

Ninetieth Regular Session

WEDNESDAY, June 17, 1992

The chief clerk makes the following entries under the above date.

PETITIONS AND COMMUNICATIONS

Senate Petition 20

A petition by 28 residents of the State of Wisconsin in urging our Representatives in Congress to vote against the 'Free Trade' agreement between the United States, Mexico and Canada.

By Senator Helbach.

Read and referred to committee on Tourism, Commerce, Labor, Veterans and Military Affairs.

State of Wisconsin
Legislative Audit Bureau

June 15, 1992

To the Honorable the Legislature:

We have completed our evaluation of the Wisconsin Vietnam Veterans Memorial Project, Inc. (WVVM). WVVM is a private, nonprofit corporation responsible for the development and management of The Highground, a veterans memorial site located in Clark County. The audit was requested to address concerns raised about the financial condition and management of the organization.

We found that the organization's current financial condition is poor. As of December 31, 1991, WVVM had a total deficit of approximately \$190,000. The majority of this amount, \$141,329, reflects WVVM's operational deficit, including payments due to vendors, loans, and unpaid wages. The remainder, \$47,536, reflects the amount of restricted and other funds intended for other than operating purposes which WVVM has applied to operating costs. This deficit exists despite the Legislature's appropriation of \$300,000 which WVVM has spent for memorial construction.

We also identified some questionable management practices, including a lack of awareness of regulations which apply to WVVM's operations. Additionally, while our limited review did not find evidence of fraudulent activity, we did find a lack of control over operations which could present an opportunity of impropriety.

Based on our review, despite the optimism and dedication of WVVM's Board of Directors and staff, we consider it unlikely that the organization will be able to continue its operations and complete planned construction at The Highground without additional, and perhaps substantial, state assistance. Because of our concerns, we have included recommendations to the Department of Veterans Affairs, and the Joint Committee on Finance, regarding the disbursement of an additional \$340,000 which the Legislature has already appropriated to WVVM.

Sincerely,
Dale Cattanaach
State Auditor

State of Wisconsin
Department of Employment Relations

June 5, 1991

To the Honorable the Legislature:

Pursuant to s. 230.04(13)(e), Stats., the annual report of the Department of Employment Relations, Division of Affirmative Action is hereby submitted. Please distribute to members of the Senate.

Additional Copies may be obtained from the Department of Employment Relations, Division of Affirmative Action, 137 East Wilson St. Madison, Wi. 53702. The telephone number is (608) 266-5709.

Sincerely,
Jon E. Litscher
Secretary

State of Wisconsin
Department of Health and Social Services

June 8, 1992

To the Honorable the Legislature:

1989 Wisconsin Act 336 (s.146.88) provided funds to establish a program to pay the health insurance premiums for people who left or reduced the hours they worked due to an illness caused by an HIV infection. To qualify, an applicant must have a family income that does not exceed 200 percent of federal poverty guidelines and must be eligible to enroll in an insurance continuation program.

Act 336 also directed the Department of Health and Social Services to conduct an evaluation of the insurance subsidy program and to report its findings by July 1, 1992. The attached report fulfills that directive. The report describes the subsidy program and outlines the impact of the program on access to health care for people with HIV and Medical Assistance (MA) payments.

Sincerely,
Gerald Whitburn
Secretary

STATE OF WISCONSIN
ETHICS BOARD

June 9, 1992

To the Honorable the Senate:

At the direction of s. 13.685(7), Wisconsin Statutes, I am furnishing you with the following changes in the Ethics Board's records of licensed lobbyists and their employers.

Organization's authorization of additional lobbyists: The following organizations previously registered with the

Ethic's Board as employers of lobbyists have authorized to act on their behalf these additional licensed lobbyists:

STATE OF WISCONSIN
ETHICS BOARD

Citizens for a Better Environment

June 9, 1992

Metz, Mitch

To the Honorable the Senate:

Farmers Organization, National

Zimmerman, Paul

At the direction of s. 13.685(7), Wisconsin Statutes, I am furnishing you with the names of organizations recently registered with the Ethics Board as employing one or more individuals to affect state legislation or administrative rules. For each organization I have noted the general area of legislative or administrative action which the organization has described as the object of its lobbying activity and the name of each licensed lobbyist that the organization has authorized to act on its behalf.

General Contractors of America

Wakefield, Les

Organization's termination of lobbyists: Each of the following organizations previously registered with the Ethics Board as the employer of a lobbyist has withdrawn, on the date indicated, its authorization for the lobbyist identified to act on the organization's behalf.

Lutheran Social Services of Wisconsin and Upper Michigan, Inc.

