

STATE OF WISCONSIN

Senate Journal

Eighty-Eighth Regular Session

10:00 A.M.

TUESDAY, January 26, 1988

The senate met.

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

The senate stood for the prayer which was offered by Reverend Ernest Norquist, father of Senator Norquist and retired pastor of Presbyterian Church, Milwaukee.

The senate remained standing and Senator Van Sistine led the senate in the pledge of allegiance to the flag of the United States of America.

The roll was called and the following senators answered to their names:

Senators Adelman, Andrea, Chilsen, Chvala, Cowles, Czarnecki, Davis, Ellis, Engeleiter, Feingold, George, Harsdorf, Helbach, Jauch, Kincaid, Kreul, Lasee, Lee, Leean, Lorman, Moen, Norquist, Plewa, Risser, Roshell, Rude, Stitt, Strohl, Te Winkle, Ulichny, Van Sistine and Weeden — 32.

Absent — Senator Buettner — 1.  
Absent with leave — None.

INTRODUCTION OF BILLS

Read first time and referred:

Senate Bill 487

Relating to battery to sports officials, immunity from liability for sports officials and creating a penalty.

By Senator Andrea; cosponsored by Representative Hamilton.

To committee on Judiciary and Consumer Affairs.

Senate Bill 488

Relating to the powers of the board of fire and police commissioners in 1st class cities.

By Senators Plewa, Moen, Lee, Chvala, Weeden, Andrea, Feingold and Czarnecki; cosponsored by Representatives Becker, Kunicki, Krusick, Wineke, Fortis, Bock, Hauke, Nelsen, Seery, Holschbach, Schmidt, Schneiders, Coleman, Travis and Porter.

To committee on Urban Affairs, Energy, Environmental Resources and Elections.

Senate Bill 489

Relating to point source pollution abatement funding eligibility requirements.

By Senators Ellis, Buettner, Leean, Lorman and Van Sistine; cosponsored by Representatives Lepak, Turba, Junkermann, Schmidt, Ott, Tregoning, Robson, Welch and Bradley.

To committee on Urban Affairs, Energy, Environmental Resources and Elections.

Senate Bill 490

Relating to county board authority over various county offices.

By Senators Van Sistine, Roshell, Helbach, Moen, Kincaid, Chvala, Ellis, Rude, Lasee and Leean; cosponsored by Representatives Vanderperren, Van Dreel, Mark Lewis, Wood, Holperin, Gruszynski, Schneider, Hamilton, Looby, Boyle, Swoboda, Ourada, Thompson, Vergeront, Turba and Linton.

To committee on Housing, Government Operations and Cultural Affairs.

COMMITTEE REPORTS

The committee on Labor, Business, Insurance, Veterans' and Military Affairs reports and recommends: CLEMENTS, SYLVESTER G., of Coon Valley, as a member of the Bingo Control Board, to serve for the term ending May 1, 1992.

Confirmation:

Ayes, 8 -- Senators Van Sistine, Roshell, Kincaid, Plewa, Te Winkle, Chilsen, Kreul and Leean;

Noes, 0 -- None.

STEIL, GEORGE, SR., of Janesville, as a member of the Lottery Board, to serve for the term ending January 1, 1993.

Confirmation:

Ayes, 8 -- Senators Van Sistine, Roshell, Kincaid, Plewa, Te Winkle, Chilsen, Kreul and Leean;

Noes, 0 -- None.

JOHNSON, WILLIAM, of Hayward, as a member of the Lottery Board, to serve for the term ending January 1, 1991.

Confirmation:

Ayes, 8 -- Senators Van Sistine, Roshell, Kincaid, Plewa, Te Winkle, Chilsen, Kreul and Leean;

Noes, 0 -- None.

ALEMAN, NARCISO, of Milwaukee, as a member of the Lottery Board, to serve for the term ending January 1, 1990.

Confirmation:

Ayes, 8 -- Senators Van Sistine, Roshell, Kincaid, Plewa, Te Winkle, Chilsen, Kreul and Leean;

Noes, 0 -- None.

ROSE, JOHN, of Green Bay, as a member of the Lottery Board, to serve for the term ending January 1, 1989.

Confirmation:

Ayes, 8 -- Senators Van Sistine, Roshell, Kincaid,  
Plewa, Te Winkle, Chilsen, Kreul and Leean;  
Noes, 0 -- None.

FLYNN, WILLIAM, JR., of Engelwood, Colorado, as  
Executive Director for the Wisconsin State Lottery,  
to serve for the term ending at the pleasure of the  
Governor.

Confirmation:

Ayes, 8 -- Senators Van Sistine, Roshell, Kincaid,  
Plewa, Te Winkle, Chilsen, Kreul and Leean;  
Noes, 0 -- None.

#### Senate Bill 443

Relating to requiring the office of the commissioner  
of insurance to prepare social and financial impact  
reports for bills mandating insurance coverage of health  
care treatments or services.

Introduction and adoption of Senate substitute  
amendment 1:

Ayes, 8 -- Senators Van Sistine, Roshell, Kincaid,  
Plewa, Te Winkle, Chilsen, Kreul and Leean;  
Noes, 0 -- None.

Passage as amended:

Ayes, 8 -- Senators Van Sistine, Roshell, Kincaid,  
Plewa, Te Winkle, Chilsen, Kreul and Leean;  
Noes, 0 -- None.

#### Senate Bill 457

Relating to various changes in the workers  
compensation laws.

Passage:

Ayes, 7 -- Senators Van Sistine, Roshell, Kincaid,  
Plewa, Te Winkle, Chilsen and Kreul;  
Noes, 0 -- None.

