



STATE OF WISCONSIN

Senate Journal

Ninety–Fifth Regular Session

6:45 P.M.

WEDNESDAY, January 31, 2001

The Senate met.

The Senate was called to order by Senator Fred Risser.

Senator Chvala, with unanimous consent, asked that the roll, prayer and pledge be dispensed with.

The Chair, with unanimous consent, appointed Senators George and Breske to act as escorts to his Excellency the Governor.

INTRODUCTION AND REFERENCE OF RESOLUTIONS AND JOINT RESOLUTIONS

Read and referred:

Senate Joint Resolution 15

Relating to: the life and public service of Coach Al McGuire.

By Senators Rosenzweig, Farrow, Darling, Grobschmidt, Decker, Hansen, S. Fitzgerald, Plache, Panzer, Moore, Roessler, George, Welch and Moen; cosponsored by Representatives Walker, Plale, McCormick, Hebl, Kreibich, Petrowski, Hoven, Gard, Gunderson, Ward, Turner, Ladwig, Sykora, Ziegelbauer, Johnsrud, Huebsch, Miller, Gronemus, Vrakas, J. Lehman, Sherman, Schneider, Owens, Wade, Urban, Ryba, Carpenter, Lippert, Musser, Krawczyk, Foti, Jeskewitz and Kedzie.

To committee on **Senate Organization**.

INTRODUCTION, FIRST READING AND REFERENCE OF BILLS

Read first time and referred:

Senate Bill 35

Relating to: transferring toll-free calls to pay-per-call services or international numbers, creating certain disclosure and reporting requirements, and providing a penalty.

By Senators Moore, Burke, Hansen, Lazich and Darling; cosponsored by Representatives Colon, Young, Bock, Schneider, Gronemus, Morris–Tatum, Williams, Jeskewitz, Seratti, Turner, Pocan, Black, Balow, Richards, Berceau, J. Lehman, Miller, Plouff, Musser, Kreuser, Cullen, Riley, Kedzie, Gunderson, Boyle, Plale and La Fave.

To committee on **Privacy, Electronic Commerce and Financial Institutions**.

Senate Bill 36

Relating to: exempting from taxation certain amounts of pension income received by an individual.

By Senators Plache, Wirch, Robson, Moen, Burke, Roessler, Schultz, Breske, Lazich, Baumgart, Shibilski, Darling and M. Meyer; cosponsored by Representatives Jeskewitz, Ryba, J. Lehman, Turner, Lassa, Ladwig, Carpenter,

Kreuser, Morris–Tatum, Williams, Travis, Albers and Reynolds.

To joint survey committee on **Tax Exemptions**.

REPORT OF COMMITTEES

The committee on **Environmental Resources** reports and recommends:

Senate Bill 37

Relating to: water quality certification for wetlands.

Introduction.

Ayes, 5 – Senators Baumgart, Hansen, Wirch, Cowles and Schultz.

Noes, 0 – None.

Jim Baumgart
Chairperson

To committee on **Environmental Resources**.

PETITIONS AND COMMUNICATIONS

THE STATE OF WISCONSIN OFFICE OF THE GOVERNOR

EXECUTIVE ORDER #415

Relating to the Amendment of Executive Order No. 411

WHEREAS, the Governor's Advisory Task Force on the Proposed Federal Roadless Initiative (hereinafter "Roadless Initiative") was created on October 13, 2000 by Executive Order No. 411; and

WHEREAS, the need exists to expand membership beyond the five (5) member limit;

NOW, THEREFORE, I TOMMY G. THOMPSON, Governor of the State of Wisconsin, by the authority vested in me by the Constitution and the laws of this State, and specifically by section 14.019 of the Wisconsin Statutes, do hereby amend Executive Order No. 411 as follows:

1. Provide that the Roadless Initiative shall be composed of eight (8) members appointed by the Governor to serve at the pleasure of the Governor.

2. Direct the Secretary of the Department of Administration and all other state agencies to provide the Commission with administrative and support services and with such sums of money as are necessary for travel and operating expenses in accordance with section 20.505(3)(a) of the Wisconsin Statutes; and

IN TESTIMONY WHERE OF, I have hereunto set my hand and caused the Great Seal of the State of Wisconsin to be affixed. Done at the Capitol in the city of Madison this twenty-fourth day of January in the year two thousand and one.

