

STATE OF WISCONSIN

Senate Journal

Eighty-Eighth Regular Session

2:15 P.M.

THURSDAY, February 12, 1987

The senate met.

The senate was called to order by Fred A. Risser, president of the senate.

MOTION CALLING EXTRAORDINARY SESSION

In accordance with Joint Resolution 7 it was moved that the Legislature meet in Extraordinary session commencing at 2:15 P.M. on Thursday, February 12, 1987, for the purpose of taking action on the following legislative business:

Joint Convention for Governor Thompson's Budget Message

The senate stood for the prayer which was offered by Reverend Thomas B. Woodward of the St. Francis House, Episcopal Campus Ministry of Madison.

By request of Senator Strohl, with unanimous consent, the calling of the roll was dispensed with.

INTRODUCTION OF BILLS

Read first time and referred:

Senate Bill 95

Relating to extending the agricultural production loan guarantee program administered by the Wisconsin housing and economic development authority and making an appropriation.

By Senators Kreul, Harsdorf and Chilsen.

To committee on Agriculture, Health and Human Services.

Senate Bill 96

Relating to the interstate acquisition and merger of banks, credit unions and savings and loan associations, granting rule-making authority and providing penalties.

By Senators Czarnecki, Plewa, and Norquist; cosponsored by Representatives Kunicki, Loftus and Shoemaker.

To committee on Aging, Banking, Commercial Credit and Taxation.

Senate Bill 97

Relating to the property tax part of the farmland preservation credit formula.

By Senators Kreul, Kincaid, Lasee, Van Sistine and Chilsen; cosponsored by Representatives Porter, Ladwig, Paulson, Turba, Tregoning and Brandemuehl.

To committee on Agriculture, Health and Human Services.

Senate Bill 98

Relating to battery to a spouse and providing penalties.

By Senators Kreul, Lasee, Ulichny and Engeleiter; cosponsored by Representatives Fortis, Porter, Tregoning and Musser.

To committee on Judiciary and Consumer Affairs.

Senate Bill 99

Relating to allowing certain trailers to be drawn by a motor truck without a permit.

By Senators Kreul, Kincaid, Lasee and Harsdorf; cosponsored by Representatives Volk, Schultz, Ladwig, Paulson, Turba, Tregoning and Bolle.

To committee on Transportation, Tourism and Conservation.

PETITIONS AND COMMUNICATIONS

State of Wisconsin
Wisconsin Housing and
Economic Development Authority

February 4, 1987

To the Honorable the Legislature

I am pleased to announce that the Wisconsin Housing and Economic Development Authority (WHEDA) is now soliciting applications for the reservation of allocations under the State's \$5.9 million Low-Income Housing Credits (LIHC) Program.

WHEDA staff will hold informational sessions on the LICH throughout the state during the next few weeks. Should your constituents wish to receive more information on the tentative schedule, they may call the WHEDA toll free information service at 1-800-362-2767 during normal business hours.

If you have any questions, please feel free to call.

RICHARD J. LONGABAUGH
Executive Director

EXECUTIVE COMMUNICATIONS

State of Wisconsin
Office of the Governor

February 9, 1987

To the Honorable, the Senate:

I am pleased to nominate and with the advice and consent of the Senate, do appoint STEPHEN H. SCHOENFELD of Madison to the Wisconsin Employment Relations Commission as Chairperson and

Commissioner, pursuant to the statute governing, to serve a term to expire March 1, 1993.

Respectfully,
TOMMY THOMPSON
Governor

Read and referred to committee on Housing, Government Operations and Cultural Affairs.

SENATE CLEARINGHOUSE ORDERS

Senate Clearinghouse Rule 86-45

Relating to grants for agencies that provide shelter and related services to homeless persons.

Submitted by Department of Health and Social Services.

Report received from agency, February 10, 1987.

Referred to committee on Agriculture, Health and Human Services, February 12, 1987.