#### Assembly Bill 262

Relating to presence of persons on premises licensed  
to sell alcohol beverages for consumption off premises at  
certain times.

Concurrence:

Ayes, 8 -- Senators Van Sistine, Roshell, Kincaid,  
Plewa, Te Winkle, Chilsen, Kreul and Leean;  
Noes, 0 -- None.

Jerome Van Sistine  
Chair

The committee on Housing, Government Operations  
and Cultural Affairs reports and recommends:

HEMPE, A. HENRY, of Beloit, as a member of the  
Wisconsin Employment Relations Commission, to  
serve for the interim term ending March 1, 1991.

Confirmation:

Ayes, 5 -- Senators Plewa, Ulichny, Van Sistine  
Buettner and Cowles;  
Noes, 0 -- None.

#### Assembly Bill 442

Relating to: charges for dishonored drafts presented  
to the state; state contracts subject to approval by the  
governor; conduct of an aerial photographic survey; the  
energy conservation duties of the department of  
administration; discontinuance of the wind energy

program administered by the department of  
administration; the return date for small claims  
garnishment actions against the state; establishment of a  
minimum claim for consideration by the claims board;  
abolition of the council on data processing in the  
department of administration; publishing fees for legal  
notices; population estimate procedure; appointment of  
the employes of the tax appeals commission; the state  
employes merit award board; state contracts for  
continuing provision of materials, supplies, equipment or  
contractual services; annual reports of the council on  
small and minority business opportunities; changing the  
reporting date of a department of administration report  
to the council on small and minority business  
opportunities; membership of the state capitol and  
executive residence board; reports of state public  
depositories; and the procedure in the event of reduced  
federal revenue sharing funds (suggested as remedial  
legislation by the department of administration).

Concurrence:

Ayes, 5 -- Senators Plewa, Ulichny, Van Sistine  
Buettner and Cowles;  
Noes, 0 -- None.

John R. Plewa  
Chair

#### PETITIONS AND COMMUNICATIONS

By request of Senator Lee, with unanimous consent,  
Senate Bill 490 was withdrawn from committee on  
Housing, Government Operations and Cultural Affairs  
and referred to committee on Urban Affairs, Energy,  
Environmental Resources and Elections.

State of Wisconsin  
Office of the Secretary of State

January 20, 1988

To the Honorable the Senate

I have the honor to transmit to you the following  
information pursuant to s. 13.685(7):

Sincerely,  
DOUGLAS LAFOLLETTE  
Secretary of State

#### NEWLY REGISTERED LOBBYISTS AND THEIR PRINCIPALS:

ANDERSON, NORMAN C., 25 W. Main St., Madison,  
WI 53703 (608) 255-7277

1) WI Troopers' Assn., Inc., Attn: Jan Steinbergs,  
P.O. BOX 769, East Troy, WI 53120 (414) 642-7640 (all  
legislation relating to regulation of solicitation of funds  
by organizations)

BROYDRICK, BILL, 817 N. Marshall, Milwaukee, WI  
53202 (414) 224-9393

1) Ramada, Inc., Attn: 3838 E. Van Buren, Phoenix,  
AZ 85008 (602) 273-4590 (Assembly Bill 589 and Senate  
Bill 389, and any other legislative or administrative  
activities relating to the Delavan Lake Improvement  
Project)

2) Touche Ross & Co., Clarence Holtze, 250 E. Wisconsin Ave., Milwaukee, WI 53202 (414) 276-0180 (statutes and administrative rules affecting consulting engagements)

3) Briggs & Stratton, Fred Stratton, P.O. BOX 702, Milwaukee, WI 53201 (414) 259-5333 (fair dealership law)

**BROYDRICK, CYNTHIA**, 817 N. Marshall, Milwaukee, WI 53202 (414) 224-9393

1) Touche Ross & Co., Clarence Holtze, 250 E. Wisconsin Ave., Milwaukee, WI 53202 (414) 276-0180 (statutes and administrative rules affecting consulting engagements)

2) Briggs & Stratton, Fred Stratton, P.O. BOX 702, Milwaukee, WI 53201 (414) 259-5333 (fair dealership law)

**CHRNELICH, JOSEPH M.**, 1 S. Pinckney St., Ste. 313, Madison, WI 53703 (608) 258-9506

1) WI Amateur Sports Corp., Otto Breitenbach, 24 E. Mifflin St., Madison, WI 53703 (608) 251-3333 (functions and activities of state and local government and units thereof, environment; taxation; regulation of business and finance, economic development; education)

2) St. Croix Greyhound Racing, Inc., John Sausen, 7400 Metro Blvd, Ste. 127, Edina, MN 55435 (612) 831-8806 (functions and activities of state and local government and units thereof; environment ; taxation, regulation of business and finance, economic development; education)

**COOK, SHARON D.**, 660 E. Mason St., Milwaukee, WI 53202 (414) 271-5900

1) WI Girl Scout Legislative Monitoring Committee, Barbara Alderson, 131S. 69th St., P.O. BOX 14999, Milwaukee, WI 53214 (414) 476-1050 (all matters related to not-for-profit corporations; employment law and regulation; taxation; environmental legislation and regulation; insurance; health; recreational activities; child welfare; and education)

**DACEY, SCOTT**, 817 N. Marshall, Milwaukee, WI 53202 (414) 224-9393

1) Touche Ross & Co., Clarence Holtze, 250 E. Wisconsin Ave., Milwaukee, WI 53202 (414) 276-0180 (statutes and administrative rules affecting consulting engagements)

