGR dtd 11/20/97	Isolation of DNA Promoters Induced by Environmental Stimuli and Their Use (from Envirogen)	UW-Madison	(8,918)	0
N/A	47.G-37-X71-G2	R&D Subgrants (from Georgia Institute of Technology)	UW-Madison	2,303	0
N/A	47.AGR dtd 7/27/98	Measure Up: Dimensional Metrology of Iso 9001 (from Madison Area Technical College)	UW-Madison	(15)	0
N/A	47.AGR dtd 5/3/99	Math is Everywhere: Public Understanding and Engagement Mathematics Initiative (from National Council of Teachers of Mathematics)	UW-Madison	19,422	0
N/A	47.AGR dtd 3/2/99	Variscan Tectonometamorphic Evolution of the Southcarpathians, Romania: Evidence from Eclogite (from National Research Council)	UW-Madison	5,103	0
N/A	47.RD	Plant Genetic Structure as a Controlling Factor in Community and Ecosystem Functioning (from Northern Arizona University)	UW-Madison	9,050	0
N/A	47.0830-350-C697UW	Geoenvironmental Engineering: New and Strategic Curriculum (from Northwestern University)	UW-Madison	3,921	0
N/A	47.341-6066-1	Magnetic Resonance Imaging with Laser Polarized He-3 and Xe-129 of Biological and Non-biological (from Princeton University)	UW-Madison	13,018	0
N/A	47.37061-77600001	Reduced Basis Methodologies for Computation, Analysis and Visualization of Bio-Molecular (from Rice University)	UW-Madison	11,513	0
N/A	47.Y541716	Functional Genomics of Chromatin: Global Control of Plant Gene Expression (from University of Arizona)	UW-Madison	462,449	0
N/A	47.SA2661JB	Development of Tools for Potato Functional Genomics: Application to Disease Resistance (from University of California-Berkeley)	UW-Madison	350,181	0
N/A	47.10152751	National Partnership for Academic Computing Infrastructure (from University of California-San Diego)	UW-Madison	452,683	3,207
N/A	47.880749	Enhancement of the Field-Tested Learning Assessment Guide Web Site (from University of New Mexico)	UW-Madison	35,410	0
N/A	47.UTA00-487	Model-Based Management of Adaptive Programs on the Computational Grid (from University of Texas-Austin)	UW-Madison	36,204	0
N/A	47.297254	Protein-Rna Interactions (from University of Washington)	UW-Madison	(153)	0
N/A	47.ME1-122; RE1-2065; UE2-2071	R&D Subgrants (from U.S. Civilian Research and Development Foundation for the Independent States of the Former Soviet Union)	UW-Madison	2,984	0
N/A	47.CR-19126-427756	CPES and ERC in Power Electronic Systems Management (from Virginia Polytechnical Institute and State University)	UW-Madison	594,640	0
N/A	47.CR-19126-427887	Low Cost Automotive Power Electronics (from Virginia Polytechnical Institute and State University)	UW-Madison	39,697	0
N/A	47.A100172	Constraints of the Genesis of Continental Crust Via Arc Magmatism (from Woods Hole Oceanographic Institute)	UW-Madison	58,230	0
		Subtotal R&D Subgrants		5,713,576	150,967
		TOTAL R&D FROM NATIONAL SCIENCE FOUNDATION		54,783,645	3,617,356
		U.S. SMALL BUSINESS ADMINISTRATION:			
59.005		Business Development Assistance to Small Business	UW-Oshkosh	2,340	0
		U.S. DEPARTMENT OF VETERANS AFFAIRS:			
N/A	64.RD	R&D	UW-Madison	199,662	0

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**STATE OF WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2001**

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<b>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER (Note 2)</b>					
U.S. ENVIRONMENTAL PROTECTION AGENCY:					
66.468		Capitalization Grants for Drinking Water State Revolving Fund	UW-Oshkosh	46,362	0
66.469		Great Lakes Program	UW-Milwaukee	62,504	19,050
66.469		Great Lakes Program	UW-Green Bay	48,924	0
66.469		Great Lakes Program	UW-Superior	43,842	0
Total Federal Program 66.469				<u>155,270</u>	<u>19,050</u>
66.500		Environmental Protection-Consolidated Research	UW-Madison	308,484	8,657
66.500		Environmental Protection-Consolidated Research (from UW-Green Bay)	UW-Madison	1,246	0
66.500		Environmental Protection-Consolidated Research (from UW-Extension)	UW-Madison	30,389	0
66.500		Environmental Protection-Consolidated Research (from UW-Extension)	UW-Green Bay	13,004	0
66.500		Environmental Protection-Consolidated Research	UW-La Crosse	40,464	31,636
66.500		Environmental Protection-Consolidated Research (from UW-Madison)	UW-Stout	(5,036)	0
Total Federal Program 66.500				<u>388,551</u>	<u>40,293</u>
66.606		Surveys, Studies, Investigations and Special Purpose Grants	UW-Madison	20,342	0
66.609		Children's Health Protection	UW-Madison	15,887	0
N/A	66.RD	R&D	UW-Madison	339,869	0
N/A	66.X-97521701	Facilitation of Ecosystem Management and Lakewide Management Planning	UW-Green Bay	23,607	0
Subtotal Direct R&D Grants				<u>989,888</u>	<u>59,343</u>
R&D Subgrants:					
66.468		Capitalization Grants for Drinking Water State Revolving Fund (from UW-Oshkosh)	UW-River Falls	28,527	0
66.500		Environmental Protection-Consolidated Research (from Carnegie Mellon University)	UW-Milwaukee	17,397	0
66.500	66.F001527	Environmental Protection-Consolidated Research (from University of Michigan)	UW-Milwaukee	6,001	0
66.500	66.R-82867501-0	Environmental Protection-Consolidated Research (from University of Minnesota)	UW-Milwaukee	11,596	0
66.501	66.1-92U-5974	Air Pollution Control Research (from Research Triangle Institute)	UW-Madison	2,139	0
N/A	66.AGR 441	Determination of Removal Efficiencies of Emerging Waterborne Pathogens by Conventional (from American Water Works Association)	UW-Madison	82,881	0
N/A	66.375-837-1	Investigation of Methods for Perchlorate Destruction in Aqueous Waste Streams (from Clarkson University)	UW-Madison	24,022	0
N/A	66.99-13	Characterization of Emissions and Human Exposure to Metals Emitted from Motor Vehicles (from Health Effects Institute)	UW-Madison	138,801	0
N/A	66.960238Z1	Selective Catalytic Hydrogenation of Lactic Acid (from Michigan Technological University)	UW-Madison	34,580	0
N/A	66.960238Z1	Tin Zeolite Catalysts for Partial Oxidation with Hydrogen Peroxide (from Michigan Technological University)	UW-Madison	70,943	0
N/A	66.960238Z1	R&D Subgrants (from Michigan Technological University)	UW-Madison	13,728	0
N/A	66.R502754	Implementation of Sustainable, Low-Risk, Alternative Pest Management Strategies (from Rutgers, The State University of New Jersey)	UW-Madison	11,999	0
N/A	66.4600001825	Alternative Cover Assessment Program (from Science Application International Corporation)	UW-Madison	282,528	0
N/A	66.AGR dtd 1/6/00	Development of Thermal Spray Circuit Board Technology to Replace Electroplating and Printing (from Thermal Spray Technologies)	UW-Madison	16,355	0
N/A	66.99-306; 99-267	Midwest Technology Assistance Center for Small Public Water Systems (from University of Illinois)	UW-Madison	10,834	0
N/A	66.UTA01-204	Evaluation of Design, Monitoring and Modeling Issues Related to Engineered Covers of Waste (from University of Texas-Austin)	UW-Madison	165	0
N/A	66.WU-HT-00-14	St. Louis Particulate Matter Supersite-Sampling and Analysis of Carbonaceous Particulate Matter (from University of Washington)	UW-Madison	199,630	0
N/A	66.AGR dtd 7/19/00	Implementing IPM Through Public-Private Partnerships (from Wisconsin Potato and Vegetable Growers)	UW-Madison	87,856	0
N/A	66.651	Innovative Community Partnership (from Sixteenth Street Community Health Center)	UW-Milwaukee	3,278	0
N/A	66.AGR dtd 8/17/99	Lake Michigan Tributary Monitoring Project (from Great Lakes Commission)	UW-Green Bay	4,438	1,869
Subtotal R&D Subgrants				<u>1,047,698</u>	<u>1,869</u>
TOTAL R&D FROM U.S. ENVIRONMENTAL PROTECTION AGENCY				<u>2,037,586</u>	<u>61,212</u>
U.S. NUCLEAR REGULATORY COMMISSION:					
N/A	77.RD	R&D	UW-Madison	12,935	0
R&D Subgrants:					
N/A	77.640-0812-1	Experimental Investigation of Interfacial Area Transport (from Purdue University)	UW-Milwaukee	125,697	0
TOTAL R&D FROM U.S. NUCLEAR REGULATORY COMMISSION				<u>138,632</u>	<u>0</u>
U.S. DEPARTMENT OF ENERGY:					
81.049		Office of Science Financial Assistance Program	UW-Madison	15,879,640	611,188
81.049		Office of Science Financial Assistance Program	UW-Milwaukee	218,097	0
Total Federal Program 81.049				<u>16,097,737</u>	<u>611,188</u>
81.086		Conservation Research and Development	UW-Madison	604,877	0
81.086		Conservation Research and Development	UW-Milwaukee	74,440	0
Total Federal Program 81.086				<u>679,317</u>	<u>0</u>

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**STATE OF WISCONSIN**  
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**FOR THE YEAR ENDED JUNE 30, 2001**

FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER (Note 2)</b>					
81.087		Renewable Energy Research and Development	UW-Madison	42,522	0
81.087		Renewable Energy Research and Development	UW-Milwaukee	149,779	0
		Total Federal Program 81.087		<u>192,301</u>	<u>0</u>
81.114		University Nuclear Science and Reactor Support	UW-Madison	321,214	0
N/A	81.RD	R&D	UW-Madison	6,509,778	460,340
		Subtotal Direct R&D Grants		<u>23,800,347</u>	<u>1,071,528</u>
R&D Subgrants:					
81.049	81.GC004-01-Z1247	Office of Science Financial Assistance Program (from Montana State University)	UW-Madison	48,352	0
81.049	81.046123	Office of Science Financial Assistance Program (from University of Southern California)	UW-Madison	74,756	0
81.049	81.281658-A9E	Office of Science Financial Assistance Program (from Battelle Pacific Northwest National Laboratory)	UW-Milwaukee	3,084	0
81.049	81.XCI-8-17063-01	Office of Science Financial Assistance Program (from National Renewable Energy Laboratory)	UW-Milwaukee	850	0
81.049		Office of Science Financial Assistance Program (from Southern Illinois University-Carbondale)	UW-Milwaukee	47,687	0
81.078	81.4-28791; DE-FC01-97EE41318	Industrial Assessment Centers (from Rutgers, The State University of New Jersey)	UW-Milwaukee	169,162	0
81.087	81.OR22072-xxx	Renewable Energy Research and Development (from Consortium for Plant Biotechnology Research)	UW-Madison	450,108	0
81.112	81.443798	Stewardship Science Grant Program (from University of Florida)	UW-Madison	8,950	0
N/A	81.AGR dtd 12/17/90	High Temperature Catalytic Membrane Reactor (from ALCOA Separations Technology Division)	UW-Madison	(6,573)	0
N/A	81.AGR dtd 7/2/00	Advanced Evaluations of Bscoco-2223 Superconducting Composites (from American Superconductor Corporation)	UW-Madison	54,636	0
N/A	81.0B-00711	High Spatial Resolution Fresnel Zone Plates (from Argonne National Laboratory)	UW-Madison	49,587	0
N/A	81.982642401	Modeling Studies of Selective Oxygen-Enrichment of Combustion Air in a Diesel Engine for Reduced Nox (from Argonne National Laboratory)	UW-Madison	33,338	0
N/A	81.RD	R&D Subgrants (from Argonne National Laboratory)	UW-Madison	6,212	0
N/A	81.354799-AQ5	Fall 2000 Water Vapor IOP Support (from Battelle Memorial Institute Pacific Northwest)	UW-Madison	127,617	0
N/A	81.354491-AQ5	Maintenance and Support of Operational Arm Aeri Systems (from Battelle Memorial Institute Pacific Northwest)	UW-Madison	272,818	0
N/A	81.96-01-SR043	Detailed Flow and Thermal Field Measurements on a Scaled-Up Stator Vane (from Clemson University Research Foundation)	UW-Madison	7,266	7,266
N/A	81.01TP000292	Femp Stewardship Technology Project (from Fluor Fernald, Inc.)	UW-Madison	22,608	0
N/A	81.B506259	Analytical Mechanics-Based Modeling of Dynamic Fragmentation (from Lawrence Livermore National Laboratory)	UW-Madison	85,268	0
N/A	81.B515080	Integrated Climate and Carbon LDRD Strategic Initiative (from Lawrence Livermore National Laboratory)	UW-Madison	48,490	0
N/A	81.B504964	Paradyne Performance Tools on the Aix Platform (from Lawrence Livermore National Laboratory)	UW-Madison	64,530	0
N/A	81.AGR dtd 3/1/01	Determinants of Gene-for-Gene Resistance in Arabidopsis Thaliana (from Life Sciences Research Foundation)	UW-Madison	2,725	0
N/A	81.25692-001-0138	Development of Inorganic Proton Conducting Membranes (from Los Alamos National Laboratory)	UW-Madison	54,667	0
N/A	81.12193-001-004T	Paradyn on the SGI Origin (from Los Alamos National Laboratory)	UW-Madison	44,914	0
N/A	81.23787-001-2J	Rage Calculations of Plasma Turbulence (from Los Alamos National Laboratory)	UW-Madison	25,391	0
N/A	81.RD	R&D Subgrants (from Los Alamos National Laboratory)	UW-Madison	34,434	0
N/A	81.XCX-9-29204	Design and Test of a Resonant DC Voltage Link Conversion System (from National Renewable Energy Laboratory)	UW-Madison	130,447	0
N/A	81.XCI-9-29059	Develop Efficient Gene Expression Systems in Lactobacilli (from National Renewable Energy Laboratory)	UW-Madison	7,479	0
N/A	81.ZDH-9-29009	Development and Commercialization of New Ethanol Producing Strains: Metabolic Engineering of Yeasts (from National Renewable Energy Laboratory)	UW-Madison	51,076	0
N/A	81.XXL-9-29034	Development of Second Generation Ethanologenic Yeasts (from National Renewable Energy Laboratory)	UW-Madison	64,724	0
N/A	81.AGR dtd 6/30/00	Fusion Energy Sciences Graduate Fellowship (from Oak Ridge Institute for Science and Education)	UW-Madison	17,479	0
N/A	81.1990-UW-DOE-3974	Development of Technical Data to Validate Performance of Foundry Byproducts in Hot-Mix (from Pennsylvania State University)	UW-Madison	320	0
N/A	81.1911-UMW-DOE-5012	Interfacial Soil Chemistry of Radionuclides in the Unsaturated Zone (from Pennsylvania State University)	UW-Madison	44,485	0
N/A	81.AGR dtd 10/1/98	Neutron Detection System (from Princeton Electronic Systems, Inc.)	UW-Madison	29,303	0
N/A	81.LF-4618	Computer Modeling of Combustion and Emissions in Small Direct Injection Compression Ignition (from Sandia National Laboratories)	UW-Madison	(46,481)	0
N/A	81.16546	Deposition of Low Surface Energy, Wear-Resistant Fluorinate Diamond-Like Carbon Films on Liga (from Sandia National Laboratories)	UW-Madison	33,346	0
N/A	81.LF-4618	Detailed Modeling and Experiments of Diesel Engine Combustion and Emissions (from Sandia National Laboratories)	UW-Madison	(24,765)	0
N/A	81.3782	Develop TRNSYS Models for Solar Only and Solar-Hybrid Power Plants (from Sandia National Laboratories)	UW-Madison	27,776	0
N/A	81.AV-4698	Feature-Based and Virtual Geometry Decomposition (from Sandia National Laboratories)	UW-Madison	51,519	0