Senate Clearinghouse Rule 86-169

Relating to selecting locations for supervised business enterprises operated by blind persons and giving preference for transfer to a new location to an operator whose sales have declined sharply due to factors beyond his or her control.

Submitted by Department of Health and Social Services.

Report received from agency, February 10, 1987.

Referred to committee on Agriculture, Health and Human Services, February 12, 1987.

Senate Clearinghouse Rule 86-196

Relating to a schedule of fees for nuclear power plants.

Submitted by Department of Administration.

Report received from agency, February 9, 1987.

Referred to committee on Urban Affairs, Energy, Environmental Resources and Elections, February 12, 1987.

Senate Clearinghouse Rule 86-225

Relating to benefits for home health coverage under disability insurance policies.

Submitted by Office of the Commissioner of Insurance.

Report received from agency, February 10, 1987.

Referred to committee on Labor, Business, Insurance, Veterans and Military Affairs, February 12, 1987.

MESSAGE FROM THE ASSEMBLY

By Thomas T. Melvin, chief clerk.

Mr. President:

I am directed to inform you that the assembly has concurred in:

Senate Bill 26

Senate Bill 54

Assembly Bill 30, senate amendments 1, 2, 5, 6 and 8

The chair appointed Senators George and Stitt to await upon the Governor.

The senate proceeded in a body to the Assembly Chamber to meet in Joint Convention to receive the Budget Message.

**IN ASSEMBLY CHAMBER
IN JOINT CONVENTION**

The President of the Senate in the chair.

The committee to await upon the Governor appeared with his excellency the Governor, who delivered his message as follows:

Lieutenant Governor McCallum, constitutional officers, Speaker Loftus, President Risser, members of the Senate, members of the Assembly, members of the Cabinet, distinguished guests and the people of Wisconsin.

Before we begin our discussion of numbers dollars that will "add up" to good government for the people of Wisconsin, I want to talk to you as a former legislator and a friend.

When I think about everything that has been accomplished by the Legislature during your first few weeks this year, I feel great pride that I know all of you and that I once served here with you as a legislator.

You passed so many important bills and you did such a great job. I am very grateful to you.

Together, we are tackling Wisconsin's problems.

We are implementing solutions.

And, we are making government more effective for people.

Sincerely, I do truly appreciate the hard work you have already done.

I invited you to a partnership two weeks ago and you have defined our partnership in such a very positive way.

I am grateful to you for that. Together, we are moving Wisconsin forward again.

With this budget, we are facing several difficult challenges.

Wisconsin must become more competitive. We must create more jobs and we must stimulate greater business activity for our people.

Of course, the best thing about creating new jobs is that the first ones to benefit from them will be the poor, the unemployed and the under-employed. When a person gets a good job, it solves a lot of problems.

To meet each challenge, we will be making some very tough decisions.

Denying requests for new programs is not an easy job. There are many fine programs and ideas that deserve our financial support. But, when the money isn't there to spend, we cannot spend it.

Together, we are also facing the challenge of making state government more cost-efficient and the challenge of maintaining our quality of life.

Again, we will be called upon to make some very tough decisions.

The budget I am giving to you is a very responsible budget and it is a "tight" budget. Spending is adequate, but not excessive.

29 state agencies will receive less funding than this fiscal year. Two agencies will receive the same and only 16 will receive increases.

The only major increases are for:

- Aid to local schools and local governments,
- Economic development and tourism promotion,
- Workfare,
- The University of Wisconsin System,
- And Repairing our state and local highways.

I followed several basic principles in preparing this budget for you.

1. We implemented position rejustification for every new vacancy so that state government employs only the number of people it needs to get the job done,
2. We used reduced base budgeting at 95% to help agencies prioritize their requests, and
3. Most of the time, lost federal funds were not replaced with state funds.

In this budget, we are closing the gap between tax collection and spending. In future years, there won't be a gap and we will not spend more than we collect.