2) Briggs & Stratton, Fred Stratton, P.O. BOX 702, Milwaukee, WI 53201 (414) 259-5333 (fair dealership law)

**DERRICK, DENNIS R.**, 6 Heritage Circle, Apt. 8, Madison, WI 53711 (608) 271-8458

1) Wisconsin Federation of Teachers, David J. Dean, 2021 Atwood Ave., Madison, WI 53704 (608) 244-6877 (criminal, penal and police, education, health, social services, state government, taxation, trust funds, employee trust funds, state teachers retirement board, wi retirement fund board, employment relations, DILHR, personnel board, personnel commission, public defender board, DPI, UW System, Voc-Tech and Adult Education Board)

**ESSIE, PATRICK**, 15 N. Pinckney St., Madison, WI 53703 (608) 256-7701

1) ITT Consumer Financial Corp., Joseph F. McCarthy, 400 S County Rd. 18, Ste. 800, Minneapolis, MN 55426 (612) 540-0800 (consumer finance)

**GERLACH, CHET**, 131 W. Wilson St., Madison, WI 53703 (608) 255-9337

1) Milwaukee Jet, Eric Hammer, 923 E. Layton Ave., Milwaukee, WI 53207 (414) 747-1818 (all matters that pertain to transportation)

**GROSENHEIDER, TERRY W.**, 615 E. Washington Ave., Madison, WI 53703 (608) 256-8348

1) Greater Madison Chamber of Commerce, Rose Marie Dexter, 615 E. Washington Ave., Madison, WI 53703 (608) 256-8348 (all areas of legislative and administrative actions related to the Greater Madison Business Community)

**HAFFENBREDL, MARY K.**, 44 E. Mifflin St., Ste. 301, Madison, WI 53703 (608) 255-4440

1) WI Nurses Assn, JoAnn Hanaway, 6117 Monoa Dr., Madison, WI 53716 (608) 221-0383 (any legislative and administrative actions pertaining to nurses and health care in general)

2) WI Physical Therapy Assn, Inc., Michael Edwards, 6414 Cops Ave., Madison, WI 53716 (608) 221-0874 (any legislative and administrative actions relating to physical therapists and health care in general)

3) WI Society for Respiratory Care, Bill Donaldson, 2862 Austin St., Box 287, East Troy, WI 53120 (414) 741-2000 (any legislative and administrative actions pertaining to respiratory therapists and health care in general)

**HILBERT, LISA**, 16 n. Carroll, Madison, WI 53703 (608) 255-5522

1) C-B Management, Inc. d/b/a DAV (Disabled American Veterans) Thrift Stores, Kent A. Martin, 1730 S. 13th St., Milwaukee, WI 53204 (414) 529-4210 (SB-465 relating to solicitation of funds for charitable purposes and providing penalties)

**HOUGH, JAMES E.**, 1 S. Pinckney St., Ste. 313, Madison, WI 53703 (608) 258-9506

1) St. Croix Greyhound Racing, Inc., John Sausen, 7400 Metro Blvd, Ste. 127, Edina, MN 55435 (612) 831-8806 (functions and activities of state and local government and units thereof; environment ; taxation, regulation of business and finance, economic development; education)

2) WI Amateur Sports Corp., Otto Breitenbach, 24 E. Mifflin St., Madison, WI 53703 (608) 251-3333 (functions and activities of state and local government and units thereof, environment; taxation; regulation of business and finance, economic development; education)

3) Kohler Co., Barbara Ebenreiter, Highland Dr., Kohler, WI 53044 (414) 457-4441 (functions and activities of state and local government and units thereof; environment; taxation; regulation of business and finance; economic development; education)

JORDAN, MICHAEL C., 2444 Springrose Circle, Verona, WI 53593 (608) 845-7918

1) WI National Guard Assn, Inc., LTC Andrew M. Schuster, Pres., P.O. BOX 8111, Madison, WI 53708-8111 (608) 241-6413 (items relating to the Dept. of Military Affairs as it pertains to the WI National Guard and goals and obligations of this assn)

ORGAN, JEROME M., 777 E. Wisconsin Ave., Milwaukee, WI 53202 (414) 289-3769

1) Ramada, Inc., 3838 E. Van Buren, Phoenix, AZ 85008 (602) 273-4590 (Assembly Bill 589 and Senate Bill 389, and any other legislative or administrative activities relating to the Delavan Lake Improvement Project)

PESHEK, PETER A., 2 E. Mifflin St., Ste. 600, Madison, WI 53703 (608) 255-8891

1) Delaware North Companies, Stephen B. Manion, 700 Delaware Ave., Buffalo, NY 14209 (716) 881-6500 (any function or activity of any branch, department, or phase of federal, state or local government; agriculture, outdoors or environmental; taxation; regulation of business, finance or insurance; or other topics pertaining to the general public health or welfare)

VARDA, ANTHONY, 2 E. Mifflin St., Ste. 600, Madison, WI 53703 (608) 255-8891

1) Delaware North Companies, Stephen B. Manion, 700 Delaware Ave., Buffalo, NY 14209 (716) 881-6500 (any function or activity of any branch, department, or phase of federal, state or local government; agriculture, outdoors or environmental; taxation; regulation of business, finance or insurance; or other topics pertaining to the general public health or welfare)

VAUGHAN, MICHAEL R., c/o Murphy & Desmond, S.C., 2 E. Mifflin St., P.O. BOX 2038, Madison, WI 53701-2038 (608) 257-7181