TOMMY G. THOMPSON
Governor

BY THE GOVERNOR:

DOUGLAS LA FOLLETTE
Secretary of State

**THE STATE OF WISCONSIN
OFFICE OF THE GOVERNOR**

EXECUTIVE ORDER #416

Statement of Direction Relating to Proper Software License Compliance

WHEREAS, the State of Wisconsin recognizes that information technology is a key to providing better government service at reduced costs; and

WHEREAS, information technology has contributed to the state's economic growth and competitiveness; and

WHEREAS, improper software licensure could further result in lost state corporate and sales tax revenues and may constitute copyright infringement in violation of federal law; and

WHEREAS, the Thompson administration recognizes the need to develop a statewide response to ensure that only licensed software is in use at all state agencies;

NOW, THEREFORE, I TOMMY G. THOMPSON, Governor of the State of Wisconsin, by the authority vested in me by the Constitution and the laws of this State, do hereby:

1. Direct all state agencies to be educated on proper software license compliance.
2. Direct the Department of Administration to provide management oversight for state agency software compliance education initiatives; and
3. Direct the Department of Administration to:
 - a. Establish an information technology purchase policy that all purchases of software licenses be transacted through qualified resellers;
 - b. Enforce information technology contract terms for software license compliance in the state's information technology infrastructure where necessary.
 - c. Direct agencies to develop policies regarding proper licensure of software; and
 - d. Provide management oversight for agency education initiatives pertaining to software license compliance and United States copyright law.

IN TESTIMONY WHERE OF, I have hereunto set my hand and caused the Great Seal of the State of Wisconsin to be affixed. Done at the Capitol in the city of Madison this twenty-fourth day of January in the year two thousand and one.

TOMMY G. THOMPSON
Governor

BY THE GOVERNOR:

DOUGLAS LA FOLLETTE
Secretary of State

**State of Wisconsin
Department of Corrections**

January 29, 2001

The Honorable, The Legislature:

The following information is provided for your consideration and review pursuant to 301.03(6m) WI STATS. The figures below cover the period from January 1, 2000 to December 31, 2000.

1. There were 50 inmates transferred involuntarily from a prison to a mental health institute under 51.20(13)(A)4. The average length of stay was 217 days. All but three inmates were committed for outpatient treatment. One inmate was committed to inpatient treatment upon reaching his mandatory release date. There were no voluntary transfers from a prison to a mental health institute.
2. 4,924 inmates underwent voluntary treatment with psychotropic drugs and 55 inmates were treated with psychotropics on an involuntary basis. The types of medications used include antipsychotic drugs, antidepressant drugs, mood stabilizers, anti-parkinsonian medications, and medications for side effects.
3. Mental health services, both psychiatric and psychological, are available at all the major institutions. Services include individual and group therapy, chemotherapy, psychiatric, psychological, and neuropsychological evaluations, crisis interventions, sex offender groups, domestic abuse groups, anger management groups, and cognitive interventions programs. Inmates who need more intensive mental health services are transferred to the Special Management Unit at Columbia Correctional Institution, the Wisconsin Resource Center, or one of the Mental Health Institutes.

If you have any questions or need additional information, please let me know.

Sincerely,

JON E. LITSCHER
Secretary

**State of Wisconsin
Legislative Audit Bureau**

January 30, 2001

The Honorable, The Senate:

We have audited the financial statements of WHA Television and WHA Radio for the period July 1, 1999 through June 30, 2000 and have issued our reports on these statements, dated January 30, 2001. WHA Television and WHA Radio are public broadcasting stations licensed to the Board of Regents of the University of Wisconsin System and are operated by the University of Wisconsin-Extension.

The audits were requested by the University of Wisconsin-Extension to fulfill audit requirements of the Corporation for Public Broadcasting. The Corporation requires audited financial statements of public broadcasting entities and certifications of these entities' non-federal revenue sources in determining future funding levels.