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2001**

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<b>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER (Note 2)</b>					
N/A	81.3700	Geometry Module Applications in Monte Carlo Transport (from Sandia National Laboratories)	UW-Madison	26,994	0
N/A	81.BG-4891	Numerical Analysis of Logging in Deviated Oil Wells and Geothermal Reservoirs (from Sandia National Laboratories)	UW-Madison	80,201	0
N/A	81.13261	Virtual Geometry Functionality (from Sandia National Laboratories)	UW-Madison	57,615	0
N/A	81.BB-3609	X-1 High Yield Test Chamber Design and Analysis (from Sandia National Laboratories)	UW-Madison	174,383	0
N/A	81.RD	R&D Subgrants (from Sandia National Laboratories)	UW-Madison	10,871	0
N/A	81.SIUC 00-07	Soil Stabilization and Drying by Use of Fly Ash (from Southern Illinois University)	UW-Madison	54,133	0
N/A	81.AGR dtd 11/3/99	Genetic Factors Affecting Susceptibility to Low-Dose Radiation (from University of Maryland)	UW-Madison	197,493	0
N/A	81.410097-001G	Radiation Hydrodynamics Computer Code Development (from University of Rochester)	UW-Madison	172,554	0
N/A	81.64212H	New Heterogeneous Catalysts for Selective Reduction of Nox Emissions (from University of South Carolina)	UW-Madison	(664)	0
N/A	81.19X-SZ718C	Fundamental Studies of Key Issues Underlying the Technology of High Temperature Superconductor (from UT-Battelle)	UW-Madison	514,678	0
		Subtotal R&D Subgrants		3,405,843	7,266
		TOTAL R&D FROM U.S. DEPARTMENT OF ENERGY		27,206,190	1,078,794
U.S. DEPARTMENT OF EDUCATION:					
84.015		National Resource Centers and Fellowships Program for Language and Area or Language and International Studies	UW-Madison	2,836	0
84.017		International Research and Studies	UW-Madison	29,694	0
84.019		International: Overseas-Faculty Research Abroad	UW-Madison	48,285	0
84.021		International: Overseas-Group Projects Abroad	UW-Madison	75,652	0
84.022		International: Overseas-Doctoral Dissertation	UW-Madison	54,025	0
84.023		Special Education-Innovation and Development	UW-Madison	405,627	50,000
84.086		Special Education-Program for Severely Disabled Children	UW-Madison	31,339	0
84.116		Fund for the Improvement of Postsecondary Education	UW-Madison	112,795	13,411
84.133		National Institute on Disability and Rehabilitation Research	UW-Madison	1,908,305	320,204
84.133		National Institute on Disability and Rehabilitation Research	UW-Stout	692,164	44,548
		Total Federal Program 84.133		2,600,469	364,752
84.158		Secondary Education and Transitional Services for Youth with Disabilities	UW-Madison	739,425	137,500
84.184		Safe and Drug-Free Schools and Communities-National Programs	UW-La Crosse	15,893	0
84.229		Language Resource Centers	UW-Madison	294,841	0
84.274		American Overseas Research Centers	UW-Madison	87,339	65,950
84.283		Comprehensive Regional Assistance Centers	UW-Madison	2,062,525	549,720
84.305		National Institute on Student Achievement, Curriculum, and Assessment	UW-Madison	2,656,981	1,181,498
84.306		National Institute on the Education of At-Risk Students	UW-Madison	40,919	0
84.308		National Institute on Educational Governance, Finance, Policymaking, and Management	UW-Madison	(15)	0
84.324		Special Education-Research and Innovation to Improve Services and Results for Children with Disabilities	UW-Madison	733,288	0
84.325		Special Education-Personnel Preparation to Improve Services and Results for Children with Disabilities	UW-Madison	46,227	0
84.335		Child Care Access Means Parents in School	UW-Madison	67,818	0
		Subtotal Direct R&D Grants		10,105,963	2,362,831
R&D Subgrants:					
84.027	84.067077	Special Education-Grants to States (from Cooperative Educational Service Agency #1)	UW-Milwaukee	970	0
84.133	84.K-10-826-G2	National Institute on Disability and Rehabilitation Research (from Georgia Institute of Technology)	UW-Madison	34,451	0
84.133	84.2-5-33483	National Institute on Disability and Rehabilitation Research (from University of Illinois-Chicago)	UW-Madison	27,367	0
84.184		Safe and Drug-Free Schools and Communities-National Programs (from Andrews University)	UW-La Crosse	3,123	0
84.287		Twenty-First Century Community Learning Centers (from Milwaukee Public Schools)	UW-Milwaukee	43,532	0
84.305	84.20271	National Institute on Student Achievement, Curriculum, and Assessment (from Research Foundation of State University of New York)	UW-Madison	158,376	0
84.306	84.96-7	National Institute on the Education of At-Risk Students (from Research Foundation of State University of New York)	UW-Madison	403,289	0
84.308		National Institute on Educational Governance, Finance, Policymaking, and Management (from University of Pennsylvania)	UW-Madison	181,928	0
84.324	84.0698.10.179D-2	Special Education-Research and Innovation to Improve Services and Results for Children with Disabilities (from University of Colorado-Denver)	UW-Milwaukee	13,802	0
N/A	84.98-004	Validity of National Board for Professional Teaching Standards National Partnership (from Columbia University)	UW-Madison	43,630	0
N/A	84.900000747	Universal Telecommunications Access (from Gallaudet University)	UW-Madison	(1,577)	0
N/A	84.61-5275B	Teacher Research as a Source for Teacher Learning Partnerships for Excellence and Accountability (from Michigan State University)	UW-Madison	3,452	0
N/A	84.96-7	National Research Center on Improving Student Achievement In English (from Research Foundation of State University of New York)	UW-Madison	(156)	0
N/A	84.AGR dtd 5/3/99	Aging Families of Adults with Mental Retardation (from University of Illinois-Chicago)	UW-Madison	28,028	0
N/A	84.AGR dtd 11/12/99	Hormonal Risk Factors for Dementia in Women with Down Syndrome (from University of Illinois-Chicago)	UW-Madison	8,804	0

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2001**

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<b>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER (Note 2)</b>					
N/A	84.5-24378-D	Consortium for Policy Research in Education (from University of Pennsylvania)	UW-Madison	467,669	0
N/A	84.197549	Southeast Asian Studies Summer Institute 2000 (from University of Washington)	UW-Madison	36,214	0
N/A	84.H024S960008	Early Education for Children with Disabilities (from Orelena Hawks Puckett Institute)	UW-Milwaukee	11,838	0
N/A	84.H023C970161-UF00030	Socialization of Beginning Special Education (from University of Florida)	UW-Milwaukee	4,259	0
N/A	84.H024S60006	Culturally and Linguistically Appropriate (from University of Illinois-Urbana-Champaign)	UW-Milwaukee	42,294	0
		Subtotal R&D Subgrants		<u>1,511,293</u>	<u>0</u>
		TOTAL R&D FROM U.S. DEPARTMENT OF EDUCATION		<u>11,617,256</u>	<u>2,362,831</u>
		NATIONAL ARCHIVES AND RECORDS ADMINISTRATION:			
89.003		National Historical Publications and Records Grants	UW-Madison	228,132	0
89.003		National Historical Publications and Records Grants	UW-La Crosse	45,160	0
		Total Federal Program 89.003		<u>273,292</u>	<u>0</u>
		TOTAL R&D FROM NATIONAL ARCHIVES AND RECORDS ADMINISTRATION		<u>273,292</u>	<u>0</u>
		U.S. INSTITUTE OF PEACE:			
N/A	91.SG-98-01	Local Autocracies in National Democracies: Making Societies Civil in Southeast Asia	UW-Madison	9,223	0
		U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:			
93.103		Food and Drug Administration-Research	UW-Madison	169,642	0
93.110		Maternal and Child Health Federal Consolidated Programs	UW-Madison	188,205	0
93.113		Biological Response to Environmental Health Hazards	UW-Madison	1,648,779	89,135
93.113		Biological Response to Environmental Health Hazards	UW-Milwaukee	362,228	74,721
		Total Federal Program 93.113		<u>2,011,007</u>	<u>163,856</u>
93.114		Applied Toxicological Research and Testing	UW-Madison	172,840	0
93.121		Oral Diseases and Disorders Research	UW-Madison	282,449	0
93.121		Oral Diseases and Disorders Research	UW-Milwaukee	155	0
		Total Federal Program 93.121		<u>282,604</u>	<u>0</u>
93.161		Health Program for Toxic Substances and Disease Registry	UW-Milwaukee	262,232	0
93.172		Human Genome Research	UW-Madison	951,623	0
93.173		Research Related to Deafness and Communication Disorders	UW-Madison	5,056,352	71,923
93.173		Research Related to Deafness and Communication Disorders	UW-Milwaukee	191,157	0
		Total Federal Program 93.173		<u>5,247,509</u>	<u>71,923</u>
93.186		National Research Services Awards	UW-Madison	306,464	0
93.213		Research and Training in Complementary and Alternative Medicine	UW-Madison	138,302	0
93.226		Research on Healthcare Costs, Quality and Outcomes	UW-Madison	924,952	171,744
93.230		Consolidated Knowledge Development and Application Program	UW-Madison	253,577	0
93.239		Policy Research and Evaluation Grants	UW-Madison	976,685	112,156
93.242		Mental Health Research Grants	UW-Madison	9,370,924	57,410
93.242		Mental Health Research Grants	UW-Milwaukee	470,428	0
93.242		Mental Health Research Grants	UW-Whitewater	2,494	0
		Total Federal Program 93.242		<u>9,843,846</u>	<u>57,410</u>
93.262		Occupational Safety and Health Research Grants	UW-Madison	441,670	0
93.273		Alcohol Research Programs	UW-Madison	399,597	21,018
93.273		Alcohol Research Programs	UW-Milwaukee	332,729	127,011
		Total Federal Program 93.273		<u>732,326</u>	<u>148,029</u>
93.277		Drug Abuse Scientist Development Awards, Research Scientist Development Awards, and Research Scientist Awards	UW-Madison	73,796	0
93.278		Drug Abuse National Research Service Awards for Research Training	UW-Milwaukee	24,725	0
93.279		Drug Abuse Research Programs	UW-Madison	1,788,615	192,991
93.279		Drug Abuse Research Programs	UW-Milwaukee	95,055	0
93.279		Drug Abuse Research Programs	UW-Eau Claire	42,692	0
		Total Federal Program 93.279		<u>1,926,362</u>	<u>192,991</u>
93.281		Mental Health Research Career/Scientist Development Awards	UW-Madison	159,082	0
93.282		Mental Health National Research Service Awards for Research Training	UW-Madison	347,079	0
93.282		Mental Health National Research Service Awards for Research Training	UW-Milwaukee	10,509	0
		Total Federal Program 93.282		<u>357,588</u>	<u>0</u>
93.283		Centers for Disease Control and Prevention-Investigations and Technical Assistance	UW-Madison	224,757	0
93.306		Comparative Medicine	UW-Madison	9,212,536	461,181