To achieve our goals, I have already "cut away" more than \$900 million in requests that came from state agencies at the beginning of the budget process.

I am proud to say that this budget is stopping and controlling the growth of spending for state government operations.

For the next fiscal year, I am proposing that we spend \$5.3 billion in state general purpose revenue (GPR) funds. That is an increase of only 3.6% which is also the projected rate of inflation for the next fiscal year.

The 3.6% is far below the 10% average annual rate of increase for the last twenty years.

And, if budgeted increases in employe salaries and university funding are deducted, all of the rest of state agency operations will spend less money than they will use during the current fiscal year.

That means that we have stopped the growth of normal government operations.

We can accomplish good government with less money in most areas because I have already implemented a new management philosophy for state government which emphasizes several important concepts:

- Strategic goal-setting,
- Long-term fiscal planning, and
- With your cooperation, the use of annual budgets.

We will also:

- Continue the use of 95% reduced base budgeting in each budget cycle, and
- Continue position rejustification to save tax dollars.

This new philosophy builds on the excellent work of the Strategic Development Commission and the Wisconsin Expenditure Commission. We are not letting those studies gather dust on the shelf.

Wisconsin must become competitive. We must control our spending. We need to implement the excellent recommendations of those commissions at the state level and encourage local governments to do the same.

Our expenditure goal is that we want to be equal to the national average per \$1,000 of personal income by fiscal year 1993, instead of being 18% higher than the national average.

Therefore, during my administration, you will see an "above average" application of many sound business principles into the operation of state government to save tax dollars and prevent spending increases.

I have already directed the Department of Administration to analyze all contracting and purchasing procedures.

But the goal of saving tax dollars will not stop there. We will become involved in many other cost-cutting, better management practices in areas such as:

- Office automation,
- Computerization,
- Better office space allocation,
- Better leasing policies,
- And department and agency reorganization.

The new goal of every state agency under my direction is not to spend every nickel that is appropriated, but to return as much money as possible back to the state treasury at the end of each fiscal year.

Our new policy of long-term planning means that the top ten GPR programs, which traditionally drive the budget, will be intensely analyzed every year.

In addition, it means that the needs of local schools and local governments will usually be given priority over state agencies.

But, we also hope that our local schools and local governments will become increasingly innovative and more efficient.

81% of the GPR spending increases in my proposed budget will go to local assistance programs and property tax relief. That's right — 81%.

State aids to local schools will be increased by \$131 million so that we can move toward the goal of 50% state funding within four years.

The school aid "credits" experiment will be ended and \$198 million will be sent directly to schools.

The conversion of other aids to credits will be postponed.

State mandates will be eliminated or changed through rule changes and, with your cooperation, through new legislation.

And, shared revenues will be increased \$6 million to relieve some of the local pressures that can cause property tax increases.

Other proposed actions to help education include:

- State funding for competency-based text scoring,
- The creation of an administrator leadership academy,
- Examining the feasibility of a special support system for first year teachers so that a higher percentage of good teachers will stay in teaching,
- And a uniform third grade reading test program to assist in the early identification of learning problems.

We will also be starting a special experimental program to encourage minority students to become teachers and teach in the Milwaukee school system. They will be able to borrow money from a special loan

fund. For every year that they teach in the Milwaukee schools, one-fourth of their loan will be cancelled.

Also in the budget, state funds for vocational-technical and adult education will be increased \$3.8 million.

My budget proposal includes changes in the mediation/arbitration law to help local schools gain greater control over their own costs.

With your cooperation, my proposal would first restrict unilateral petitioning for binding arbitration to situations in which the wage offer is less than the preceding year's increase in the cost of living.

This will inject some fiscal realism into the collective bargaining process and provide incentives for negotiated settlements that reflect the interests of all parties.