1) International Franchise Assn. Neil A. Simon, 1350 New York Ave., N.W., Ste. 900, Washington, DC 20005-4709 (202) 628-8000 (fair dealership law and areas relating to franchisors and franchisees)

WIMMER, JR., JAMES W., P.O. BOX 1482, Madison, WI 53701 (608) 256-5223

1) Delaware North Companies, Stephen B. Manion, 700 Delaware Ave., Buffalo, NY 14209 (716) 881-6500 (any function or activity of any branch, department, or phase of federal, state or local government; agriculture, outdoors or environmental; taxation; regulation of business, finance or insurance; or other topics pertaining to the general public health or welfare) government and units thereof; environment; taxation; regulation of business and finance; economic development; education)

#### ADDRESS CHANGES:

New Address and Phone for: J. Sheehan Donoghue, 11 N. Wisconsin St., P.O. BOX 260, Elkhorn, WI 53121 (414) 723-3220

New Address for: WI Amusement and Music Operators, Inc., 11801 W. Janesville Rd., Hales Corners, WI 53130-235

#### TERMINATION OF LOBBYIST LICENSES:

Ness Flores, The Coastal Corporation, Houston, TX, effective January 21, 1988.

James W. Wimmer, Jr., H.A.H. Enterprises, Inc., Miami, FL, effective January 15, 1988.

#### SPECIAL LOBBYING REGISTRATION STATEMENT:

Pursuant to s. 13.70(5), Wis. Stats.

Please not: this is a special registration allowed under the statutes. This is filed when the Principal does not intend to spend more than \$500 towards the lobbying effort in a calendar year. They should not be looked upon as a Registered Principal/Lobbyist relationship as under s. 13.63, Wis. Stats. They are not required to file a semi-annual expense report.

Wisconsin Association for Perinatal Care, Attn: Daniel Bier, McConnell Hall, 1010 Mound St., Madison, WI 53715 (608) 267-6060 (health services to women, infants and families) Daniel Bier of the above address is shown to be doing the lobbying for them.

State of Wisconsin  
Department of Natural Resources  
Madison, Wisconsin

January 15, 1988

To the Honorable, the Senate:

This is a report on the status of the Volatile Organic Compound (VOC) Growth Accommodation and Replenishment Program at the end of 1987. This program was developed as a result of a bill (1987 Wisconsin Act 27) signed into law in 1987 to accommodate opportunities for economic growth while reducing VOC emissions to attain the ozone standard. The amount of the VOC growth accommodation at the close of 1987 is 1846 tons.

If you have any questions concerning this report, please contact Mr. James Rickun (608-266-7547) or Mr. Andy Morton (608-266-2060) of my staff.

Sincerely,  
DONALD F. THEILER  
Director

#### EXECUTIVE COMMUNICATIONS

State of Wisconsin  
Office of the Governor

January 11, 1988

To the Honorable, the Senate:

I am pleased to nominate and with the advice and consent of the Senate, do appoint NANCY J. DOBRINSKI of Minocqua to the Hearing Aid Dealers and Fitters Examining Board, pursuant to the statute governing, to serve a 4-year term to expire July 1, 1991.

Respectfully,  
TOMMY THOMPSON  
Governor

Read and referred to committee on Agriculture, Health and Human Services.

State of Wisconsin  
Office of the Governor

January 12, 1988

To the Honorable, the Senate:

I am pleased to nominate and with the advice and consent of the Senate, do appoint VICTOR C. McHENRY of Milwaukee to the Pharmacy Examining Board, pursuant to the statute governing, to serve a 4-year interim term to expire July 1, 1990.

Respectfully,  
TOMMY THOMPSON  
Governor

Read and referred to committee on Agriculture, Health and Human Services.

State of Wisconsin  
Office of the Governor

January 11, 1988

To the Honorable, the Senate:

I am pleased to nominate and with the advice and consent of the Senate, do appoint CHARLES WALLACE of Bayside to the Medical College of Wisconsin Board of Trustees, pursuant to the statute governing, to serve an interim term to expire May 1, 1991.

Respectfully,  
TOMMY THOMPSON  
Governor

Read and referred to committee on Agriculture, Health and Human Services.

State of Wisconsin  
Office of the Governor

January 20, 1988

To the Honorable, the Senate:

I am pleased to nominate and with the advice and consent of the Senate, do appoint DANIEL WALLOCK of Madison to the position of Administrator for the Division of Merit Recruitment and Selection in the Department of Employment Relations, pursuant to the statute governing. The appointment shall be effective January 25, 1988, and serves to fulfill the residue of an unexpired term which ends on March 26, 1989.

Respectfully,  
TOMMY THOMPSON  
Governor

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

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## SENATE CLEARINGHOUSE ORDERS

### Senate Clearinghouse Rule 87-75

Relating to laboratory certification and analytical procedures for effluent discharges from point sources.

Submitted by Department of Natural Resources.  
Report received from agency, January 21, 1988.

Referred to committee on Urban Affairs, Energy, Environmental Resources and Elections, January 26, 1988.

### Senate Clearinghouse Rule 87-142

Relating to the use of tributyl tin compounds.

Submitted by Department of Natural Resources.

Report received from agency, January 21, 1988.

Referred to committee on Urban Affairs, Energy, Environmental Resources and Elections, January 26, 1988.

### Senate Clearinghouse Rule 87-151

Relating to the establishment of a volatile organic compound emission limitation for aerosol can filling facilities in the Counties of Kenosha, Milwaukee, Ozaukee, Racine, Washington and Waukesha.

Submitted by Department of Natural Resources.

Report received from agency, January 21, 1988.