Subjects: We plan to work on family and child as well as human service legislation.

Bullders and Contractors of Wisconsin, Inc., Associated

Wakefield, Les 6/1/92

Duca, Robert

Also available from the Wisconsin Ethics Board are reports identifying the amount and value of time state agencies have spent to affect legislative action and reports of expenditures for lobbying activities filed by the organizations that employ lobbyists.

Catholic Conference, Wisconsin

Phillips, Charles M. 6/30/92

Sincerely,
R. Roth Judd
Executive Director

Farmers Organization, National

Ziegweid, James 6/1/92

Midwest Food Processors Association

Stone, Donald 3/1/92

EXECUTIVE COMMUNICATIONS

State of Wisconsin
Office of the Governor

June 12, 1992

Telephone Association, Wisconsin State

Boullion, James, Jr. 5/14/92

To the Honorable, the Senate:

The following bills, originating in the senate, have been approved, signed and deposited in the office of the Secretary of State:

Organization's cessation of lobbying activity: Each of the following organizations previously registered with the Ethics Board as the employer of a lobbyist indicates a cessation of all lobbying activity effective on the date shown.

Fair and Independent Representation, Ltd. 5/27/92

Block, Mark 5/27/92
Godar, Thomas 5/27/92

Senate Bill	Act No.	Date Approved
573 (partially vetoed)	322	June 12, 1992
579	323	June 12, 1992

Women's Network, Wisconsin 6/4/92

Anders, Crystel 6/4/92

Respectfully,
TOMMY G. THOMPSON
Governor

State of Wisconsin
Office of the Governor

June 12, 1992

Also available from the Wisconsin Ethics Board are reports identifying the amount and value of time state agencies have spent to affect legislative action and reports of expenditures for lobbying activities filed by the organizations that employ lobbyists.

To The Honorable Members of the Senate:

I have approved Senate Bill 573 as 1991 Wisconsin Act 322 and have deposited it in the Office of the Secretary of State.

Sincerely,
R. Roth Judd
Executive Director

Working to improve the condition of people living in poverty is one of the most important duties of government. To this end, I have introduced numerous initiatives to assist families in achieving self sufficiency, while also protecting the welfare system against fraud and abuse. The success of these measures can be seen in reduced welfare caseloads, increased fraud investigations, and most importantly, in the self improvement of families that have moved from welfare to the work force.

While other states' Aid to Families with Dependent Children (AFDC) caseloads have skyrocketed over the past six years, Wisconsin's AFDC caseloads have declined. Our state has served as a model for new approaches to welfare reform, highlighted by initiatives such as Learnfare, Workfare, transitional benefits for families just entering the workforce, and the Parental and Family Responsibility pilot. In addition, I have also initiated efforts to detect and deter fraud and abuse by creating the Office of Inspector General and establishing a statewide front-end-verification system to detect fraud before benefits are released.

The hallmark of all of these efforts has been to stress individual responsibility, combined with a framework of government sponsored assistance to help people improve themselves. This act extends these efforts by improving both the general relief and AFDC programs, and I commend the efforts of the conference committee for producing some worthwhile proposals in both this bill and Assembly Bill 977, which imposed benefit suspension penalties for intentional AFDC fraud and made other AFDC reforms.

However, certain provisions of this bill are troublesome and objectionable. They impose new mandates on the counties, reduce county flexibility, expend funds beyond the fiscal limitations of the state, expose the state to possible federal sanctions, expand eligibility for welfare benefits inappropriately, and limit the ability of the Department of Health and Social Services to effectively administer public assistance programs. Therefore, I have exercised the partial veto several times on the bill to maintain the momentum I have established for Wisconsin's welfare reform efforts.

Senate Bill 573 as I have modified it will promote continued progress for Wisconsin's welfare reform efforts. Counties will receive added flexibility to manage their general relief programs. A new pilot program is created to encourage counties to work with general relief recipients who might otherwise be unable to find employment. Additional funding is provided to expand the Children First program which stresses the responsibility of noncustodial parents to provide financial support for their children. Eligibility for two-parent families is expanded allowing more of these families to qualify for AFDC benefits. If a federal waiver is granted, an increase in the vehicle allowance for the AFDC and General Relief programs will allow recipients to retain more reliable vehicles, which should assist them in getting to and from work. The formula for distributing child support incentive payments to counties is improved. If the federal government approves, waiver savings will be used to assist AFDC

recipients to attend Milwaukee Area Technical College to acquire useful job skills. The bill also establishes penalties for those who profit from encouraging welfare immigration to Wisconsin. Finally, the bill allows AFDC recipients to request that part of their AFDC grant be paid directly to their landlord through a rent voucher or other alternative form of payment. I am very supportive of rent vouchers and have signed this provision into law. However, additional resources may be required to properly administer the voucher program.