Second, my proposal replaces "total final offer" arbitration with a process in which an arbitrator is allowed to create a compromise by picking and choosing on an issue by issue basis. This will avoid the "winner take all" atmosphere that can cause great bitterness in our communities.

Third, my proposal would direct arbitrators to consider local economic conditions and the impact on local property taxes in making their decisions.

Of course, I am also very optimistic that the local Property Tax Relief Commission that I recently appointed will have even more good ideas for you to consider this fall.

These proposals are so very important because education is so very important to Wisconsin's future.

Today is Abraham Lincoln's birthday. 178 years ago, a little less than 600 miles away from here, Abraham Lincoln was born.

He was one of our greatest leaders and in his very first public political speech in 1832, he said,

"Education is the most important subject that we, as a people, can be engaged in."

Those words are still true today.

That's why my budget includes such a commitment to education.

My goal is to push even higher the quality of education that our students are receiving.

That's why I am proposing 480 additional faculty positions for the University of Wisconsin System.

The additional teachers will reduce the student-faculty ratio by 10% and also allow the creation of over 800 class sections so that students can get the classes they need to graduate on time and join the work force.

The Regents had requested a 17% tuition increase, but even with these new positions and new class sections,

I am proposing a tuition increase of only 12% — almost a third less.

The tuition increases will be used to expand these instructional opportunities for students.

I am also proposing \$1 million for the purchase of additional library materials and enough funding to finally automate the registration process at the Madison Campus.

In addition, this budget requests a \$2.4 million increase for research and extension efforts.

We are also providing new management flexibility for the University System and encouraging the Board of Regents to develop focused mission statements for each institution and to begin a systemwide assessment process.

A special minority student loan fund will be started. Students from designated inner-city high schools who achieve a certain grade point average will have their tuition reduced or eliminated so that they can attend college.

We want to provide this incentive so that more minority students can have added motivation to do well in high school. If they get the grades, the door will be open for them.

We already have a great university system, but I sincerely believe that these proposals will give us an even better university.

Because the world of learning is just one step away from the world of work, we must also have compassion for those people who need extra help in their lives to not only survive, but also become productive.

Therefore, my budget proposal contains several improvements in the welfare system.

300,000 Wisconsin citizens receive aid to families with dependent children (AFDC). 200,000 of them are children and four out of every five of the adults in the program are women.

Changes are needed for many reasons.

The AFDC caseloads have grown much faster than the population increase.

In the past four years, there has been a significant increase in the length of time families stay on AFDC which means that those individuals are having a difficult time finding work.

The number of families receiving AFDC for over three years has grown 42%.

And, between 1980 and 1985, here in Wisconsin, our state share of AFDC costs increased 108% while the nationwide state share grew only 26%.

Our present AFDC program steers these people into lives of dependency. We know they want better lives for themselves and for their children.

AFDC payments will be reduced 5% from the current level.

But, even with this reduction, recipients will still be getting 37% higher payments than the average of the other Great Lakes states.

A Wisconsin family of three will be receiving \$517 per month. Families in other Great Lakes states are receiving an average of \$377 per month.

And, all of the savings from the 5% reduction plus \$2.5 million in additional state funds will be invested in welfare improvements to really help the AFDC families.

I added the additional state funds because I believe that all of us have a stake in welfare reform, not just the recipients.

Here is what we will do with that money.

We will begin to expand workfare to every county.

The workfare program itself will be receiving a \$14.3 million increase in state funding.

That money will also fund day care for working families who receive employment through workfare.

We will begin a "learnfare" program for adolescent parents to continue and complete school. We will also fund day care services for those students. I think that it is very important for young parents to get the education and the skills they need to provide for themselves and their children.

Helping these young people at the beginning of their parenting years will probably save tax dollars in the long run. But, more important than that, is the good that can be done in helping a young family become successful in work and in life.

We will also expand our commitment to adolescent parent self-sufficiency programs.

We will extend medical assistance coverage to the children of more low-income families.