Referred to committee on Urban Affairs, Energy, Environmental Resources and Elections, January 26, 1988.

### Senate Clearinghouse Rule 87-163

Relating to assessment rates and when assessments are due and payable under the corn marketing order.

Submitted by Department of Agriculture, Trade and Consumer Protection.

Report received from agency, January 22, 1988.

Referred to committee on Agriculture, Health and Human Services, January 26, 1988.

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## LEAVE OF ABSENCE

By request of Senator Engeleiter, with unanimous consent, Senator Buettner was granted a leave of absence until 11:00 a.m.

The Chair appointed Senators Van Sistine, Roshell, Ellis and Lasee to await upon the Governor.

By request of Senator Czarnecki, with unanimous consent, the Senate adjourned in honor of the birth of Ethan Garrison Lee, son of Senator Lee, born on December 5, 1987.

By request of Senator Strohl, with unanimous consent, the senate recessed until 10:27 A.M.

10:24 A.M.

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## RECESS

10:27 A.M.

The senate reconvened.

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:

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

It's nice to be back in this chamber because whenever I'm here, I know I am "among friends"...(at least that's what Dick Matty tells me).

1987 was a "turning point" year for Wisconsin.

The state of our state is good. It's vibrant. We are moving forward again.

I am proud of what we have accomplished during my first year.

Wisconsin is a stronger, more dynamic state.

We have new vitality in our business climate...the spark has returned to our economy and we have 100,000 more citizens working today than we had one year ago.

We have retained our capital gains exemption to create more jobs.

We have begun the phase-out of inheritance taxes, and most importantly, we have cut personal income taxes so that our people can keep more of their hard-earned dollars.

And we have also reduced the state's borrowing to its lowest level in twelve years.

We have revitalized the Department of Development and made Forward Wisconsin a positive force again.

The result has been economic development successes in every region of the state.

Despite the October market crash, six out of seven economic indicators for the metropolitan Milwaukee economy have improved.

Two weeks ago, Rust-Oleum of Illinois announced that it would build a new \$20 million plant in Kenosha County.

On the next day, Lawn-Boy declared that it was moving its national headquarters from Memphis, Tennessee, to Plymouth, Wisconsin.

Last week, General Motors announced it would be moving the production of the Buick Skyhawk from Missouri to Janesville.

And, Kimberly Clark recently announced the construction of a new paper machine in Whiting, its third expansion in Wisconsin in twelve months.

Also during 1987: --we solved our immediate prison problem --we improved education at all levels --and, we did such a great job of boosting tourism promotion that many believe 1987 was our best year ever.

During 1987, we were also successful --in changing the corporate directors and liability law --in settling the Milwaukee school desegregation lawsuit --and, in solving many other problems

We also brought the state government closer to the people by moving the Capitol to northwest Wisconsin for

a week and by opening the northern Governor's Office in Hayward.

Inside the bureaucracy, there have also been many improvements. We brought many excellent private sector people into the government and we have also encouraged state employees to be more creative and try new ideas.

Backlogs have been eliminated. Caseloads are current and efficiency is up.

Of course, the best thing about greater efficiency is that it allows us more time to do more work for more people, especially those in need.

We have improved on Wisconsin's traditionally strong commitment to helping the poor, the disabled, the sick and the elderly.

For example, the medical assistance program helped over 570,000 people during 1987. Vocational rehabilitation services reached 47,000 people and over 60,000 of our citizens received special nutritional assistance.

The community options program was also expanded so that more elderly and handicapped people can now stay in their own homes instead of moving to a nursing home.

State programs helped over 4,000 low and moderate income families realize their dreams of home ownership.

We also implemented the first stages of the most significant welfare reform in America.

We are also national leaders because we have doubled funding for daycare to help many different groups of people stay in school or secure new jobs.

Workfare was also successful in 1987. More and more welfare recipients are getting jobs. That's why it is so important to pass additional welfare reform measures in 1988...and I appreciate very much the cooperation I received last week from the leadership in both parties to expedite additional welfare changes this year.

Another strong indicator of success here is that the number of people needing help from the AFDC program has decreased during the past twelve months from 96,000 to 90,000.

And, if we have development zones, I am sure we can help even more people leave the welfare rolls and become productive again.

1987 was truly a remarkable year, but perhaps the most important change cannot be measured in numbers. It has been a change in attitude.

The people of Wisconsin now have more confidence in the state's economy and that their state government is on the right track.

There is a new zip in our economy and a new positive spirit throughout the state.

Frisky!!! That's what the Kiplinger Newsletter said this past year about Wisconsin's economy.

I am very proud of the first twelve months...and, every legislator should be very proud as well.

Of course, we have had some conflicts and we have not always agreed.

But, together, we boldly met the challenges of 1987.

We did the people's work.

We solved problems and improved the quality of life in Wisconsin.

Together, we accomplished much.

However, we cannot rest on our laurels. In the short term, we must deal with the challenges that still face us.

For the long term, we must be equipped to handle the challenges of the future.

Whatever happens at the national or international level, we must make sure Wisconsin continues to move forward.

That's why education is so important. When people acquire knowledge, skills and expertise through education, they become productive and positive forces for themselves, their families and society.

So, education must also be a priority this year in addition to property tax relief.

### The Call for a New Emphasis on Education

Our educational system must be relevant, responsible and dynamic.

For Wisconsin to prosper in the future, we must have the most skilled work force in America.

And, all of our children must have the opportunity to enter that work force. We must bring the "disenfranchised" into our educational system and successfully prepare them for work.

I am calling my education initiatives "Education 2000" because we must prepare our students for the 21st century.