Senate Bill 573, as modified, will continue Wisconsin's role as a leader in welfare reform. I am pleased to sign this legislation into law to further Wisconsin's impressive progress in welfare reform, which has been one of the cornerstones of my agenda as Governor.

Respectfully submitted,
Tommy G. Thompson
Governor

1. General Relief

Sections 20, 24, 25 and 9425 (3)

These sections make various changes to the general relief (GR) program. Specifically, section 20 declares that general relief is the payor of last resort. However, if payment is disputed, the GR agency must pay the costs and then seek reimbursement from the appropriate payor. Section 24 allows GR agencies to establish guidelines for providing medical benefits to persons who spend-down their incomes and requires agencies that wish to offer this benefit to have a plan approved by the Department of Health and Social Services (DHSS). Section 25 allows law enforcement officers to review GR records in search of persons with outstanding felony warrants. Section 9425 (3) delays the implementation of this authority to search GR records until January 1, 1994.

I am partially vetoing these sections to increase county flexibility in managing GR programs and to prevent abuse of the welfare system. Specifically, I am partially vetoing section 20 to delete the requirement that in disputed payments cases the county must first provide payment then seek reimbursement. I object to this requirement because general relief by tradition and practice is the payor of last resort and this bill attempts to establish that as state law. If other sources of payment exist, these sources should be required to provide initial payment to ensure that GR pays claims only as a last resort.

I am partially vetoing section 24 to eliminate the requirement that DHSS review county spend-down plans because management of the general relief program is a county responsibility, with the counties providing most of the funding. If counties wish to extend GR medical benefits to persons who spend-down their incomes, counties should be able to do so without state interference.

I am partially vetoing section 25 to delete the limitation that GR records can be searched only for warrants for felonies, because I believe that law enforcement officers

should be able to cross match all individuals with outstanding warrants against those receiving GR benefits. Identifying and apprehending individuals with outstanding warrants aids the entire community. Many of these outstanding warrants relate to child support cases. Catching these individuals reinforces their responsibility to support their children. Because of the importance of apprehending those with outstanding warrants, I am also vetoing section 9425 (3) so that these cross matches can start on the bill's effective date, rather than being delayed.

2. General Relief Work Opportunities Program

Section 28

This provision creates a work opportunities pilot program in up to 3 counties to provide guaranteed county workfare jobs for employable general relief (GR) recipients, bonus payments to counties for placing recipients into non-workfare jobs, and special services for those recipients identified as unemployable.

I am partially vetoing this provision because I wish to increase county flexibility in managing the program and to limit the use of bonus payments. Bonuses should only be used to encourage counties to place the hard to serve, and I am therefore limiting county bonuses only for job placements for recipients who have been unemployed for 4 years or longer and lack a high school education. Many counties already require general relief recipients to participate in work relief programs. Counties have an inherent incentive to aid recipients in finding regular employment since county funds provide a majority of the cost of GR benefits. My partial veto of this provision is designed to provide an extra incentive for counties to target those recipients most in need of a helping hand. Because a sum certain amount is provided to pay open ended incentives, I am partially vetoing the provision to ensure that sufficient funding exists to cover the costs of the pilot program. This targeting is similar to the federal requirement that employment and training funds for AFDC recipients go first to those least able to find employment.

3. Food Stamp Program

Sections 1 (as it relates to s. 20.435 (4) (dq)d), 3, 18, 34, 35, 36 and 9225 (2)

These provisions affect the eligibility status of recipients and applicants of the Food Stamp program. Specifically, sections 1, 3, and 18 appropriate and allocate \$20,000 GPR to create a Food Stamp outreach program in Milwaukee County. Sections 34, 35, 36 and 9225 (2) prohibit the Department of Health and Social Services (DHSS) from requiring Food Stamp-only recipients to complete the monthly reporting form and appropriate \$10,000 GPR to aid DHSS in completing computer programing changes necessary to implement this change in policy.

I am vetoing the Food Stamp outreach program because Wisconsin uses a combined application form for public

assistance programs which automatically considers every applicant's eligibility for Food Stamps. In addition, DHSS recently completed a statewide outreach effort. The effect of this veto is to delete the appropriation of \$20,000 GPR.

I am vetoing the sections relating to the monthly reporting form requirement because completion of the monthly reporting form aids the state in identifying errors in Food Stamp cases. Wisconsin faces multi-million dollar sanctions from the federal government, if the state's error rate is above federal tolerance levels. The effect of this veto is to delete the appropriation of \$10,000 GPR.