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
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<b>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER (Note 2)</b>					
93.333		Clinical Research	UW-Madison	2,658,714	1,575,804
93.361		Nursing Research	UW-Madison	376,626	0
93.361		Nursing Research	UW-Milwaukee	529,558	0
		Total Federal Program 93.361		906,184	0
93.371		Biomedical Technology	UW-Madison	1,938,770	0
93.371		Biomedical Technology	UW-Milwaukee	86,482	0
		Total Federal Program 93.371		2,025,252	0
93.389		Research Infrastructure	UW-Madison	261,702	0
93.390		Academic Research Enhancement Award	UW-Milwaukee	85,790	0
93.390		Academic Research Enhancement Award	UW-Green Bay	14,646	0
93.390		Academic Research Enhancement Award	UW-La Crosse	7,773	0
		Total Federal Program 93.390		108,209	0
93.393		Cancer Cause and Prevention Research	UW-Madison	8,158,456	236,385
93.394		Cancer Detection and Diagnosis Research	UW-Madison	196,715	0
93.395		Cancer Treatment Research	UW-Madison	4,100,010	119,718
93.395		Cancer Treatment Research	UW-Milwaukee	156,323	29,345
		Total Federal Program 93.395		4,256,333	149,063
93.396		Cancer Biology Research	UW-Madison	2,910,204	42,787
93.397		Cancer Centers Support Grants	UW-Madison	5,306,385	8,731
93.398		Cancer Research Manpower	UW-Madison	822,287	0
93.399		Cancer Control	UW-Madison	3,589,226	173,097
93.632		Developmental Disabilities University Affiliated Programs	UW-Madison	9,721	0
93.647		Social Services Research and Demonstration	UW-Madison	30,092	0
93.821		Cell Biology and Biophysics Research	UW-Madison	4,821,399	0
93.821		Cell Biology and Biophysics Research	UW-Milwaukee	75,589	0
		Total Federal Program 93.821		4,896,988	0
93.824		Basic/Core Area Health Education Centers	UW-Madison	203,589	197,898
93.837		Heart and Vascular Diseases Research	UW-Madison	9,659,988	93,724
93.838		Lung Diseases Research	UW-Madison	5,337,713	122,920
93.839		Blood Diseases and Resources Research	UW-Madison	2,599,046	124,627
93.846		Arthritis, Musculoskeletal and Skin Diseases Research	UW-Madison	2,720,277	348,052
93.846		Arthritis, Musculoskeletal and Skin Diseases Research	UW-Milwaukee	30,426	0
		Total Federal Program 93.846		2,750,703	348,052
93.847		Diabetes, Endocrinology and Metabolism Research	UW-Madison	2,936,014	73,701
93.848		Digestive Diseases and Nutrition Research	UW-Madison	835,328	0
93.849		Kidney Diseases, Urology and Hematology Research	UW-Madison	2,144,509	0
93.853		Extramural Research Programs in the Neurosciences and Neurological Disorders	UW-Madison	2,007,075	0
93.854		Biological Basis Research in the Neurosciences	UW-Madison	757,222	0
93.855		Allergy, Immunology and Transplantation Research	UW-Madison	5,150,447	0
93.855		Allergy, Immunology and Transplantation Research	UW-Milwaukee	97,257	0
		Total Federal Program 93.855		5,247,704	0
93.856		Microbiology and Infectious Diseases Research	UW-Madison	9,861,122	209,105
93.856		Microbiology and Infectious Diseases Research	UW-La Crosse	22,702	0
		Total Federal Program 93.856		9,883,824	209,105
93.859		Pharmacology, Physiology, and Biological Chemistry Research	UW-Madison	5,897,115	76,439
93.862		Genetics and Developmental Biology Research and Research Training	UW-Madison	8,307,798	0
93.862		Genetics and Developmental Biology Research and Research Training	UW-Milwaukee	153,874	0
93.862		Genetics and Developmental Biology Research and Research Training	UW-Parkside	129,626	0
		Total Federal Program 93.862		8,591,298	0
93.864		Population Research	UW-Madison	2,339,232	0
93.864		Population Research (from UW-Madison)	UW-Milwaukee	14,119	0
93.864		Population Research	UW-Green Bay	31,415	0
		Total Federal Program 93.864		2,384,766	0
93.865		Center for Research for Mothers and Children	UW-Madison	4,408,396	198,108
93.866		Aging Research	UW-Madison	5,878,324	446,719
93.866		Aging Research	UW-River Falls	48,427	0
		Total Federal Program 93.866		5,926,751	446,719

The accompanying notes are an integral part of this schedule.

**STATE OF WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2001**

FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER (Note 2)</b>					
93.867		Vision Research	UW-Madison	5,656,249	172,908
93.879		Medical Library Assistance	UW-Madison	1,654,296	183,160
93.894		Resource and Manpower Development in the Environmental Health Sciences	UW-Madison	1,184,058	0
93.894		Resource and Manpower Development in the Environmental Health Sciences	UW-Milwaukee	360,712	0
		Total Federal Program 93.894		1,544,770	0
93.896		Predoctoral Training in Primary Care (Family Medicine, General Internal Medicine/General Pediatrics)	UW-Madison	(9,702)	0
93.918		Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	UW-Madison	366,200	0
93.929		Center for Medical Rehabilitation Research	UW-Milwaukee	53,834	0
93.934		Fogarty International Research Collaboration Award	UW-Madison	4,011	0
93.944		Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	UW-Madison	111,387	48,878
93.960		Special Minority Initiatives	UW-La Crosse	39,352	18,304
93.989		Senior International Fellowships	UW-Madison	(3,826)	0
N/A	93.RD	R&D from Office of the Secretary	UW-Madison	332,052	0
N/A	93.RD	R&D from Health Care Financing Administration	UW-Madison	5,985,276	5,684,837
N/A	93.RD	R&D from Substance Abuse and Mental Health Services Administration	UW-Madison	663	0
N/A	93.RD	R&D from Food and Drug Administration	UW-Madison	47	0
N/A	93.RD	R&D from Health Resources and Services Administration	UW-Madison	71,323	60,323
N/A	93.RD	R&D from National Institutes of Health	UW-Madison	5,541,233	133,928
N/A	93.5R01MH46851-09	Selective Anxiolytics Via BZR Subtype Specific	UW-Milwaukee	(30,984)	0
N/A	93.6F31NR07596-02	Experiences of Caregivers of Children	UW-Milwaukee	14,633	0
		Subtotal Direct R&D Grants		163,920,653	11,758,788
R&D Subgrants:					
93.127		Emergency Medical Services for Children (from Medical College of Wisconsin, Inc.)	UW-Milwaukee	10,481	0
93.172		Human Genome Research (from University of Minnesota)	UW-Milwaukee	26,142	0
93.173	93.AGR dtd 12/17/99; 11/29/00; 7/10/01	Research Related to Deafness and Communication Disorders (from American Speech, Language and Hearing Association)	UW-Madison	234,550	0
93.173	93.AGR dtd 1/25/00; 2/22/01	Research Related to Deafness and Communication Disorders (from Case Western Reserve University)	UW-Madison	33,476	0
93.173	93.39409; 40895; 61340	Research Related to Deafness and Communication Disorders (from University of Iowa)	UW-Madison	143,092	0
93.226	93.AGR dtd 2/27/01	Research on Healthcare Costs, Quality and Outcomes (from Harvard Medical School)	UW-Madison	54,138	0
93.242		Mental Health Research Grants (from Duke University)	UW-Madison	5,125	0
93.242	93.AGR dtd 8/1/00	Mental Health Research Grants (from Medical College of Wisconsin, Inc.)	UW-Madison	6,691	0
93.242	93.SP10091	Mental Health Research Grants (from University of Massachusetts)	UW-Madison	20,609	0
93.242	93.GC 00402	Mental Health Research Grants (from University of Massachusetts Medical Center)	UW-Madison	34,396	0
93.242	93.R01MH57545-04	Mental Health Research Grants (from Eastern Virginia Medical School)	UW-Milwaukee	63,317	0
93.242	93.R01MH57545-03	Mental Health Research Grants (from Medical College of Wisconsin, Inc.)	UW-Milwaukee	249,040	0
93.262	93.AGR dtd 5/11/01	Occupational Safety and Health Research Grants (from Marshfield Medical Research Foundation)	UW-Madison	140	0
93.262	93.98060922	Occupational Safety and Health Research Grants (from Michigan Technological University)	UW-Madison	3,496	0
93.262	93.U50/CCU51124 8-04	Occupational Safety and Health Research Grants (from Milwaukee Women's Center)	UW-Milwaukee	9,795	0
93.263		Occupational Safety and Health-Training Grants (from University of Minnesota)	UW-Stout	18,331	0
93.283	93.5 F31 MH11722-02	Centers for Disease Control and Prevention-Investigations and Technical Assistance (from City of Milwaukee)	UW-Milwaukee	129,271	0
93.306	93.AGR dtd 12/21/00	Comparative Medicine (from American Type Culture Collection)	UW-Madison	40,903	0
93.306	93.ORPRC 035339	Comparative Medicine (from Oregon Regional Primate Center)	UW-Madison	47,141	0
93.306	93.AGR dtd 11/2/00	Comparative Medicine (from Temple University)	UW-Madison	25,229	0
93.306	93.AGR dtd 5/12/00	Comparative Medicine (from University of Alabama)	UW-Madison	95,500	0
93.333	93.990901	Clinical Research (from Gammex, Inc.)	UW-Madison	25,074	0
93.393	93.737322	Cancer Cause and Prevention Research (from Ohio State University Research Foundation)	UW-Madison	66,889	0
93.393	93.4-62233-99-22	Cancer Cause and Prevention Research (from University of Kentucky Research Foundation)	UW-Madison	(6,370)	0
93.394	93.AGR dtd 5/22/01	Cancer Detection and Diagnosis Research (from University of Texas)	UW-Madison	48,140	0
93.395	93.4-63155-00-49	Cancer Treatment Research (from University of Kentucky)	UW-Madison	60,836	0
93.396	93.AGR dtd 9/19/00	Cancer Biology Research (from Yale University)	UW-Madison	18,780	0
93.399	93.PFED15-WIS-01	Cancer Control (from NSABP Foundation, Inc.)	UW-Madison	18,546	0

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**STATE OF WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2001**

FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER (Note 2)</b>					
93.399	93.410980-G	Cancer Control (from University of Rochester)	UW-Madison	4,184	0
93.399	93.5 R03 CA73727-02	Cancer Control (from Medical College of Wisconsin, Inc.)	UW-Milwaukee	4,550	0
93.647	93.0600 520	Social Services Research and Demonstration (from Northwestern University)	UW-Madison	9,895	0
93.838	93.AGR dtd 7/10/00	Lung Diseases Research (from Brigham and Women's Hospital)	UW-Madison	57,809	0
93.849	93.1032873	Kidney Diseases, Urology and Hematology Research (from California Institute of Technology)	UW-Madison	70,000	0
93.849	93.CK 343539	Kidney Diseases, Urology and Hematology Research (from Long Island Jewish Medical Center)	UW-Madison	1,098	0
93.854	93.AGR dtd 5/11/99	Biological Basis Research in the Neurosciences (from Cleveland Clinic Research Foundation)	UW-Madison	(865)	0
93.854	93.AGR dtd 1/10/00	Biological Basis Research in the Neurosciences (from University of Alabama)	UW-Madison	12,535	0
93.855	93.532027	Allergy, Immunology and Transplantation Research (from University of Pennsylvania)	UW-Madison	85,357	0
93.856	93.AGR dtd 12/18/00	Microbiology and Infectious Diseases Research (from MCP Hahnemann University)	UW-Madison	66,011	0
93.856	93.0600-370-XA94 WIS; XAC1	Microbiology and Infectious Diseases Research (from Northwestern University)	UW-Madison	69,367	0
93.856	93.K6286171201	Microbiology and Infectious Diseases Research (from University of Minnesota)	UW-Madison	10,660	0
93.859	93.00-262; 01-127	Pharmacology, Physiology, and Biological Chemistry Research (from University of Illinois)	UW-Madison	179,776	0
93.865	93.611013	Center for Research for Mothers and Children (from Michigan State University)	UW-Madison	17,136	0
93.865	93.0600 520 X312	Center for Research for Mothers and Children (from Northwestern University)	UW-Madison	29,474	0
93.865	93.F005240	Center for Research for Mothers and Children (from University of Michigan)	UW-Madison	3,106	0
93.865	93.5R01HD36186-04	Center for Research for Mothers and Children (from University of Alabama-Birmingham)	UW-Milwaukee	65,509	0
93.866	93.30.6694.91177	Aging Research (from Beckman Research Institute of the City of Hope)	UW-Madison	65,044	0
93.866	93.5-34425-B	Aging Research (from University of Pennsylvania)	UW-Madison	73,751	0
93.866	93.691279	Aging Research (from University of Washington)	UW-Madison	141,179	0
93.867	93.642-4271	Vision Research (from Case Western Reserve University)	UW-Madison	84	0
93.867	93.AGR dtd 2/10/00	Vision Research (from Cleveland Clinic Foundation)	UW-Madison	(3,810)	0
93.867	93.8010-36784-X	Vision Research (from Johns Hopkins University)	UW-Madison	16,041	0
93.867	93.5-35162; 35443; 36196; 36734	Vision Research (from University of Pennsylvania)	UW-Madison	180,835	0
93.867	93.H16534; H20253	Vision Research (from University of Southern California)	UW-Madison	167,001	0
93.867	93.201-6-2150	Vision Research (from University of Texas Health Science Center)	UW-Madison	28,999	0
93.867	93.WU-99-29	Vision Research (from Washington University)	UW-Madison	25,451	0
93.941	93.AGR dtd 3/24/00; 12/12/00	HIV Demonstration, Research, Public and Professional Education Projects (from Medical College of Wisconsin, Inc.)	UW-Madison	60,541	0
93.943		Epidemiologic Research Studies of Acquired Immunodeficiency Syndrome (AIDS) and Human Immunodeficiency Virus (HIV) Infection in Selected Population Groups (from Milwaukee Public Schools)	UW-Milwaukee	7,032	0
N/A	93.AGR dtd 10/24/00	AIDS Resource Center of Wisconsin (from AIDS Resource Center of Wisconsin, Inc.)	UW-Madison	43,404	0
N/A	93.AGR dtd 1/20/99	Undergraduate Medical Education for the 21st Century: Demonstration of Curriculum (from American Association of Colleges of Osteopathic)	UW-Madison	186,699	0
N/A	93.AGR dtd 4/30/01	ACR Imaging Network MRIs (from American College of Radiology)	UW-Madison	3,059	0
N/A	93.AGR dtd 7/19/00	Outcomes and Quality of Life Measures for Acrin (from American College of Radiology)	UW-Madison	40,000	0
N/A	93.CK 65227	Radiation Therapy Oncology Group (from American College of Radiology)	UW-Madison	37,811	0
N/A	93.CK 1012	Forum for Early Career Tobacco Investigators (from American Society of Preventive Oncology)	UW-Madison	931	0
N/A	93.AGR dtd 12/22/98; 11/1/99	Mapping Interactive Cancer Susceptibility LOCI (from Beckman Research Institute)	UW-Madison	6,007	0
N/A	93.MC-372338-D-TB; MC-336077-D-JW	Cardiovascular Risk in Sleep Apnea: Framingham Study (from Boston University)	UW-Madison	33,974	0
N/A	93.RD	Pharmacogenetics of Asthma Treatment (from Brigham and Women's Hospital)	UW-Madison	6,675	0
N/A	93.1018877	Genetic and Molecular Studies of Pkd in C. Elegans (from California Institute of Technology)	UW-Madison	43,200	0
N/A	93.CK 165632	Collaborative Hospital Transfusion Study (from Center for Blood Research, Inc.)	UW-Madison	3,078	0
N/A	93.5948595	Biology and Therapy of High Risk Neuroblastoma (from Children's Hospital of Los Angeles)	UW-Madison	34,615	0
N/A	93.AGR dtd 3/24/00; 6/5/01	Molecular Mechanisms of Schwann Cell Myelination (from Cleveland Clinic Foundation)	UW-Madison	15,941	0
N/A	93.AGR dtd 12/9/96; 10/9/00	Multicenter Randomized Trial of DSRS Versus Tips (from Cleveland Clinic Foundation)	UW-Madison	82,047	0
N/A	93.AGR dtd 8/23/00	Early Head Start Program (from Dane County Parent Council, Inc.)	UW-Madison	44,960	0
N/A	93.RD	American Oncology of Surgeons Oncology Group (from Duke University)	UW-Madison	92	0
N/A	93.AGR dtd 9/28/00	Epitope-Based Vaccines for Gene Therapy (from Epiimmune Incorporated)	UW-Madison	34,132	0