We will implement the grant-diversion waiver to provide even more employment opportunities.

We will provide money to complete the child support data system.

We will expand the welfare fraud initiative from four to fourteen counties.

And, we will increase our efforts to maximize child support collections.

157,000 children in Wisconsin are eligible for child support, but receive nothing from the noncustodial parent.

With your help, we will not allow such neglect to continue.

And, also with your cooperation, we will strengthen the state law regarding child support court orders for

AFDC cases. We want to give judges the power to order noncustodial parents to work.

With your help, we will also provide assistance to counties for their collection efforts. We will also intensify efforts to collect child support by intercepting state tax refunds.

Within the next two weeks, I will personally seek special waivers from Secretary of Health and Human Services Otis Bowen in Washington so that we can better serve our people.

In the area of general relief for people in need, my budget proposal will increase the state reimbursement rates for counties.

To solve the county mandate problems, we will be using the recommendations of the county mandate study to offer legislation to you that will give local governments the flexibility to operate more efficiently.

To increase competition in the health care area and help the consumer contain health care costs, my budget creates a health care information office that will provide information to providers and consumers regarding health care costs and quality.

We will also expand the state's program for enrolling medical assistance recipients into HMO's to an additional four counties.

In the youth aids program, the budget proposal will continue funding for the additional \$2.5 million appropriated in 1986 for counties with high levels of serious arrests.

The budget also continues one of the most humane programs we have — the funding of shelters for the homeless. These shelters are the safety net of last resort and we must keep them open.

And, my budget proposal will establish a study of the current juvenile justice system so that it can be improved.

I am also advocating a separate Department of Corrections to improve the management of the state correctional system.

We also want to continue funding for correctional officer positions that were scheduled to end this year because overcrowding continues to be a problem in our prison system.

With regard to our highway system, I would like to emphasize that improvements are needed if we are to become competitive with other states for new business.

Our state highways need to be maintained and repaired. Currently 14% of the total miles have poor surface conditions.

1,522 miles are deficient. Another 1,423 miles will need rehabilitation by 1990.

We want to increase the local highway aids program by \$9.8 million and expand the reconstruction and

resurfacing program from 387 miles annually to 450 miles. This would include a \$50.1 million increase in funding.

If you approve, we will establish, for the first time, a local arterial and collector program to rebuild local highways. First year funding would be \$21.5 million.

Under this program, both urban and rural areas would benefit because the new arterial program will identify and fund the repairing of the worst local highways first.

Additional work will be done to restore Wisconsin's interstate highways. Bridges will be rebuilt and repaired. Transit aids will continue at the same percentage rate and local airports will be improved.

Eight new major highway projects are included in the budget proposal. \$1 million is set aside for design work on Highway 53, south of Superior.

To further improve the infrastructure of our cities and towns, my budget proposal will complete the funding cycle for the Wisconsin Fund that began ten years ago.

By the end of the next fiscal year, funds will have been provided so that 95% of Wisconsin's municipalities will be able to meet pollution discharge standards.

However, I do not think the need for this activity will end. Therefore, I will create a task force to recommend how the state can be of further assistance to help municipalities solve their pollution control problems.

Because there continues to be confusion about the federal government's activities in the area of siting a high level radioactive waste facility, my budget puts state dollars into funding the state's Radioactive Waste Review Board.

The federal government stopped funding, but I am putting state money into it. Of course, this is an exception to my policy of normally not replacing lost federal funds with state funds, but I think it's necessary.

To better improve water quality and reduce soil erosion, my budget will direct the Department of Administration to submit a proposal to the Joint Finance Committee that would combine four soil and water conservation programs into one program administered by the Department of Agriculture. The programs will continue to retain their emphasis on water quality.

In my budget, I am also proposing that the environmental repair fund be increased by \$1.3 million and that the state set aside matching funds for the federal superfund grants.