4. Earned Income Tax Credit (EITC) Hotline

Sections 1 (as it relates to s. 20.566 (3) (b)), 5 and 44

These provisions appropriate \$20,000 GPR to create a EITC hotline. The Department of Revenue (DOR) is required to contract for the implementation of the hotline.

I am vetoing these provisions because the funding provided is inadequate and existing options exist for individuals to learn about the EITC program. The effect of this veto is to delete the appropriation of \$20,000 GPR.

5. Children First Program

Sections 13, 14, 15 and 9425 (2)

These provisions create a modified expansion program to the Children First initiative. The expansion is limited to 2 counties and the counties must pay 50% of program costs.

I am vetoing these provisions because they unduly limit expansion of the Children First program. The Children First initiative reinforces the noncustodial parent's responsibility to financially support their children, and I do not want to place additional restrictions on the expansion of this program. Elsewhere I am retaining the additional \$70,000 to expand the program in its current form.

6. Federal Waiver Savings.

Sections 2, 10, 11, 12, 43 and 9425 (9)

These provisions limit the expenditure of federal waiver savings funds. Sections 2, 10, 11 and 12 require that \$200,000 of federal waiver savings funds be used to create a federal aid independent student grant program appropriation. The Higher Educational Aids Board for AFDC students using a formula based on the number of AFDC students attending colleges and universities in Wisconsin.

Sections 43 and 9425 (9) requires DHSS to submit proposals for expending the federal waiver savings to the Legislature for a 60-day passive review period before expending the funds.

Through an agreement with the federal government, federal funds have been set aside for use in Wisconsin for programs to aid AFDC recipients. DHSS has worked with the counties to expend this funding in a variety of programs aiding AFDC recipients.

I am vetoing these provisions because of the limits they place on the expenditure of waiver savings funds. Providing student grants to AFDC recipients attending college is a far costlier program than providing remedial education. Using limited waiver savings funding for such high cost endeavors restricts the number of AFDC recipients served. The primary role of AFDC employment and training programs is to assist recipients in achieving the first steps toward self sufficiency, by providing job opportunities and basic skills training. Other students aid programs exist to aid AFDC clients who wish to pursue higher education. To further aid recipients who wish to go to college, I have signed into law provisions in AB 977 that exempt income from students loans and grants from AFDC benefit calculations.

I am vetoing the passive review process for expending waiver savings funds because such review is unnecessary and would unduly delay distribution of these funds. The Department of Health and Social Services (DHSS) has been a good steward for these funds and in working with the counties has already constructed plans to spend the bulk of the waiver savings funds.

7. AFDC Gap Benefit Pilot

Section 40

This provision requires the Department of Health and Social Services (DHSS) to apply for a federal waiver by 7/1/92. The waiver request is to conduct a pilot program in up to 3 counties using the standard of need rather than the payment standard for calculating the AFDC benefits for families with earned income. In Wisconsin the payment standard for AFDC benefits is 80% of the standard of need for AFDC benefits. The spread between the two standards is often referred to as the "gap".

I am vetoing this provision because such a pilot is unneeded. Federal regulations already allow states to use gap benefit calculations and a number of states offer such benefits. Using gap benefit calculations statewide would cost Wisconsin taxpayers over \$10 million per year.

I am a strong supporter of reforming the welfare system, and I have initiated a number of pilots designed to test new ways to aid AFDC recipients in achieving self sufficiency. This proposed pilot would not expand our knowledge of new ways to combat poverty, and if it were adopted statewide would be unaffordable.

8. Milwaukee County Health Care Report

Section 9125 (1)

This provision requires the Department of Health and Social Services to request Milwaukee County to conduct

a study of health care access, provider reimbursement and use of lower cost options for the provision of general relief medical services in Milwaukee County.

I am vetoing this provision because it places a mandate on what Milwaukee County has to study. Access to health care is an important issue. Milwaukee County is to be commended for its Milwaukee County Health Care Program, which extends medical coverage to many low-income residents. However, since the county has to provide the bulk of the funding for that program, it is inappropriate for the state to attempt to intervene between Milwaukee County and other providers on issues that they should resolve between themselves and on the local level.

9. Educational Issues

Section 45, 46, 47, 9145, 9245 and 9445

These sections impose various requirements on the Department of Public Instruction (DPI) and local school districts. Specifically section 9145 requires DPI to complete a study of truancy among 6 to 12 year olds by 3/1/93. Sections 45, 46, 47, 9245 and 9445 appropriate \$20,000 GPR and require school districts to teach topics related to human sexuality.