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**STATE OF WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2001**

FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER (Note 2)</b>					
N/A	93.AGR dtd 9/28/00	Peptide Based Vaccine for Primate Model of AIDS (from Epimmune Incorporated)	UW-Madison	97,654	0
N/A	93.AGR dtd 5/1/00	Ecog Operations Office Genito-Urinary Committee Activities (from Frontier Science and Technology Research)	UW-Madison	8,412	0
N/A	93.970930	System for Testing Resolution of Ultrasound Scanners (from Gammex, Inc.)	UW-Madison	7,497	0
N/A	93.96-S03	Central Ophthalmic Reading Unit (from George Washington University)	UW-Madison	49,192	0
N/A	93.AGR dtd 4/1/99; 9/19/00	Selenium Metabolism and Anticarcinogenic Action (from Health Research, Inc.)	UW-Madison	154,456	0
N/A	93.JFC184	Co-Stimulation Blockade for Renal Transplantation (from Henry M. Jackson Foundation)	UW-Madison	508,103	0
N/A	93.AGR dtd 3/31/00	African Trypanosome Genome Sequencing (from Institute for Genomic Research)	UW-Madison	104,626	0
N/A	93.RD	R&D Subgrants (from Johns Hopkins University)	UW-Madison	11,356	0
N/A	93.76781	Integrating Multimedia into a Drug Prevention Resource (from Learning Multi-Systems, Inc.)	UW-Madison	86,046	0
N/A	93.77059	Evaluation of the Maehnowesekiyah Residential Treatment Center's Women and Children's Program (from Maehnowesekiyah Treatment Center)	UW-Madison	39,943	0
N/A	93.AGR dtd 12/16/98	Improvements in Implantable Glucose Sensors (from Markwell Medical Institute, Inc.)	UW-Madison	(352)	0
N/A	93.AGR dtd 12/13/99	Computer-Based Intervention for Adolescent Smokers (from Mayo Clinic)	UW-Madison	12,274	0
N/A	93.AGR dtd 3/29/01	Internet, Home-Based Treatment for Adolescent Smokers (from Mayo Clinic)	UW-Madison	169,877	0
N/A	93.AGR dtd 7/12/99; 10/3/00	Oocyte Competency in Prenatally Androgenized Monkeys (from Mayo Clinic)	UW-Madison	101,767	0
N/A	93.AGR dtd 1/13/97	Cardiac Valvuloseptal Morphogenesis (from Medical University of South Carolina)	UW-Madison	16,550	0
N/A	93.0254-9902-4609	Estrogen Influences on Neuroendocrine Aging (from Mount Sinai School of Medicine)	UW-Madison	27,329	0
N/A	93.AGR dtd 11/15/00; 0255-5411-4609	Gustducin-Taste Receptor Interaction in Gustation (from Mount Sinai School of Medicine)	UW-Madison	41,307	0
N/A	93.6693; 7851	Children's Cancer Group Biological Therapeutics/Biotherapy Reference Laboratory (from National Childhood Cancer Foundation)	UW-Madison	20,430	0
N/A	93.6153; 6171; 7326; 7331; 7549; 7550; 8428; 8610	Children's Cancer Group Chairman's Award (from National Childhood Cancer Foundation)	UW-Madison	117,439	0
N/A	93.2000-009N-WI	Translational Control of Gli (from Northwestern University)	UW-Madison	11,925	0
N/A	93.AGR dtd	Spectroscopy and Imaging of Hb in Fetal Brain in Utero (from Optical Devices, Inc.)	UW-Madison	24,480	0
N/A	93.AGR dtd 2/2/00	SBIR with Panvera Corporation (from Panvera Corporation)	UW-Madison	173,400	0
N/A	93.F 0321 3766	Cc Diode Testing (from Pixel Vision)	UW-Madison	14,617	0
N/A	93.AGR dtd 10/12/98	Vaginal Immunization Against Urinary Tract Infection (from Protein Express, Inc.)	UW-Madison	(4,451)	0
N/A	93.510-3904-02	Research in Content-Based Image Retrieval for Large-Scale Medical Databases (from Purdue University)	UW-Madison	43,158	0
N/A	93.03.80815	Lower Limb Force Vector Control in Hemiplegic Humans (from Rehabilitation Institute Research Corporation)	UW-Madison	15,031	0
N/A	93.3-53U-6613	Development and Validation of a Performance Measure Set/Quality Indicators for the Evaluation (from Research Triangle Institute)	UW-Madison	195,278	0
N/A	93.3-53U-6613	Evaluating the Use of Quality Indicators in the Long-Term Care Survey Process (from Research Triangle Institute)	UW-Madison	560,244	1,390
N/A	93.9837252	Multi-Media Video Task Analysis (from Robert A. Taft Laboratories)	UW-Madison	474	0
N/A	93.AGR dtd 8/23/00	Assembly and Structure of Type IV PILI (from Scripps Research Institute)	UW-Madison	(20,239)	0
N/A	93.AGR dtd 3/30/00	Does Weight Loss Reduce Mortality Rate Among Obese Rats? (from St. Luke's Roosevelt Institute-Columbia University)	UW-Madison	9,086	0
N/A	93.P10854	High Speed MRI of Tumor Interventions (from Stanford University)	UW-Madison	39,944	0
N/A	93.PR-1088	Mechanisms for Tolerance to the Behavioral Action of Alpha 2 Agonists (from Stanford University)	UW-Madison	29,013	0
N/A	93.PY-0796	Spectrum of Narcolepsy and Its Symptoms (from Stanford University)	UW-Madison	193,397	0
N/A	93.AGR dtd 8/21/97	Vitamin D Based Anti-Cancer Drugs (from Tetricons, Inc.)	UW-Madison	1,340	0
N/A	93.AGR dtd 9/10/97	Screening Potential Chemopreventive Agents in Mice Bearing Alterations in Genes Related to Colon (from University of Alabama)	UW-Madison	150,859	0
N/A	93.AGR dtd 9/20/00	Analysis and Applications of Gfap Transcription (from University of Alabama-Birmingham)	UW-Madison	15,978	0
N/A	93.1557-G-BC003; BC462	Study of Osteoporotic Fractures (from University of California-Los Angeles)	UW-Madison	15,146	0
N/A	93.10117851	Eicosanoids in the Outflow Pathways of the Eye (from University of California-San Diego)	UW-Madison	11,197	0
N/A	93.10178233	Ivem and Image Analysis Resource (from University of California-San Diego)	UW-Madison	43,621	0
N/A	93.1935SC	Dynamics of Health, Aging and Body Composition (from University of California-San Francisco)	UW-Madison	89,805	0
N/A	93.AGR dtd 8/17/00	T Cell Receptor Usage and Pulmonary Histoplasmosis (from University of Cincinnati)	UW-Madison	46,668	0
N/A	93.AGR dtd 8/2/00; 86503	Linguistic Phenotype in Familial Dyslexia (from University of Denver)	UW-Madison	26,898	0
N/A	93.19756	Midwest Collaboration on Child Language Impairment (from University of Iowa)	UW-Madison	(198)	0
N/A	93.RD	R&D Subgrants (from University of Michigan)	UW-Madison	18,442	0
N/A	93.H6636365201	Minnesota Stroke Survey (from University of Minnesota)	UW-Madison	22,477	0

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2001**

FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER (Note 2)</b>					
N/A	93.5-33401	Complications of Age-Related Macular Degeneration Prevention Trial (from University of Pennsylvania)	UW-Madison	(4,919)	0
N/A	93.H11969	Los Angeles Latino Eye Study (from University of Southern California)	UW-Madison	(3,325)	0
N/A	93.CK 574085	Gynecologic Oncology Group (from University of Texas Southwestern Medical Center)	UW-Madison	46,348	0
N/A	93.AGR dtd 3/31/00; 210574SUB	Role of Pharyngeal Receptors in Reflux Disease (from Veterans Medical Research Foundation)	UW-Madison	48,832	0
N/A	93.524700; 524988	Growth Failure in Children with Renal Diseases (from Virginia Commonwealth University)	UW-Madison	1,282	0
N/A	93.Y-304782	Ethanol, Signal Transduction and Embryonic Cell Survival (from Wayne State University)	UW-Madison	17,322	0
N/A	93.AGR dtd 8/29/00	Open Study (from Westat, Inc.)	UW-Madison	53,335	0
N/A	93.40-00491-100	Milwaukee Area Treatment Evaluation for TANF Study (from Milwaukee County)	UW-Milwaukee	204,598	0
N/A	93.N01-LM-0-3506; PY-0139	Contract for Research Services (from Stanford University)	UW-La Crosse	118,934	0
N/A	93.00980-520-Y202-UWP	Alterations in Circadian Time in Aging (from Northwestern University)	UW-Parkside	64,756	0
N/A	93.AGR dtd 3/6/00	Miniaturized Electric and Electromagnetic (from Herbst Research, Inc.)	UW-Parkside	1,326	0
Subtotal R&D Subgrants				<u>7,397,118</u>	<u>1,390</u>
TOTAL R&D FROM U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				<u>171,317,771</u>	<u>11,760,178</u>
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE: R&D Subgrants:					
94.005	94.642-0837-3	Learn and Serve America-Higher Education (from Purdue University)	UW-Madison	<u>53,490</u>	<u>0</u>
U.S. SOCIAL SECURITY ADMINISTRATION: Social Security-Research and Demonstration					
96.007			UW-Madison	<u>107,642</u>	<u>0</u>
U.S. GENERAL ACCOUNTING OFFICE: Interregional Analysis of U.S. Dairy Compacts					
N/A	99.PC2001139		UW-Madison	<u>18,965</u>	<u>0</u>
U.S.-ISRAEL BINATIONAL SCIENCE: R&D					
N/A	99.RD		UW-Madison	<u>66,056</u>	<u>0</u>
TOTAL RESEARCH AND DEVELOPMENT CLUSTER				<u>\$ 329,355,524</u>	<u>\$ 24,468,558</u>

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**STATE OF WISCONSIN**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2001**

FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>STUDENT FINANCIAL AID (SFA) CLUSTER</b>					
U.S. DEPARTMENT OF EDUCATION:					
84.007		Federal Supplemental Educational Opportunity Grants (Note 2)	UW-Madison	\$ 2,998,560	\$ 0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Milwaukee	1,901,784	0
84.007		Federal Supplemental Educational Opportunity Grants (Note 2)	UW-Eau Claire	753,928	0
84.007		Federal Supplemental Educational Opportunity Grants (Note 2)	UW-Green Bay	509,791	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-La Crosse	467,107	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Oshkosh	411,532	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Parkside	480,621	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Platteville	399,648	0
84.007		Federal Supplemental Educational Opportunity Grants (Note 2)	UW-River Falls	403,834	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Stevens Point	782,429	0
84.007		Federal Supplemental Educational Opportunity Grants (Note 2)	UW-Stout	480,681	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Superior	190,424	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Whitewater	566,574	0
84.007		Federal Supplemental Educational Opportunity Grants (Note 2)	UW Colleges	451,171	0
		Total Federal Program 84.007		10,798,084	0
84.032		Federal Family Education Loans (Notes 2, 23)	UW-Madison	89,071,305	0
84.032		Federal Family Education Loans (Notes 2, 23)	UW-Green Bay	9,186,260	0
84.032		Federal Family Education Loans (Note 23)	UW-La Crosse	19,802,559	0
84.032		Federal Family Education Loans (Note 23)	UW-Oshkosh	15,353,386	0
84.032		Federal Family Education Loans (Note 23)	UW-Parkside	7,633,418	0
84.032		Federal Family Education Loans (Note 23)	UW-Platteville	10,599,306	0
84.032		Federal Family Education Loans (Notes 2, 23)	UW-River Falls	10,556,804	0
84.032		Federal Family Education Loans (Note 23)	UW-Stevens Point	14,132,834	0
84.032		Federal Family Education Loans (Notes 2, 23)	UW-Stout	18,004,396	0
84.032		Federal Family Education Loans (Notes 2, 23)	UW Colleges	6,871,779	0
		Total Federal Program 84.032		201,212,047	0
84.033		Federal Work-Study Program (Note 2)	UW-Madison	1,837,954	0
84.033		Federal Work-Study Program	UW-Milwaukee	784,657	0
84.033		Federal Work-Study Program (Note 2)	UW-Eau Claire	890,452	0
84.033		Federal Work-Study Program (Note 2)	UW-Green Bay	248,026	0
84.033		Federal Work-Study Program	UW-La Crosse	358,629	0
84.033		Federal Work-Study Program	UW-Oshkosh	509,142	0
84.033		Federal Work-Study Program	UW-Parkside	83,562	0
84.033		Federal Work-Study Program	UW-Platteville	449,296	0
84.033		Federal Work-Study Program (Note 2)	UW-River Falls	484,278	0
84.033		Federal Work-Study Program	UW-Stevens Point	940,322	0
84.033		Federal Work-Study Program (Note 2)	UW-Stout	733,028	0
84.033		Federal Work-Study Program	UW-Superior	194,835	0
84.033		Federal Work-Study Program	UW-Whitewater	441,637	0
84.033		Federal Work-Study Program (Note 2)	UW Colleges	327,118	0
84.033		Federal Work-Study Program	UW-Extension	621	0
		Total Federal Program 84.033		8,283,557	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions (Notes 2, 22)	UW-Madison	11,857,945	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions (Note 22)	UW-Milwaukee	2,832,211	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions (Notes 2, 22)	UW-Eau Claire	2,742,963	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions (Notes 2, 22)	UW-Green Bay	645,966	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions (Note 22)	UW-La Crosse	972,149	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions (Note 22)	UW-Oshkosh	992,989	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions (Note 22)	UW-Parkside	388,839	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions (Note 22)	UW-Platteville	989,242	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions (Notes 2, 22)	UW-River Falls	828,721	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions (Note 22)	UW-Stevens Point	2,281,375	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions (Notes 2, 22)	UW-Stout	2,024,591	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions (Note 22)	UW-Superior	328,482	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions (Note 22)	UW-Whitewater	1,718,551	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions (Notes 2, 22)	UW Colleges	364,774	0
		Total Federal Program 84.038		28,968,798	0
84.063		Federal Pell Grant Program (Note 2)	UW-Madison	6,157,874	0
84.063		Federal Pell Grant Program	UW-Milwaukee	7,652,280	0
84.063		Federal Pell Grant Program (Note 2)	UW-Eau Claire	3,489,942	0

The accompanying notes are an integral part of this schedule.

**STATE OF WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2001**

FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>STUDENT FINANCIAL AID (SFA) CLUSTER</b>					
84.063		Federal Pell Grant Program (Note 2)	UW-Green Bay	2,058,354	0
84.063		Federal Pell Grant Program	UW-La Crosse	2,813,050	0
84.063		Federal Pell Grant Program	UW-Oshkosh	3,166,886	0
84.063		Federal Pell Grant Program	UW-Parkside	2,434,777	0
84.063		Federal Pell Grant Program	UW-Platteville	2,311,153	0
84.063		Federal Pell Grant Program (Note 2)	UW-River Falls	2,321,098	0
84.063		Federal Pell Grant Program	UW-Stevens Point	3,639,851	0
84.063		Federal Pell Grant Program (Note 2)	UW-Stout	3,438,006	0
84.063		Federal Pell Grant Program	UW-Superior	1,581,279	0
84.063		Federal Pell Grant Program	UW-Whitewater	3,388,121	0
84.063		Federal Pell Grant Program (Note 2)	UW Colleges	3,698,246	0
Total Federal Program 84.063				<u>48,150,917</u>	<u>0</u>
84.268		Federal Direct Loan (Note 23)	UW-Milwaukee	49,812,429	0
84.268		Federal Direct Loan (Notes 2, 23)	UW-Eau Claire	17,173,672	0
84.268		Federal Direct Loan (Note 23)	UW-Superior	6,724,143	0
84.268		Federal Direct Loan (Note 23)	UW-Whitewater	21,496,228	0
Total Federal Program 84.268				<u>95,206,472</u>	<u>0</u>
Other Federal Financial Assistance:					
N/A	84.SFA	Administrative Cost Allowance (Notes 2, 24)	UW-Madison	585,175	0
N/A	84.SFA	Administrative Cost Allowance (Note 24)	UW-Milwaukee	340,032	0
N/A	84.SFA	Administrative Cost Allowance (Notes 2, 24)	UW-Eau Claire	218,313	0
N/A	84.SFA	Administrative Cost Allowance (Notes 2, 24)	UW-Green Bay	75,628	0
N/A	84.SFA	Administrative Cost Allowance (Note 24)	UW-La Crosse	115,522	0
N/A	84.SFA	Administrative Cost Allowance (Note 24)	UW-Oshkosh	143,814	0
N/A	84.SFA	Administrative Cost Allowance (Note 24)	UW-Parkside	69,761	0
N/A	84.SFA	Administrative Cost Allowance (Note 24)	UW-Platteville	23,656	0
N/A	84.SFA	Administrative Cost Allowance (Notes 2, 21)	UW-River Falls	81,327	0
N/A	84.SFA	Administrative Cost Allowance (Note 24)	UW-Stevens Point	213,880	0
N/A	84.SFA	Administrative Cost Allowance (Notes 2, 24)	UW-Stout	50,061	0
N/A	84.SFA	Administrative Cost Allowance (Note 24)	UW-Superior	67,244	0
N/A	84.SFA	Administrative Cost Allowance (Note 24)	UW-Whitewater	160,527	0
N/A	84.SFA	Administrative Cost Allowance (Notes 2, 24)	UW Colleges	92,337	0
Total Administrative Cost Allowance				<u>2,237,277</u>	<u>0</u>
TOTAL SFA FROM U.S. DEPARTMENT OF EDUCATION				<u>394,857,152</u>	<u>0</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:					
93.108		Health Education Assistance Loans (Notes 2, 23)	HEAB	0	0
93.108		Health Education Assistance Loans (Notes 2, 23)	UW-Madison	0	0
Total Federal Program 93.108				<u>0</u>	<u>0</u>
93.342		Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students (Notes 2, 22)	UW-Madison	833,219	0
93.364		Nursing Student Loans (Notes 2, 22)	UW-Madison	259,745	0
93.364		Nursing Student Loans (Note 22)	UW-Milwaukee	293,822	0
93.364		Nursing Student Loans (Note 22)	UW-Oshkosh	247,771	0
Total Federal Program 93.364				<u>801,338</u>	<u>0</u>
93.820		Scholarships for Students of Exceptional Financial Need (Note 2)	UW-Madison	30,583	0
93.925		Scholarships for Health Professions Students from Disadvantaged Backgrounds	UW-Milwaukee	5,556	0
93.925		Scholarships for Health Professions Students from Disadvantaged Backgrounds (Note 2)	UW-Eau Claire	170,552	0
Total Federal Program 93.925				<u>176,108</u>	<u>0</u>
TOTAL SFA FROM U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				<u>1,841,248</u>	<u>0</u>
TOTAL STUDENT FINANCIAL AID CLUSTER				<u>\$ 396,698,400</u>	<u>\$ 0</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>\$ 6,446,398,395</u>	<u>\$ 1,425,985,012</u>

The accompanying notes are an integral part of this schedule.



**1. Summary of Significant Accounting Policies**

- A. Purpose – The Schedule of Expenditures of Federal Awards presents a summary of the State of Wisconsin’s expenditures financed by the federal government for the fiscal year ended June 30, 2001. For purposes of the schedule, federal programs have been classified into three types: 1) individual federal programs and other clusters, including grants received directly from the federal government and subgrants received from other organizations; 2) the research and development (R&D) cluster, including R&D grants received directly from the federal government and R&D subgrants received from other entities; and 3) the student financial aid (SFA) cluster. Direct federal awards and subgrants are presented for each federal agency and, when available, by catalog number.

Because the schedule presents only a selected portion of the activities of the State, it is not intended to and does not present the financial position or results of operations of the State.

- B. Basis of Accounting – The accompanying Schedule of Expenditures of Federal Awards has been prepared from the Wisconsin state agencies’ and UW System’s accounting records and from federal reports submitted by the state agencies to the various federal grantor agencies. The State’s accounting records are maintained on a modified cash basis. State statutes and state accounting policies require that disbursements be recognized in the fiscal year in which they are recorded for payment, except for certain state employee fringe benefits that are recognized in the period to which the benefits relate, regardless of when paid. The State’s centralized accounting records remain open until July 31 to permit the recording of expenditures applicable to the fiscal year ended June 30, in accordance with Wisconsin Statutes.

To eliminate duplicate counting for subgrants between state agencies, the schedule includes expenditures reported by the state agency that received the funds directly from the U.S. government and does not include expenditures recorded by the subrecipient. For subgrants between UW campuses, however, the schedule includes expenditures reported by the UW campus that received the subgranted funds and does not include expenditures reported by the subgranting campus.

A timing variance may exist between the recording of expenditures in the accounting records and the reporting of the federal grant expenditures to the U.S. government or other subgrantor organizations.

C. State Agencies and UW Campuses Included – The following state agencies were included in the scope of the federal compliance portion of the audit:

1. Department of Health and Family Services (DHFS)
2. Department of Workforce Development (DWD)
3. University of Wisconsin (UW) System
4. Department of Transportation (DOT)
5. Department of Public Instruction (DPI)
6. Department of Administration (DOA)
7. Department of Natural Resources (DNR)
8. Department of Military Affairs (DMA)
9. Department of Commerce
10. Wisconsin Technical College System Board (WTCSB)
11. Department of Veterans Affairs (DVA)
12. Department of Justice (DOJ)
13. Department of Corrections (DOC)
14. Department of Agriculture, Trade and Consumer Protection (DATCP)
15. Wisconsin Historical Society (WHS)
16. Higher Educational Aids Board (HEAB)
17. Wisconsin Arts Board (Arts Board)
18. Child Abuse and Neglect Prevention Board (CANPB)
19. Public Service Commission (PSC)
20. Educational Communications Board (ECB)
21. Department of Tourism
22. Board on Aging and Long-Term Care (BOALTC)
23. Department of Revenue (DOR)

The following campuses or units of UW System were included in the scope of the audit:

1. UW-Madison
2. UW-Milwaukee
3. UW-Eau Claire
4. UW-Green Bay
5. UW-La Crosse
6. UW-Oshkosh
7. UW-Parkside
8. UW-Platteville
9. UW-River Falls
10. UW-Stevens Point
11. UW-Stout
12. UW-Superior
13. UW-Whitewater
14. UW Colleges
15. UW-Extension
16. UW System Administration (UW System Admin)
17. Wisconsin Humanities Council (Wis Humanities Council)

Any federal awards administered by the Wisconsin Supreme Court were not included in the scope of this single audit because those grants are audited separately in accordance with OMB Circular A-133, if required. An audit of federal financial assistance received by the Wisconsin Housing and Economic Development Authority was performed by other auditors.

## 2. Major Federal Grant Programs

As shown in the following table, the federal financial assistance expended by the State of Wisconsin during FY 2000-01 was \$7,176,365,547, consisting of \$6,446,398,395 in cash assistance as reported in the Schedule of Expenditures of Federal Awards, \$47,516,323 in noncash assistance, and \$682,450,829 in outstanding loan balances. The noncash assistance and loan balances are described in more detail in Notes 5, 8, 9, 15, 17, 18, 22, and 23. Not included in the amount of noncash assistance is the value of donated federal surplus personal property (catalog #39.003) described in Note 16.

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### Federal Financial Assistance FY 2000-01

<u>Catalog Number</u>	<u>Name of Federal Program</u>	<u>Amount</u>
Cash Assistance as Shown in Schedule		\$6,446,398,395
Noncash Assistance:		
10.550	Food Donation	15,711,146
10.551	Food Stamps	15,605,177
10.569	Emergency Food Assistance Program (Food Commodities)	4,700,000
93.268	Immunization Grants	<u>11,500,000</u>
	Total Noncash Assistance	<u>47,516,323</u>
Loan Balances as of June 30, 2001:		
20.205	Highway Planning and Construction	911,082
20.308	Local Rail Freight Assistance	4,400
66.458	Capitalization Grants for State Revolving Funds	437,024,585
66.468	Capitalization Grants for Drinking Water State Revolving Fund	63,800,229
84.038	Perkins Loan Program	167,500,821
93.108	Health Education Assistance Loans	2,517,828
93.342	Health Professions Student Loans	6,408,662
93.364	Nursing Student Loans	<u>4,283,222</u>
	Total Loan Balances	<u>682,450,829</u>
	Total Federal Financial Assistance	\$7,176,365,547

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Federal cash and noncash assistance, other than loan balances, expended by the State of Wisconsin during FY 2000-01 was \$6.5 billion. The major grant threshold, as defined by OMB Circular A-133, was \$19.4 million. All federal programs with expenditures exceeding the \$19.4 million threshold are labeled type A programs. Each type A program that is considered to be low-risk is audited as a major program at least once every three years. The type A programs that are not considered to be low-risk are audited as major programs each year. The federal programs with expenditures under the threshold of \$19.4 million are labeled as type B programs. For each low-risk type A program that is not audited as a major program, one high-risk type B program is selected to be audited as a major program.