Students in kindergarten today will graduate from high school in the year 2000.

Our efforts must touch learners at every level, preschool through adult, and provide excellent and equal opportunities for everyone.

Toward that goal, I propose that the undergraduate retention grants program for minority students be doubled with an additional appropriation of \$350,000.

I propose that the Lawton undergraduate grants and the advanced opportunity grants programs for minority students be increased by \$161,000.

I also support full implementation of the tuition award program and the minority teacher program we passed last year.

Hopefully, these programs will motivate minorities to graduate and also return to the inner city to teach.

In ceremonies on Martin Luther King Day last week, we accepted the first fifteen students into the new Minority Civil Engineering Program sponsored by the Department of Transportation. Both financial aid and on-the-job training will be given to these deserving students.

In another effort to expedite the transition between education and the work place, we will soon begin a "jobsride" demonstration program in Milwaukee.

Coordinated van pools will be started to match new workers to jobs in areas not served by public transit, thereby opening up new employment opportunities for minorities.

All of these efforts will encourage minorities to acquire new skills, reach their full potential, secure good jobs and keep them.

To encourage excellence in teaching, we funded a distinguished professorship program for \$250,000 in the UW system last year. This money is used to recognize, retain and recruit top level faculty.

I propose we expand that program by another \$250,000 this year and that we work toward the goal of \$1 million in funding and 40 distinguished professorships within three years.

To more effectively implement the UW systemwide student assessment program by 1991, I propose an appropriation of \$124,000 this year for pre-testing work.

When this is fully operational, each student will be tested on verbal and quantitative skills at the end of the sophomore year.

I want to also mention here that my budget calls for an additional \$450,000 for cancer research at the University of Wisconsin and the Medical College of Wisconsin.

I am also asking the UW Board of Regents and the State VTAE Board to work together to better facilitate the transfer of credits.

During 1988, I also hope that all of the local vocational boards will make an extra effort to increase coordination of their activities with local K-12 school boards.

Toward that same goal, I am asking the state vocational board to create a uniform curriculum reporting system so that high school students can select coursework in high school that works well with their future vocational course sequence.

Today, I am also proposing an additional \$7.7 million in state support for our vocational schools.

\$3.6 million will be allocated according to the current formula.

\$4.1 million will be discretionary funds to be allocated by the state vocational board —

- 1) to help preserve needed programs in districts where there have been valuation declines
- 2) to boost those programs that tackle the problem of adult illiteracy, and
- 3) to address some newly emerging training needs

To promote adult literacy, I support a new requirement that every vocational district offer a diploma granting adult high school program by the 1990-1991 school year.

This type of effort has been very successful in Milwaukee and that success can be duplicated throughout the state.

I encourage legislators to read the findings and recommendations made last week by the VTAE Study Commission chaired by Carl Weigell. There are several excellent recommendations for us to consider.

In the pre-school through high school age groups, I am proposing several initiatives.

I want to also personally thank Superintendent of Public Instruction Bert Grover. He has been very helpful in developing these proposals.

Because we are now implementing Learnfare for AFDC children and because education is so very important, we need to also strengthen our compulsory attendance laws for other students so that every student stays in school until age 18 or graduation.

Learnfare has already proven to be an excellent program. It's already bringing young people back to school. I'm confident that it will be so successful that many other states will copy it.

National studies show that high school dropouts stay on the AFDC welfare rolls 50% longer than those who had earned a high school diploma.

We must also strengthen our truancy laws.

I am recommending \$200,000 to promote special projects that increase parent and family involvement in schools.

Several studies have shown that increased parental involvement can lead to greater student achievement.

I am also proposing \$100,000 to begin a special teacher recognition award program.

Each year, an independent council will select an outstanding teacher in each congressional district and will receive a personal award of \$1,000 and \$4,000 to spend on educational projects in his or her school.

A Wisconsin "Teacher of the Year" will then be selected. That teacher's salary will be paid by the state for one year and he or she will serve as a state spokesperson for excellence in education.

During 1988, I will also increase my own personal involvement in the Governor's Council on Business and Education Partnerships.

I ask the business community to also increase their commitments so that we can expand business/school partnerships to many more school districts.

I am also proposing several new initiatives that affect primarily the Milwaukee public school system because, frankly, that's where we have special problems that need our attention.

Many of these ideas were created as part of the desegregation lawsuit settlement.

I involved myself deeply with that lawsuit, as did Dr. Grover, to obtain a settlement because I firmly believe we need to spend our tax dollars on educating children, not arguing in a courtroom.

In a recent Milwaukee Sentinel survey, 48% of the business respondents said graduates of the Milwaukee public schools are not prepared to enter the job market.

And, at the current rate in Milwaukee, for every 100 freshmen who enter high school, only about 60% of them will graduate from high school four years later.

To address the total problem, we must start with the pre-school child.

Therefore, I am proposing \$2.4 million for a new emphasis on early childhood education in Milwaukee that will target certain four-year-old children for special help beyond daycare so they will not become dropouts in the future.

I am also proposing: --an additional \$200,000 in testing and remedial programs for those students who

need extra help --an additional \$100,000 for pre-college minority scholarships --and \$200,000 for two special tutoring programs

They are: --the Great Milwaukee Committee's "One on One" program, which matches adult business volunteers with 6th and 7th grade students, and --the "Students Teaching Students" program, which matches high achieving high school students with middle school students.

Both of these programs provide positive role models and motivate students to reach their full potential.

Because communications skills are so important, I am also proposing \$100,000 for a very unique computerized "Writing to Read" program that will involve 13 special centers serving 1,500 students.