My budget would also improve the drug enforcement program with \$8 million in additional federal funds and \$1.3 million in added state dollars.

The Wisconsin Council on Criminal Justice will coordinate the drug program.

With your cooperation, the budget will also provide money to make improvements in the State Crime Lab.

This budget will provide new and specialized employment services to unemployment compensation recipients which will include job search assistance, job skills assessment and career counseling. This program has the potential to save the state several millions of dollars.

This budget will remove training gaps and unnecessary duplication in the many different employment training programs. We are also requesting that job centers have strong local advisory boards.

All of these proposals have something in common. They all meet the three challenges I mentioned earlier.

With this budget, we will:

- Create more jobs,
- Make state government more efficient
- And maintain and enhance our quality of life.

And, this budget will work well with the proposals I outlined in the State of the State speech.

Yes, we need to simplify our State Income Tax to conform to federal changes and reduce the state tax rates by 3.5%

Yes, we need to keep the 60% deduction to retain and invite more capital investment in Wisconsin.

Yes, we need to phase out our very high inheritance and gift taxes.

Yes, we need to tackle and solve the property tax problem.

And, yes we need to continue the new start we have already had in revitalizing economic development in Wisconsin in both the public and private sectors.

I am asking that tourism promotion funding be increased to \$5 million per year. That's an increase of \$3.7 million, over what was originally funded for this year.

The budget bill also includes special language that creates two special merit review exemptions in the area of securities. The Federal Securities Commission already reviews proposed stock offerings.

Therefore, when very strong Wisconsin companies want to issue stock, we should not have the burden of a state merit review. My proposal would eliminate the merit review for strong companies so that excessive business regulation can be reduced and more economic growth can happen right here in Wisconsin.

The boost in tourism, the better coordination with Forward Wisconsin, the new initiatives in international trade, the creating of a jobs action network, working together with the University of Wisconsin . . . These are all important steps forward.

We must be optimistic and build on our successes by promoting the good news about Wisconsin while we work hard to correct the problems facing our state.

Last Monday, General Motors announced that it would continue production of the Cadillac Cimarron in Janesville until at least 1989. Janesville is also still being considered for GM's medium-duty truck line.

Last weekend, Chrysler announced that it would invest at least \$100 million into the Kenosha AMC plant if the financial agreement can be reached between AMC, Chrysler, the United Auto Workers and the state.

So, we have good reason to be optimistic. Our attitudes about ourselves are changing. The perceptions that other people have about Wisconsin as a place to do business are changing.

And, my friends, the reason is you.

This budget is "tight", but it also helps people help themselves. It gives them a hand, not a hand-out.

It's one of the three smallest budget increases in the past 25 years . . . But, it gets the job done.

And, that's what our "business" is all about — doing the people's business for them as their chosen leaders.

On the day I was given the privilege of being your Governor, I mentioned that the children who enter Kindergarten this fall will graduate from high school in the year 2000.

How will they think of us when they look back at this time in Wisconsin's history?

Will they have a great university and vocational school system where they can obtain more skills?

Will they have the quality of life we enjoy today?

Will there be jobs for them?

Will they enjoy the freedom that Abraham Lincoln fought so hard to save for all of us?

I believe that we were elected to represent those young people just as much as we were elected to represent the people who are old enough to vote.

What we do this year, and in the next years, will determine our futures and their futures.

Because you have defined our new partnership in such a positive way during the past few weeks, I sincerely believe that those high school graduates in the year 2000 will look back at us and feel pride and admiration on what Wisconsin's leaders did in the last years of the 1980's to make Wisconsin the best state in the Union to live and work and raise a family.

Thank you very much for caring so much.

Upon motion of Senator Strohl the senate adjourned upon the arising of the Joint Convention.

3:04 P.M.

CHIEF CLERK'S CORRECTION

Suggested by Legislative Reference Bureau

Senate Bill 32

1. Page 44, line 15: after "(1)" insert "RULE MAKING."