The State of Wisconsin administered 29 major federal programs that were tested for compliance with federal requirements for FY 2000-01. The total federal assistance, including noncash assistance and loan balances under these major grant programs, constituted 72 percent of the total federal financial assistance during the audit period. The major federal programs for FY 2000-01, as determined by the risk-based approach, are listed in the following table.

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**Major Federal Programs in FY 2000-01**

<u>Catalog Number</u>	<u>Federal Program</u>	<u>Expenditures</u>	<u>State Recipient</u>
10.475	Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	\$ 3,250,024	DATCP
10.551/.561	Food Stamp Cluster (a)	175,511,322	DWD/UW-Madison
10.553/.555/ 10.556/.559	Child Nutrition Cluster	83,637,580	DPI
10.558	Child and Adult Care Food Program	28,967,113	DPI
10.560	State Administrative Expenses for Child Nutrition	1,924,934	DPI
10.664	Cooperative Forestry Assistance	3,072,597	DNR/DATCP/ Tourism
14.235	Supportive Housing Program	2,871,593	DOA
17.250/.246	JTPA Cluster	5,810,094	DWD/UW-Superior
17.255	Workforce Investment Act	21,819,181	DWD
20.205/23.005	Highway Planning and Construction Cluster (b)	534,118,901	DOT
20.509	Formula Grants for Other Than Urbanized Areas	9,490,126	DOT
66.458	Capitalization Grants for State Revolving Funds (c)	8,753,764	DNR
66.468	Capitalization Grants for Drinking Water State Revolving Fund (c)	11,346,799	DNR
83.544	Public Assistance Grants	13,088,411	DMA/ UW-Platteville
84.048	Vocational Education—Basic Grants to States	20,420,851	WTCSB
84.126	Rehabilitation Services—Vocational Rehabilitation Grants to States	43,998,595	DWD
84.340	Class Size Reduction	20,190,040	DPI
93.558	Temporary Assistance for Needy Families	299,281,750	DWD

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<u>Catalog Number</u>	<u>Federal Program</u>	<u>Expenditures</u>	<u>State Recipient</u>
93.563	Child Support Enforcement	46,075,512	DWD
93.575/.596	Child Care Cluster	134,222,598	DWD
93.576	Refugee and Entrant Assistance—Discretionary Grants	6,865,248	DHFS/DWD/DPI
93.658	Foster Care—Title IV-E	84,564,498	DHFS
93.667	Social Services Block Grant	66,034,784	DHFS
93.767	State Children’s Insurance Program	36,465,728	DHFS
93.775/.777/.778	Medicaid Cluster	2,355,546,243	DHFS/DWD/DOJ
93.958	Block Grants for Community Mental Health Services	5,881,671	DHFS
93.959	Block Grants for Prevention and Treatment of Substance Abuse	25,850,881	DHFS
93.994	Maternal and Child Health Services Block Grant to the States	11,805,544	DHFS
Various	Research and Development Cluster	329,355,524	UW System
Various	Student Financial Aid Cluster (d)	113,632,360	UW-Madison
Various	Student Financial Aid Cluster (d)	25,439,822	UW-Eau Claire
Various	Student Financial Aid Cluster (d)	11,090,978	UW-Green Bay
Various	Student Financial Aid Cluster (d)	14,676,062	UW-River Falls
Various	Student Financial Aid Cluster (d)	24,730,763	UW-Stout
Various	Student Financial Aid Cluster (d)	11,805,425	UW Colleges
Various	Student Financial Aid Cluster (d)	0	HEAB
		<u>\$4,591,597,316</u>	

- (a) Includes \$159,906,145 in expenditures and \$15,605,177 in distributed food stamps (see Note 5).
- (b) Does not include the amount of loans outstanding as of June 30, 2001 (see Note 15).
- (c) Does not include the amount of loans outstanding as of June 30, 2001 (see Note 17).
- (d) Does not include the amount of loans outstanding as of June 30, 2001 (see Notes 22 and 23).

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The research and development cluster, a major program, is defined by OMB Circular A-133 as including all research activities, both basic and applied, and all development activities that are performed by a non-federal entity. Research is defined as a systematic study directed toward fuller scientific knowledge or understanding of the subject studied. Development is the systematic use of knowledge and understanding gained from research directed toward the production of useful materials, devices, systems, or methods, including design and development of prototypes and processes. Most grant documents from the federal government and other subgrantor organizations do not clearly identify a grant as research and development. Therefore, UW campus staff classify grants as research and development or as other than research and development. Other state agency staff do not classify any of their grants as research and development.

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The student financial aid cluster is defined by OMB Circular A-133 as including those programs of general student assistance in which institutions participate, such as those authorized by Title IV of the Higher Education Act of 1965, as amended, which are administered by the U.S. Department of Education, and similar programs provided by other federal agencies. It does not include programs that provide fellowships or similar awards to students on a competitive basis, or for specified studies or research. The student financial aid cluster is a low-risk type A program and, therefore, must be audited at least once every three years. The Legislative Audit Bureau audits the student financial aid cluster at the UW campuses over a three-year cycle. During the FY 2000-01 audit, the student financial aid cluster was audited as a major program at UW-Madison, UW-Eau Claire, UW-Green Bay, UW-River Falls, UW-Stout, UW Colleges, and HEAB.

The Wisconsin Humanities Council is a nonprofit organization associated with UW System through its relationship with UW-Extension. UW-Extension is responsible for fiscal and personnel administration of the Council. At the request of the National Endowment for the Humanities, the Wisconsin Humanities Council was included as a unit within UW System, and the Promotion of the Humanities—Federal/State Partnership grant (catalog #45.129) was audited as if it were a major program.

### **3. Federal Catalog Numbers**

Many grant documents from the federal government and other subgrantor organizations do not provide a catalog of federal domestic assistance (CFDA) number to the UW campus receiving the funds. In addition, some grant documents do not provide catalog numbers to other state agencies receiving the funds. Federal catalog numbers are presented in the schedule when they were included in the grant agreements or could be determined based on a grant's source and purpose. For grants that did not clearly state a federal catalog number, the schedule includes the grant or a total for several grants, with an indication of "N/A," for not available. For the direct grants and subgrants in the individual programs and other clusters, an "other identifying number," when available, is shown if the federal catalog number is not available.

For the research and development cluster, direct awards are presented for each federal agency, by catalog number, when available. Direct grants without a catalog number are presented for each federal agency and, where applicable, for the major subdivisions within the agency.

### **4. Amount Provided to Subrecipients**

OMB Circular A-133 requires the Schedule of Expenditures of Federal Awards, to the extent practical, to include the amount provided to subrecipients under each federal program. To the extent practical, the amount provided to subrecipients was determined for the federal programs at the state agencies and UW System.

## 5. Food Stamps

During FY 2000-01, DWD was responsible for issuing food stamp benefits to recipients on behalf of the U.S. Department of Agriculture (catalog #10.551). DWD issued \$143,285,761 of food stamp benefits during FY 2000-01, including \$15,605,177 in the form of food stamp coupons as noncash assistance. During FY 2000-01, DWD completed its conversion to the electronic benefits transfer system and did not have any food stamp coupons on hand as of June 30, 2001. The amount of benefits authorized but unused as of June 30, 2001 was \$4.6 million.

## 6. Potential Federal Sanctions and Disallowances

The U.S. Department of Health and Human Services filed a claim against the State for the disallowance of the federal share of Medical Assistance Program (catalog #93.778) funds received during FY 1999-2000 in connection with certified losses of county nursing homes. While admitting no wrongdoing, in February 2002 the State agreed to return \$61.7 million to the federal government in FY 2002-03.

The U.S. Department of Agriculture assesses a sanction against a state if its annual error rate for eligibility and benefit determinations exceeds the national average for the Food Stamps program (catalog #10.551). As shown in the following table, Wisconsin's error rates for FFY 1993-94 through FFY 1999-2000 exceeded the national average, resulting in potential liabilities totaling \$7,507,113. Complete error rate and sanction information is not yet available for FFY 2000-01.

**Sanctions for the Food Stamps Program**  
As of June 30, 2001

<u>Federal Fiscal Year(s)</u>	<u>Wisconsin's Error Rate</u>	<u>National Average Error Rate</u>	<u>Sanctions Assessed to Date</u>	<u>Additional Potential Sanctions</u>	<u>Total Potential Sanctions</u>
1994-1996	10.51% – 12.10%	9.2% – 10.32%	\$ 900,000	\$ 300,000	\$1,200,000
1997	13.70	9.88	1,570,027	1,770,027	3,340,054
1998	13.07	10.69	689,391	0	689,391
1999	13.42	9.88	606,446	0	606,446
2000	12.72	8.91	1,671,222	0	1,671,222
2001	12.60	Not Available	<u>Not</u>	<u>Not Available</u>	<u>Not Available</u>
Total			\$5,437,086	\$2,070,027	\$7,507,113

Wisconsin has been assessed sanctions totaling \$5,437,086, to be spent on payment accuracy activities and outreach activities. As of July 31, 2001, DWD had spent \$1,654,740 on these activities. In addition, Wisconsin faces additional potential sanctions totaling \$2,070,027. The final amount of these potential sanctions depends on Wisconsin's performance in reducing its error rate and on negotiations with federal officials.

A federal review of the Child Support Enforcement (catalog #93.563) program awarded to DWD by the U.S. Department of Health and Human Services' Office of Child Support Enforcement for FFY 1997-98 identified disallowed costs of \$3,643,264 for allocated costs that were unsupported, and \$314,588 for interest earnings that should have been reported as program income. Discussions with federal officials have indicated that the allocated costs may be allowed provided supporting documentation submitted along with DWD's response to the report is accepted by the federal auditors. DWD recalculated the amount of interest earnings that should have been reported as program income and returned \$237,585 to the federal government on August 6, 2001.

A federal inquiry into DWD's use of \$250,000 in Unemployment Insurance (catalog #17.225) grant funds for a project related to reemployment services concluded that the type of activity was not allowable under Title III of the Social Security Act, which governs the use of funds for the administration of the Unemployment Insurance program. The U.S. Department of Labor requested the return of the \$250,000. DWD effectively returned the funds in early February 2002.

A federal review of the Fish and Wildlife Cluster (catalog #15.605 and #15.611) awarded to DNR by the U.S. Department of the Interior Fish and Wildlife Service for FFY 1994-95 and FFY 1995-96 identified questioned costs of \$5,067,771. The actual amount of the disallowance remains under negotiation. In its March 1999 proposed resolution, DNR contends that it has incurred excess matching expenditures sufficient to cover the potential disallowance.

## **7. Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) Rebates**

During FY 2000-01, DHFS received \$19,498,724 in cash rebates from infant formula manufacturers from the sale of formula to participants in the WIC program (catalog #10.557). Rebate contracts with infant formula manufacturers are authorized by 7 CFR 246.16(m) as a cost-containment measure. Rebates represent a reduction of expenditures previously incurred for WIC food benefit costs. Applying the rebates received to such costs enabled DHFS to extend program benefits to 33,355 more people than could have been served during FY 2000-01 in the absence of the rebate contracts.

## **8. Food Donation**

No expenditures were reported in the schedule for the Food Donation program (catalog #10.550) administered by DPI because this program involves the distribution of food commodities, and no funds were awarded to the State. The value of the food commodities distributed is not reported in the schedule. DPI distributed \$15,711,146 worth of food commodities during FY 2000-01 and had \$1,661,058 worth of food commodities on hand as of June 30, 2001.

## **9. Emergency Food Assistance Program**

The expenditures reported in the schedule represent administrative costs of the Emergency Food Assistance Program (Administrative Costs) (catalog #10.568) at the state and local levels. The value of the food commodities distributed under the Emergency Food Assistance Program (Food Commodities) (catalog #10.569) is not reported in the schedule. DHFS distributed approximately \$4,700,000 worth of food commodities during FY 2000-01 and had approximately \$870,000 worth of food commodities on hand as of June 30, 2001.

## **10. Community Development Block Grants/State's Program**

The Community Development Block Grants/State's Program (catalog #14.228) provides funds to local units of government to establish revolving funds for loans to businesses. Loan repayments from businesses in excess of certain program income limits must be returned to the State. Included as expenditures of the program is a total of \$2,851,030 that was supported by funds returned to the State.

## **11. State Criminal Alien Assistance Program**

During FY 2000-01, DOC received \$2,098,210 in awards from the U.S. Department of Justice under the State Criminal Alien Assistance Program (catalog #16.606). This grant is awarded to cover the costs previously incurred by the State for housing certain criminal aliens in the State's correctional system. There are no restrictions imposed on the use of the funds, and the grant program guidelines state that the funds should be treated as being expended as of the date received. For FY 2000-01, as mandated by the Wisconsin Legislature, DOC did not spend the \$2.1 million, but rather credited the funds directly to the General Fund to automatically lapse and be available for appropriation by the Legislature. In the Schedule of Expenditures of Federal Awards, the expenditure of these funds is shown under DOC; however, because the funds were lapsed to the General Fund for appropriation by the Legislature, no expenditures were recorded at DOC for this grant for FY 2000-01.