I hope you will also join me in supporting two other innovations in Milwaukee: --the site based management pilot project in 10 schools --a study of the parents choice idea.

Both programs give more decision-making power to parents and to the administrators and teachers at individual schools.

The United Negro College Fund has a campaign slogan that is so very, very true--"A mind is a terrible thing to waste."

We must not waste the young minds of Wisconsin.

Passage of these "Education 2000" initiatives will put us on the fast track in providing our young people with the skills and knowledge they will need to not only survive, but prosper tomorrow and into the next century.

I ask you to join with me in meeting these tremendous challenges.

Equally challenging, however, is the need to give the taxpayers of Wisconsin meaningful property tax relief. For decades, many different legislatures have been trying to do that.

### The Challenge of Implementing Meaningful Property Tax Relief

My proposal for long lasting property tax relief has three major components:

1.A one year freeze on local spending and property tax levies to provide immediate property tax relief.

2.Statutory limits on state and local spending and property tax levies after the freeze year to control future property tax growth.

3.Increased state school aids to reduce property taxes and decrease the reliance of schools on the property tax.

To some people, these proposals might seem to be drastic. However, everything else that we've tried in the past has failed.

In 1911, the state income tax was created as a replacement for the property tax.

Since 1911, the state has created various types of aids, credits and circuit breakers in many attempts to stop the continuing growth of property taxes. In 1986, all of these various programs totalled \$3.6 billion.



Do you remember 1982? Everyone's sales tax was raised from 4 cents to 5 cents for property tax relief. But it didn't work. Property taxes still went up.

Wisconsin still ranks ninth among the fifty states in property tax burden. That's 35% higher than the national average.

Property taxes continue to increase faster than the rate of inflation and faster than personal income growth. In fact, since 1983, property taxes have increased at an average of 8% per year.

And, all projections are for continued increases in property taxes unless something is done.

That's why I appointed the Local Property Tax Relief Commission.

Chairman Jonathan Barry and the other Commission members did an excellent job of analyzing the problem.

That analysis confirmed that: High property taxes in Wisconsin are really a symptom of a much larger problem; the larger problem is high spending.

The Wisconsin Expenditure Commission also reached the same conclusion when it recommended that state and local spending be brought into line with our taxpayer's ability to pay.

To accomplish that goal, we need to limit both state and local spending increases to no more than 4.1% per year.

That's why the most important part of permanent property tax relief must include spending controls.

Unfortunately, the budgets of local governments and schools have been increasing at higher rates.

For many years, legislators have been sending more and more money to local governments and to schools in an effort to reduce the large local increases. I applaud those efforts...but it has not worked.

57% of all state spending is now being sent to local governments and schools. That percentage has been increasing throughout the 1980's.

Funding for local assistance is taking almost all of the state's discretionary dollars.

81% of all the spending increases in my first budget last year were for increased aid to local governments and schools.

We can not continue to spend so much money on property tax relief.

If the spending increases are not stopped we will have very little discretionary money for tax cuts or for new programs in education, the environment or economic development.

Six of the ten largest GPR programs are for property tax relief.

If we did away with the top three, we could eliminate the income tax. If we eliminated all six, we could also cut the sales tax by almost two cents.

We have been generous in the past. We tried to solve the problem by throwing more money at it.

But, no matter how much we sent back to local governments and schools...the property taxes still went up.

The simple truth again is that we need spending controls.

Without spending controls, our efforts this year will fail as fast as they have in the past.

Without spending controls, you will see property taxes increase at an average rate of 8% per year for the next several years.

I believe taxpayers want permanent property tax relief and that means spending controls.

We have already tried all of the tax shifting ideas and they haven't worked.

Legislators and other state officials maintain that the money they intended for property tax relief has instead been spent by local governments and schools.

Local officials say that the spending was necessary because the state burdened them with unfunded mandates and a mediation/arbitration law that drove up local costs.

While the two sides argue, taxpayers see their property taxes increase year after year and they want to blame somebody.

Today, after this speech is over, we could begin two months of blaming and finger pointing, but, I hope that doesn't happen.

Let's put our energies into implementing a new approach.

Local officials are not the problem. They are part of the solution. Too often, in the past, local officials have been forced to raise spending and property taxes when federal funds were cut and when the state sent unfunded mandates to them.

Controlling spending at the state level has been very difficult, but it's worth the effort. That's why I want to be your partner in solving this problem.

But, the only way to really stop property tax increases is to spend less money.

41 states already have spending controls or property tax limits on local government. Wisconsin is the only midwestern state that doesn't have some form of spending controls.

So, having spending controls is not a radical idea. It's common sense and it works well in other states.

Spending for state government operations has been brought under control.

And we have been successful because the administration and the legislature have met the challenge of operating with less money or very small increases.

The same thing can happen at the local level. Local leaders and managers do have the skills and ability to better control their spending.

During the first year I propose to freeze local levies and spending.

The only major exceptions would be:

--Labor agreements already in effect.

--Bonding.

--Or if a majority of the voters in a jurisdiction vote in a referendum to exceed the spending limits.

During years 2, 3 and 4, I propose that spending at the local level be allowed to increase no more than the rate of inflation.

In the fifth year and in every year thereafter spending could increase no more than the growth rate of per capital personal income in Wisconsin.

These limits will also apply to state government.

The beauty of this proposal is that for the first time we will be putting very real and very permanent limits on government spending from state government on down.

No drastic spending cuts are needed.

Local governments and schools can spend more money, but only in line with the limits.