I am vetoing section 9145 because the need for such a study is unclear. Various studies already exist on related topics. It is unlikely that any comprehensive report could be completed by next March, especially since no funding was provided to conduct that study.

I am vetoing sections 45, 46, 47, 9245, and 9445 because they create an underfunded mandate on local school districts. DPI estimates the cost to initiate human sexuality programs in each district at approximately \$3,000 per district. In addition, these provisions interfere with local control of school curricula. The effect of this veto is to delete the appropriation of \$20,000 GPR.

10. Prison Siting

Sections 6, 7, 8 and 48

These provisions prohibit the State Building Commission from authorizing construction or purchase of any new prison facility unless the statutes specify the county in which the prison will be located. Additionally, these provisions prohibit the State Building Commission from authorizing any project enumerated in the authorized building program involving construction, remodeling, repair or improvement at an existing prison that results in 50 or more additional beds unless the statutes specify the state prison at which building activity will occur.

I am vetoing these provisions because they restrict the Building Commission from exploring all of the potential alternatives for prison siting, construction and expansion. I believe the Building Commission should have such flexibility.

SENATE CLEARINGHOUSE ORDERS

Senate Clearinghouse Rule 90-93

Relating to respiratory care for ventilator-dependent persons who live at home and to other home health and personal care services for eligible recipients under the medical assistance program.

Submitted by Department of Health and Social Services.

Withdrawn by agency, June 11, 1992.

Senate Clearinghouse Rule 91-153

Relating to the applicability of ch. 150, Stats., review to activities undertaken by or on behalf of a state nursing home.

Submitted by Department of Health and Social Services.

Withdrawn by agency, June 11, 1992.

Senate Clearinghouse Rule 92-12

Relating to the lottery tax credit.

Submitted by Department of Revenue.

Report received from agency, June 15, 1992.

Referred to committee on Aging, Banking, Communications and Taxation, June 17, 1992.

Senate Clearinghouse Rule 92-45

Relating to operator's licenses and identification cards.

Submitted by Department of Transportation.

Report received from agency, June 15, 1992.

Referred to committee on Transportation and Utilities, June 17, 1992.

Senate Clearinghouse Rule 92-52

Relating to national standards for plumbing products.

Submitted by Department of Industry, Labor and Human Relations.

Report received from agency, June 11, 1992.

Referred to committee on Tourism, Commerce, Labor, Veterans' and Military Affairs, June 17, 1992.

The committee on Agriculture, Corrections, Health and Human Services reports and recommends:

Senate Clearinghouse Rule 90-68

Relating to nursing homes.

No action taken.

Senate Clearinghouse Rule 90-234

Relating to bovine paratuberculosis testing and disclosure requirements, mastitis control and adulterated milk.

No action taken.

Senate Clearinghouse Rule 88-191

Relating to county certification of day care providers and day care program administration and funding.

No action taken.

Senate Clearinghouse Rule 90-247

Relating to unprofessional conduct in the performance of minimum visual examinations.

No action taken.

Senate Clearinghouse Rule 90-240

Relating to interviews for inmates being considered for parole.

No action taken.

Senate Clearinghouse Rule 89-37

Relating to treatment of lump sum payments in determining eligibility for medical assistance and for aid to families with dependent children.

No action taken.

Senate Clearinghouse Rule 91-177

Relating to certification of training and testing programs for hospice aides working in Medicare-certified hospices.

No action taken.

Senate Clearinghouse Rule 91-75

Relating to operation of the state adoption information center.

No action taken.

Senate Clearinghouse Rule 91-82

Relating to corrections related hearings and to procedures before the division of hearings and appeals.

No action taken.

Senate Clearinghouse Rule 89-208

Relating to instruments used in the practice of chiropractic.

No action taken.

Rodney C. Moen
Chair

The committee on Tourism, Commerce, Labor, Veterans' and Military Affairs reports and recommends:

Senate Clearinghouse Rule 92-3

Relating to the time in which applicants for a certificate as a certified public accountant must file required information.

No action taken.

Senate Clearinghouse Rule 92-5

Relating to the educational requirements of certified public accountants in foreign countries to qualify for a certificate in Wisconsin by endorsement.

No action taken.

Jerome Van Sistine
Chair

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

Senate Clearinghouse Rule 92-19

Relating to the eligibility and verification of applicants for handicapped certification.

JOURNAL OF THE SENATE [June 17, 1992]

No action taken.

John R. Plewa
Chair

Correctly enrolled and deposited in the Office of the
Secretary of State on June 15, 1992.

CHIEF CLERK'S REPORT

The chief clerk records:

Senate Joint Resolution 94.