## **12. Unemployment Insurance Program**

Expenditures for the Unemployment Insurance program (catalog #17.225) include \$681,558,928 in benefits funded by the Wisconsin Unemployment Reserve Fund, \$5,923,333 in federally funded benefits, and \$58,038,538 in federally funded administrative costs during FY 2000-01.

## **13. Workforce Investment Act**

Included as expenditures of the Workforce Investment Act program (catalog #17.255) is \$1,066,947 from funds transferred into the program from the Job Training Partnership Act (catalog #17.250), and \$205,930 from funds transferred into the program from Employment and Training Assistance—Dislocated Workers (catalog #17.246).

## **14. Highway Planning and Construction**

Expenditures for the Highway Planning and Construction program (catalog #20.205) include project charges that have been incurred in excess of the federally approved project budget amount, but that are expected to be recovered in the next fiscal year. The balance of charges in excess of approved budgets totaled \$14.7 million as of June 30, 2001.

## **15. Loan Funds from Federal Highway Administration and Federal Railways Administration**

DOT received \$1,260,000 during FY 1998-99, \$75,000 during FY 1999-2000, and \$45,000 during FY 2000-01 from the Federal Highway Administration under the Highway Planning and Construction program (catalog #20.205). The federal funds were used to establish a revolving loan fund to assist local government transit and highway projects. DOT has issued \$950,400 in loans to local municipalities; \$911,082 remains outstanding as of June 30, 2001.

During FY 1994-95, DOT received \$70,400 in loan funds from the Federal Railways Administration under the Local Rail Freight Assistance program (catalog #20.308). DOT has issued the full amount of these loan funds to railroads. As of June 30, 2001, the balance of loans outstanding was \$4,400.

## **16. Donation of Federal Surplus Personal Property**

DOA is responsible for administration of the Donation of Federal Surplus Personal Property program (catalog #39.003). DOA has contracted with Wisconsin Technical College System Foundation, Inc., to receive and distribute the federal surplus property. As of July 1, 2000, the Foundation had on hand property with an initial cost to the federal government of \$4,316,366. During FY 2000-01, the

Foundation received from the federal government surplus personal property having an initial cost to the federal government of \$4,808,185. During the period, property with an initial cost of \$5,307,462 was distributed, leaving property with an initial cost to the federal government of \$3,817,089 on hand as of June 30, 2001. DOA does not maintain records of the fair market value of the property received but believes it is below the type A major grant threshold established by OMB Circular A-133.

**17. Capitalization Grants for State Revolving Funds and Capitalization Grants for Drinking Water State Revolving Fund**

The State of Wisconsin Environmental Improvement Fund is an enterprise fund of the State and is jointly administered by DNR and DOA. Included in the Environmental Improvement Fund is the Clean Water Fund Direct Loan Program, funded primarily by the federal government under the Capitalization Grants for State Revolving Funds (catalog #66.458) and Capitalization Grants for Drinking Water State Revolving Fund (catalog #66.468). As of June 30, 2001, loans outstanding were \$437,024,585 and \$63,800,229, respectively. Federal reporting requirements for the Clean Water Fund Direct Loan Program include financial statements prepared in accordance with generally accepted accounting principles, and information regarding loan recipients, loan amounts, loan terms, project categories of eligible costs, and similar details on other forms of assistance. DNR and DOA have previously provided this information to the U.S. Environmental Protection Agency in the following documents:

- the Environmental Improvement Fund program's FY 2000-01 and FY 1999-2000 audited financial statements, prepared in accordance with generally accepted accounting principles, including supplementary information specific to the Clean Water Fund Direct Loan Program;
- the State Revolving Fund intended use plan for FY 2000-01, prepared by DNR; and
- the State Revolving Fund annual report for FY 2000-01, prepared by DNR and DOA.

Copies of these documents are available from:

Wisconsin Department of Natural Resources  
Bureau of Community Financial Assistance  
P.O. Box 7921  
Madison, WI 53707

The expenditures included in the Schedule of Expenditures of Federal Awards are the amounts recorded on the State of Wisconsin's accounting system in accordance with the basis of accounting described in Note 1(B) and are not intended to be in accordance with generally accepted accounting principles.

## **18. Immunization Grants**

The expenditures reported in the schedule represent costs for administration, program services, and purchased vaccines of the Immunization Grants program (catalog #93.268). Not included in the schedule is the value of the vaccines received from the federal government as noncash assistance. DHFS distributed \$11,500,000 worth of noncash assistance vaccines during FY 2000-01 and had \$343,625 worth of vaccines on hand as of June 30, 2001.

## **19. Federal Block Grants**

State agencies are not required to submit a report to the federal grantor agency for the following federal block grants: Low-Income Home Energy Assistance (catalog #93.568); Community Services Block Grant (catalog #93.569); Empowerment Zones Program (catalog #93.585); Social Services Block Grant (catalog #93.667); Block Grants for Community Mental Health Services (catalog #93.958); Block Grants for Prevention and Treatment of Substance Abuse (catalog #93.959); Preventive Health and Health Services Block Grant (catalog #93.991); and Maternal and Child Health Services Block Grant to the States (catalog #93.994). This single audit report fulfills the reporting requirements of the eight federal block grants.

## **20. Social Services Block Grant**

Social Services Block Grant (catalog #93.667) expenditures claimed for federal reimbursement are not based directly on the DHFS accounting records for the grant. The grant expenditure claims are based on the social services expenditures reported by the county social service agencies throughout the state and summarized by the DHFS Community Aids Reporting System.

Expenditures reported in the schedule for the Social Services Block Grant include \$32,646,800 transferred from the federal award for the Temporary Assistance for Needy Families program (catalog #93.558).

## **21. Fee-for-Service Programs and Fixed-Price Contracts**

State agencies and UW System received fees for services or reimbursement under fixed-price contracts with the federal government or other subgrantor organizations. Actual costs to provide the services are not required to be reported to the federal government or other subgrantor organizations. The schedule includes actual amounts charged to the fixed-price contracts, which may be more than, equal to, or less than the contract funds received from the federal grantor agency or other subgrantor organizations.

## 22. Loans Collected by the University of Wisconsin

The expenditures in the schedule for the loan programs consist of loans advanced to students and collection costs charged to the loan funds during FY 2000-01. For the Perkins Loan Program, the expenditures in the schedule are funded by the federal capital contributions, institutional match, and loan repayments or other fees collected from student borrowers. Not included in the schedule is the amount of outstanding loans. The Perkins Loan (catalog #84.038), Health Professions Student Loan (catalog #93.342), and Nursing Student Loan (catalog #93.364) funds consisted of the following student loan receivable balances:

	Outstanding Balance, <u>June 30, 2001</u>
Perkins Loans:	
UW-Madison and UW-Green Bay	\$ 67,613,329
UW-Milwaukee	16,326,443
UW-Eau Claire	14,308,242
UW-La Crosse	6,594,282
UW-Oshkosh	6,598,989
UW-Parkside	2,630,483
UW-Platteville	5,760,705
UW-River Falls	5,449,617
UW-Stevens Point	14,876,506
UW-Stout	13,588,824
UW-Superior	1,774,930
UW-Whitewater	9,798,690
UW Colleges	<u>2,179,781</u>
Total Perkins Loans	\$167,500,821
Health Professions Student Loans:	
UW-Madison	\$ 6,408,662
Nursing Student Loans:	
UW-Madison	\$ 1,520,271
UW-Milwaukee	1,028,242
UW-Oshkosh	<u>1,734,709</u>
Total Nursing Student Loans	\$ 4,283,222

## 23. Other Loan Programs

UW System participates in the Federal Family Education Loans (FFEL) program (catalog #84.032), which includes Stafford Loans, Supplemental Loans for Students, and Parent Loans for Undergraduate Students. The FFEL program is a component of the student financial aid cluster. Lending institutions, such as banks, provide funds to students attending UW campuses, and UW staff are involved with certifying of loan applications and distributing loan checks to the student borrowers. The FFEL amounts disbursed to students during FY 2000-01 are shown in the schedule, except the amount of FFEL disbursed

by UW-Parkside, which includes only amounts actually processed through UW-Parkside. The amount awarded to students at UW-Parkside for FY 2000-01 was \$7,633,418. For all UW campuses, the total outstanding loan balance for FFEL is not available.

UW-Milwaukee, UW-Eau Claire, UW-Superior, and UW-Whitewater participate in the Federal Direct Loan program (catalog #84.268) instead of the FFEL program. The Federal Direct Loan program is similar to the FFEL program, except that the UW campuses, rather than financial institutions, are responsible for disbursing the loans. In addition, the loan funds are provided by the U.S. Department of Education. The Federal Direct Loan amounts advanced to students during FY 2000-01 are included in the schedule. The total outstanding loan balance for the Federal Direct Loan program is not available.

Prior to July 1, 1998, UW-Madison participated in the Health Education Assistance Loans (HEAL) program (catalog #93.108). The HEAL program is a component of the student financial aid cluster. Lending institutions, such as banks, provide funds to students enrolled in education programs for certain health professions, and UW-Madison staff are involved with the certification of loan applications. No new loans were made during the fiscal year, and no new loans will be made in the future. The total outstanding loan balance for the HEAL program at UW-Madison is not available.

HEAB also provided student loans funded by the HEAL program to eligible medical and dental students at qualifying universities or colleges in Wisconsin. These student loans are insured as to payment by the U.S. Department of Health and Human Services if a claim is filed after default, death, disability, or bankruptcy. HEAB did not receive any federal funds for claims from the U.S. Department of Health and Human Services in FY 2000-01. No new loans were made during the fiscal year, and no new loans will be made in the future. As of June 30, 2001, the balance of HEAL loans outstanding at HEAB was \$2,517,828.

#### **24. Administrative Cost Allowance**

Included in the student financial aid cluster are the total expenditures for the administrative cost allowance provided by the Federal Supplemental Educational Opportunity Grants program (catalog #84.007), Federal Work-Study Program (catalog #84.033), Perkins Loan Program (catalog #84.038), and Federal Pell Grant Program (catalog #84.063). The actual administrative cost allowance amount earned during the award year for each program has not been determined and is not included in the amount of expenditures for the four separate student financial aid programs.

#### **25. Program Income**

In some cases, program income related to federal grants is deposited in federal grant accounts and is spent for activities related to a grant. Certain program income accounts were identified by the UW campuses and excluded from the schedule. However, the schedule includes an unknown amount of expenditures funded by program income sources and not funded directly by federal grants.

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Appendix 1

**Twelve Largest Federal Grant Programs**  
FY 1996-97 to FY 2000-01

<u>Federal Grant Program</u>	<u>FY 1996-97</u>	<u>FY 1997-98</u>	<u>FY 1998-99</u>	<u>FY 1999-2000</u>	<u>FY 2000-01</u>	<u>Dollar Change FY 1996-97 to FY 2000-01</u>	<u>Percent Change FY 1996-97 to FY 2000-01</u>
Medicaid Cluster	\$1,651,365,721	\$1,689,469,427	\$1,767,450,058	\$1,934,144,025	\$2,355,546,243	\$704,180,522	42.6%
Unemployment Insurance*	505,103,897	519,911,199	546,011,002	566,590,860	745,520,799	240,416,902	47.6
Highway Planning and Construction Cluster	339,776,168	329,343,079	407,756,013	498,860,507	534,118,901	194,342,733	57.2
Student Financial Aid Cluster	341,162,408	359,004,855	366,516,129	378,790,477	396,698,400	55,535,992	16.3
Research and Development Cluster	252,115,732	258,993,708	271,672,655	299,802,747	329,355,524	77,239,792	30.6
Temporary Assistance for Needy Families	134,154,259	159,312,303	116,738,733	225,714,662	299,281,750	165,127,491	123.1
Food Stamp Cluster**	206,111,005	162,920,510	159,600,664	164,000,945	175,511,322	(30,599,683)	-14.8
Child Care Cluster	35,170,083	85,966,965	117,253,421	102,143,970	134,222,598	99,052,515	281.6
Title I Grants to Local Educational Agencies	118,599,950	127,436,831	130,050,294	124,909,782	128,768,891	10,168,941	8.6
Special Education Cluster	53,791,318	58,408,564	71,539,666	79,925,925	98,836,923	45,045,605	83.7
Foster Care—Title IV-E	81,440,873	81,634,001	88,058,476	99,707,633	84,564,498	3,123,625	3.8
Child Nutrition Cluster	79,346,868	75,267,466	77,297,877	84,219,148	83,637,580	4,290,712	5.4

\* Consists primarily of insurance benefits paid from employer contributions and not directly from federal funds.

\*\* Includes food stamps distributed and administrative expenditures.



## Appendix 2

### State Agency Contact Information

Listed below are the Wisconsin state agencies other than the University of Wisconsin that are included in the scope of the FY 2000-01 single audit, along with agency contact names, addresses, telephone numbers, fax numbers, and e-mail addresses. These agencies may be contacted regarding resolution of audit findings and questioned costs, or other matters concerning the audit. University of Wisconsin campus contact information is presented as Appendix 3.