When the taxpayer's ability to pay increases, then the government can spend more money, but the burden of government on taxpayers would grow no faster than the taxpayer's ability to pay.

These spending controls would be enforced by reducing state aid when spending limits are exceeded.

The next component of my proposal involves changes to the school aid formula.

We will retain the concept of equalization with a modified foundation and equalized aid system.

The new formula will target more state aid to school districts that have a limited capacity to fund education.

If schools spend above the state average they will receive less money from the state.

We will also provide \$250 per student in foundation aid.

With these changes we are increasing our commitment to basic education.

My proposal will provide \$675 million in school aids for 1989-1990 when it is fully implemented. That's more than a 56% increase over the current level of school aids.

The state share of education will increase from 47% to 57% and the local share funded by property taxes will drop from 45% to 36%.

Under the modified school aid formula, individual school districts will get state aid increases. For example:

Racine	48.6%
South Milwaukee	45.1%
Wisconsin Rapids	55.5%
Sheboygan	63.1%
Bayfield	74.0%

This year and next year we will provide over \$1 billion in funding for property tax relief.

Much of the money for the program will come from GPR tax and from the new state lottery.

Other funding will come from expanding the sales tax in three areas that are currently exempt and also from adjusting the married couple credit to reflect last year's reductions in income tax.

With your approval, we will eliminate the sales tax exemption on non-residential and non-agricultural leases.

That will bring \$109 million per year into the state treasury. However the businesses that pay this tax would save \$29 million on their federal income tax in addition to their lower property taxes.

I propose that we extend that sales tax to fuel and electricity as we had prior to the 1979 energy crisis. The tax would also apply to sewer services.

We will also continue the school property tax credit and the homestead credit. In addition, the farmland credit will be expanded.

By making these changes we can avoid any substantial expansion of sales taxes into other areas.

My proposal does not expand the sales tax to professional services, advertising or farm machinery and it does not raise everyone's sale tax by one cent.

Raising one tax to lower another tax isn't real tax relief. We've done that year after year since 1911 and it hasn't worked.

The only reason I am willing to collect new monies this year is to get spending controls that will insure permanent and meaningful property tax relief.

If we do not pass the spending controls we are doomed to a future that will include more and more property taxes. The people don't want that. I don't want it and neither do you.

If we demonstrate our leadership and pass spending controls, the large property tax increases of the past will never occur again in Wisconsin because spending will be directly tied to the taxpayer's ability to pay.

If the freeze and spending controls are passed and our plan is fully implemented, the average reduction on property tax bills will be sixteen to twenty percent below the current year.

For example:

The reduction on a \$55,000 home in Milwaukee will be 20.5%.

The reduction on a \$35,000 home in Manawa will be 19.4%.

A main street merchant in Menasha will see a 20.5% reduction.

And a \$130,000 farm in western Wisconsin will get a 19.9% reduction.

It is a fair program for all groups. It prevents more spending by one group at the expense of others, because everyone is subject to spending controls.

It also retains local control. Local voters can authorize higher spending by a majority vote in a referendum.

I would now like to address the two biggest problems that local government officials have in holding down spending — mandates and mediation/arbitration.

To help local officials fight the financial problems caused by state mandates, I will not sign into law any unfunded mandates.

To fight the problems caused by our current mediation/arbitration law, I am proposing several changes.

Arbitration should not be permitted unless an employer has submitted an offer that is less than inflation.

Arbitrators should also give greater weight to the private employment comparisons and to local economic conditions and the impact on property taxes.

In addition I am proposing changes in the tax incremental financing law to give local governments more opportunities to use that tool for local economic development.

I also support giving municipalities the authority to adopt leisure taxes of up to 3%.

I also support the creation of tax rate disparity credit.

I will also be proposing a state pension reform bill that will provide early retirement but also maintain the fiscal integrity of the system.

Before concluding, I want to also mention one other initiative that is important to the quality of life we cherish here in Wisconsin.

I am proposing a new clean water revolving loan fund to replace the expiring Wisconsin Fund. I want to also create a special transition program that will provide grants between the end of the Wisconsin Fund and the beginning of the new fund.

\$222.5 million would be allocated during the two-year transition period to meet the needs of both Milwaukee and communities throughout the state.

The creation of the revolving loan fund is necessary so that we can prevent very large future problems when federal funding is no longer available.

#### Conclusion

1987 was a 'turning point' year for Wisconsin in terms of economic development, building a better business climate, welfare reform and in many other ways.

However, 1988 can be an even more important year if we act boldly to move forward on improving education and implementing truly meaningful property tax relief.

Working together we can solve the problems that face us and we can also prevent future problems from happening.

The people want excellent educational opportunities. They want property tax relief and they want both of them now.

During the last few months some political analysts have predicted that property tax relief would be impossible in an election year.

Their theory is that legislators will be afraid to make major changes in 1988.

I don't believe it.

I believe exactly the opposite. I think voters want their legislators to demonstrate leadership on difficult issues, especially during election years.

I also believe that voters will reward that demonstration of leadership in November whether you're a Democrat or a Republican.

When you are back in your districts, talk to your farmers, your business people, your home-owners, your first time home buyers and your senior citizens who must live on a fixed income.

They will tell you they want action.

Now is not the time for doubt or looking back.

Now is the time for confidence in our direction, strength in our resolve and steadiness in our course.

Together we have capable leadership and sound ideas.

Nothing must stop Wisconsin's progress.

This is the year...together, let's get the job done.

Upon motion of Senator Strohl the senate adjourned upon the arising of the Joint Convention until 10:00 A.M. Thursday, January 28.

11:05 A.M.