#### Department of Health and Family Services

Ms. Phyllis Dubé, Secretary  
Audit Contact: Ms. Sally Acuff, Audit Liaison  
Bureau of Fiscal Services  
1 West Wilson Street  
P.O. Box 7850  
Madison, Wisconsin 53707-7850  
(608) 266-9576  
fax: (608) 264-9874  
e-mail: acuffsa@dhfs.state.wi.us

#### Department of Workforce Development

Ms. Jennifer Reinert, Secretary  
Audit Contact: Mr. Kipp Sonnentag, Director  
Bureau of Finance  
201 East Washington Avenue, Room 429  
P.O. Box 7946  
Madison, Wisconsin 53707-7946  
(608) 266-7272  
fax: (608) 267-7952  
e-mail: kipp.sonnentag@dwd.state.wi.us

#### Department of Transportation

Mr. Gene E. Kussart, Secretary  
Audit Contact: Ms. Cynthia A. Morehouse, Director  
Bureau of Financial Services  
4802 Sheboygan Avenue  
Madison, Wisconsin 53705  
(608) 266-7023  
fax: (608) 267-4455  
e-mail: cynthia.morehouse@dot.state.wi.us

Department of Public Instruction

Ms. Elizabeth Burmaster, State Superintendent  
Audit Contact: Mr. Vance Rayburn, Director  
Management Services  
125 South Webster Street  
P.O. Box 7841  
Madison, Wisconsin 53707-7841  
(608) 266-3320  
fax: (608) 266-3644  
e-mail: vance.rayburn@dpi.state.wi.us

Department of Administration

Mr. George Lightbourn, Secretary  
Audit Contact: Mr. Paul McMahon, Director  
Bureau of Financial Management  
101 East Wilson Street, 9th Floor  
P.O. Box 7869  
Madison, Wisconsin 53707-7869  
(608) 266-1359  
fax: (608) 264-9500  
e-mail: paul.mcmahon@doa.state.wi.us

Department of Natural Resources

Mr. Darrell Bazzell, Secretary  
Audit Contact: Mr. Troy Brown, Acting Reporting Section Chief  
Reporting Section, Bureau of Finance  
101 South Webster Street  
P.O. Box 7921  
Madison, Wisconsin 53707-7921  
(608) 266-2665  
fax: (608) 264-6277  
e-mail: browntb@dnr.state.wi.us

Department of Military Affairs

Major General James G. Blaney, Adjutant General  
Audit Contact: Mr. Larry Olson, Executive Assistant  
The Adjutant General's Office  
2400 Wright Street  
P.O. Box 14587  
Madison, Wisconsin 53714-0587  
(608) 242-3109  
fax: (608) 242-3154  
e-mail: larry.olson@wi.ngb.army.mil

Department of Commerce

Mr. Philip Edw. Albert, Secretary  
Audit Contact: Mr. Bob Rodriguez, Administrator  
Division of Administrative Services  
201 West Washington Avenue, 6th Floor  
P.O. Box 7970  
Madison, Wisconsin 53707-7970  
(608) 266-3494  
fax: (608) 266-7057  
e-mail: rrodriguez@commerce.state.wi.us

Wisconsin Technical College System Board

Mr. Richard Carpenter, State Director  
Audit Contact: Mr. Gregory Wagner, Director  
Bureau of Budget, Finance and Management  
310 Price Place  
P.O. Box 7874  
Madison, Wisconsin 53707-7874  
(608) 266-2947  
fax: (608) 266-1690  
e-mail: wagnerg@board.tec.wi.us

Department of Veterans Affairs

Mr. Raymond G. Boland, Secretary  
Audit Contact: Mr. Roger Graham, Director  
Bureau of Fiscal Services  
30 West Mifflin Street  
P.O. Box 7843  
Madison, Wisconsin 53707-7843  
(608) 266-3916  
fax: (608) 267-0403  
e-mail: roger.graham@dva.state.wi.us

Department of Justice

Mr. James E. Doyle, Attorney General  
Audit Contact: Mr. Dan Oakland, Financial Officer  
Bureau of Budget and Finance  
17 West Main Street  
P.O. Box 7857  
Madison, Wisconsin 53707-7857  
(608) 266-2609  
fax: (608) 266-1656  
e-mail: oaklandddl@doj.state.wi.us

Department of Corrections

Mr. Jon E. Litscher, Secretary  
Audit Contact: Ms. Beverly Balakhovsky, Director  
Bureau of Finance and Administrative Services  
3099 East Washington Avenue  
P.O. Box 7925  
Madison, Wisconsin 53707-7925  
(608) 240-5420  
fax: (608) 240-3342  
e-mail: bev.balakhovsky@doc.state.wi.us

Department of Agriculture, Trade and Consumer Protection

Mr. James E. Harsdorf, Secretary  
Audit Contact: Ms. Barbara Knapp, Director  
Bureau of Budget and Accounting  
2811 Agriculture Drive  
P.O. Box 8911  
Madison, Wisconsin 53708-8911  
(608) 224-4746  
fax: (608) 224-4737  
e-mail: barb.knapp@datcp.state.wi.us

Wisconsin Historical Society

Dr. George Vogt, Director  
Audit Contact: Mr. David Seligman, Administrator  
Division of Administrative Services  
816 State Street, Room 325  
Madison, Wisconsin 53706  
(608) 264-6434  
fax: (608) 264-6433  
e-mail: dhseligman@whs.wisc.edu

Higher Educational Aids Board

Ms. Jane Hojan-Clark, Executive Secretary  
Audit Contact: Ms. Sherrie Nelson, Financial Manager  
Office of Administrative Services/Fiscal Affairs  
131 West Wilson Street, Suite 902  
P.O. Box 7885  
Madison, Wisconsin 53707-7885  
(608) 267-2944  
fax: (608) 267-2808  
e-mail: sherrie.nelson@heab.state.wi.us

#### Wisconsin Arts Board

Mr. George Tzougros, Executive Director  
Audit Contact: Ms. Connie Miller, Assistant Director for Administration  
101 East Wilson Street, 1st Floor  
Madison, Wisconsin 53703  
(608) 266-0841  
fax: (608) 267-0380  
e-mail: connie.miller@arts.state.wi.us

#### Child Abuse and Neglect Prevention Board

Ms. Nadine Schwab, Executive Director  
Audit Contact: Ms. Sally Acuff, Audit Liaison  
Bureau of Fiscal Services  
Department of Health and Family Services  
1 West Wilson Street  
P.O. Box 7850  
Madison, Wisconsin 53707-7850  
(608) 266-9576  
fax: (608) 264-9874  
e-mail: acuffsa@dhfs.state.wi.us

#### Public Service Commission

Ms. Ave M. Bie, Chairperson  
Audit Contact: Mr. Gordon Grant, Director  
Bureau of Fiscal Services  
610 North Whitney Way, 2nd Floor  
P.O. Box 7854  
Madison, Wisconsin 53707-7854  
(608) 267-9086  
fax: (608) 266-3957  
e-mail: gordon.grant@psc.state.wi.us

#### Educational Communications Board

Mr. Thomas Fletemeyer, Executive Director  
Audit Contact: Mr. Ted Tobie, Associate Director  
Finance and Administrative Services  
3319 West Beltline Highway  
P.O. Box 4296  
Madison, Wisconsin 53713-4296  
(608) 264-9667  
fax: (608) 264-9664  
e-mail: ttobie@ecb.state.wi.us

Department of Tourism

Mr. Richard Speros, Secretary  
Audit Contact: Mr. Glenn Aumann, Accountant  
Bureau of Administrative Services  
P.O. Box 7976  
Madison, Wisconsin 53707-7976  
(608) 266-7933  
fax: (608) 266-3403  
e-mail: gaumann@tourism.state.wi.us

Board on Aging and Long-Term Care

Mr. George F. Potaracke, Executive Director  
214 North Hamilton Street, 2nd Floor  
Madison, Wisconsin 53703-2118  
(608) 266-8945  
fax: (608) 261-6570  
e-mail: george.potaracke@ltc.state.wi.us

Department of Revenue

Mr. Richard G. Chandler, Secretary  
Audit Contact: Ms. Diane L. Hardt, Administrator  
Income, Sales, and Excise Tax Division  
2135 Rimrock Road  
P.O. Box 8933  
Madison, Wisconsin 53708-8933  
(608) 266-6798  
fax: (608) 261-6240  
e-mail: dhardt@dor.state.wi.us

Department of Employment Relations

Mr. Peter Fox, Secretary  
Audit Contact: Ms. Elizabeth Reinwald, Budget Officer  
Division of Administrative Services  
345 West Washington Avenue  
Madison, Wisconsin, 53707-7855  
(608) 266-5316  
fax: (608) 267-1020  
e-mail: elizabeth.reinwald@der.state.wi.us

Department of Employee Trust Funds  
Mr. Eric Stanchfield, Secretary  
Audit Contact: Mr. Bob Willett, Director  
Controllers Office  
801 West Badger Road  
P.O. Box 7931  
Madison, Wisconsin 53707-7931  
(608) 266-0904  
fax: (608) 267-0633  
e-mail: bob.willett@etf.state.wi.us

Department of Electronic Government  
Ms. Rebecca Heidepriem, Secretary  
Audit Contact: Ms. Susan Puntillo, Director  
Office of Change Management  
101 East Wilson Street, 8th Floor  
Madison, Wisconsin 53707  
(608) 267-0614  
fax: (608) 267-0626  
email: susan.puntillo@deg.state.wi.us

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## Appendix 3

### University of Wisconsin Campus Contact Information

Listed below are the University of Wisconsin campuses included in the scope of the FY 2000-01 single audit, along with campus contact names, addresses, telephone numbers, fax numbers, and e-mail addresses. These campuses may be contacted regarding resolution of audit findings and questioned costs, or other matters concerning the audit.

UW-Madison for student financial aids:

Mr. Steve Van Ess, Director  
Office of Student Financial Services  
University of Wisconsin-Madison  
432 North Murray Street  
Madison, Wisconsin 53706-1496  
(608) 263-3202  
fax: (608) 262-9068  
e-mail: [steve.vaness@finaid.wisc.edu](mailto:steve.vaness@finaid.wisc.edu)

UW-Madison for other federal compliance:

Ms. Nancy L. Wilkinson, Assistant Vice Chancellor for Research  
Office for Research and Sponsored Programs  
University of Wisconsin-Madison  
750 University Avenue, Room 456  
Madison, Wisconsin 53706-1490  
(608) 262-3822  
fax: (608) 262-5111  
e-mail: [nwilkinson@rsp.wisc.edu](mailto:nwilkinson@rsp.wisc.edu)

Mr. William J. Vance, Assistant Dean  
Office for Research and Sponsored Programs  
University of Wisconsin-Madison  
750 University Avenue, Room 450  
Madison, Wisconsin 53706-1490  
(608) 262-3822  
fax: (608) 262-5111  
e-mail: [wvance@rsp.wisc.edu](mailto:wvance@rsp.wisc.edu)

UW-Milwaukee:

Mr. Paul Rediske, Director of Internal Audit  
University of Wisconsin-Milwaukee  
P.O. Box 413  
Milwaukee, Wisconsin 53201  
(414) 229-5586  
fax: (414) 229-6539  
e-mail: pwr@bfs.uwm.edu

UW-Eau Claire:

Ms. Valerie Wing, Internal Auditor  
University of Wisconsin-Eau Claire  
NUR-216  
Eau Claire, Wisconsin 54701  
(715) 836-5407  
fax: (715) 836-4319  
e-mail: wingvc@uwec.edu

UW-Green Bay:

Mr. John Majewski, Internal Auditor, Business and Finance  
University of Wisconsin-Green Bay  
CL 835B  
2420 Nicolet Drive  
Green Bay, Wisconsin 54311-7001  
(920) 465-5067  
fax: (920) 465-2038  
e-mail: majewskj@uwgb.edu

UW-La Crosse:

Mr. William Graumann, Internal Auditor  
University of Wisconsin-La Crosse  
271 Morris Hall  
La Crosse, Wisconsin 54601  
(608) 785-8721  
fax: (608) 785-8544  
e-mail: graumann.will@uwlax.edu

UW-Oshkosh:

Mr. Shawn H. Kelly, Internal Auditor  
University of Wisconsin-Oshkosh  
800 Algoma Boulevard  
Oshkosh, Wisconsin 54901-8609  
(920) 424-3483  
fax: (920) 424-2240  
e-mail: kellys@uwosh.edu

UW-Parkside:

Mr. Dennis J. Irwin, Internal Auditor  
University of Wisconsin-Parkside  
900 Wood Road, Box 2000  
Kenosha, Wisconsin 53141-2000  
(262) 595-3223  
fax: (262) 595-2630  
e-mail: irwin@uwp.edu

UW-Platteville:

Mr. Stephen Zielke, Assistant Chancellor for Business Affairs  
University of Wisconsin-Platteville  
330 Brigham Hall  
1 University Plaza  
Platteville, Wisconsin 53818  
(608) 342-1226  
fax: (608) 342-1232  
e-mail: zielke@uwplatt.edu

UW-River Falls:

Mr. Kelly J. Kloss, Internal Auditor  
University of Wisconsin-River Falls  
North Hall, Room 143  
River Falls, Wisconsin 54022  
(715) 425-3388  
fax: (715) 425-3939  
e-mail: Kelly.J.Kloss@uwrfl.edu

UW-Stevens Point:

Ms. Christine Cherney, Internal Auditor  
University of Wisconsin-Stevens Point  
2100 Main Street  
Stevens Point, Wisconsin 54481  
(715) 346-4693  
fax: (715) 346-4011  
e-mail: ccherney@uwsp.edu

UW-Stout:

Ms. Darlene Bertelsen, Internal Auditor  
University of Wisconsin-Stout  
Administrative and Student Life Services  
Room 225 Administration Building  
Menomonie, Wisconsin 54751-0790  
(715) 232-2641  
fax: (715) 232-2293  
email: bertelsend@uwstout.edu

UW-Superior:

Ms. Janet K. Hanson, Vice Chancellor for Administration and Finance  
University of Wisconsin-Superior  
P.O. Box 2000  
Superior, Wisconsin 54880  
(715) 394-8014  
fax: (715) 394-8171  
email: [jhanson@exchange.uwsuper.edu](mailto:jhanson@exchange.uwsuper.edu)

UW-Whitewater:

Mr. Mike Klink, Internal Auditor-Senior  
University of Wisconsin-Whitewater  
800 West Main Street  
Whitewater, Wisconsin 53190-1790  
(262) 472-5671  
fax: (262) 472-5668  
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