Copies of the audit reports have been distributed to members of the Joint Legislative Audit Committee and those required by law to receive them. Electronic copies of the reports are available on line at www.legis.state.wi.us/lab/windex.htm. If you are interested in receiving a copy of these reports, please contact our office and request the following report numbers:

- | | |
|------|----------------------------|
| 01-3 | An Audit of WHA Television |
| 01-4 | An Audit of WHA Radio |

Sincerely,

JANICE MUELLER
State Auditor

**REFERRALS AND RECEIPT OF
COMMITTEE REPORTS CONCERNING
PROPOSED ADMINISTRATIVE RULES**

Senate Clearinghouse Rule 00–108

Relating to the state directory of new hires.

Submitted by Department of Workforce Development .

Report received from Agency, January 30, 2001.

Referred to committee on **Labor and Agriculture**, January 31, 2001.

Senate Clearinghouse Rule 00–154

Relating to deer hunting and the wildlife damage abatement and claims program.

Submitted by Department of Natural Resources.

Report received from Agency, January 30, 2001.

Referred to committee on **Environmental Resources**, January 31, 2001.

MESSAGES FROM THE ASSEMBLY

By John Scocos, chief clerk.

Mr. President:

I am directed to inform you that the Assembly has passed and asks concurrence in:

Assembly Bill 41

Adopted and asks concurrence in:

Assembly Joint Resolution 15

Assembly Joint Resolution 17

Concurred in:

Senate Bill 18

Senate Joint Resolution 8

Senate Joint Resolution 9

Senate Joint Resolution 10

Senate Joint Resolution 11

Senate Joint Resolution 12

Senate Joint Resolution 13

Senate Joint Resolution 14

**MESSAGES FROM THE ASSEMBLY
CONSIDERED**

Assembly Bill 41

Relating to: polling hours.

By committee on Campaigns and Elections.

Read first time and referred to committee on **Universities, Housing, and Government Operations**.

Assembly Joint Resolution 15

Relating to: the joint rules.

By Representatives Jensen and Freese; cosponsored by Senators Chvala and Risser.

Read and referred to committee on **Senate Organization**.

Assembly Joint Resolution 17

Relating to: fund-raising social events in Dane County during floorperiods and special and extraordinary sessions.

By committee on Rules.

Read and referred to committee on **Senate Organization**.

Senator Chvala, with unanimous consent, asked that the Senate recess for the purpose of awaiting the Governor's State of the State Address in Joint Convention in the Assembly Chambers at 7:00 P.M. and upon the rising of the Joint Convention adjourn until Thursday, February 1 at 10:00 A.M.

The Senate stood recessed.

6:47 P.M.

RECESS

**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:

STATE OF THE STATE ADDRESS

Speaker Jensen, President Risser, Members of the Legislature, Constitutional Officers, Honorable Justices of the Supreme Court, tribal leaders, members of the Cabinet, distinguished guests, ladies and gentlemen.

Before I get started, let me thank the Speaker and the entire Legislature for the wonderful gifts and words of encouragement. I will truly miss you. Thank you for your friendship and partnership throughout the years.

Senator Risser, I know you're happy tonight. The real reason you've hung around so long is you wanted to outlast me. You win, Fred. And Speaker Jensen, you still hold the only position I've ever wanted but never achieved. I'm proud to see my friend rise so high and do so well.

I'd also like to thank my current and former Cabinet and staff for all their hard work and dedication to this state. They're the unsung heroes of our success. Let me introduce Nora Weber, Marge Miller and Marlene Cummings – the only two staff members and Cabinet secretary to spend all 14 years with me in office. Thank you for your unwavering support. Tonight, it all ends in the place where it all began.

Thirty-five years ago, I first came to this chamber a green and humble young man from Elroy. As you can see, I was fresh out of law school and had a bit of a baby face back then. The mustache, wide ties and leisure suits would come later. Thankfully, my daughters grew older and eventually broke me of them. But I'm glad Cliff Miller has been able to put my old wardrobe to good use.

Despite my youth, I came to Madison with a great deal of confidence, idealism and hope – qualities given to me by my hometown. The people of Elroy raised me. Taught me my values. And instilled in me the importance of putting people first.

Elroy common sense guided me as a legislator and a governor. And those same values will guide me as I serve the president of this great country as Secretary of Health and Human Services.

Washington is a long way from Elroy, but Elroy will never be far from me. It's who I am.

And so this man from Elroy humbly comes before you one last time tonight to talk about our great state and its future.

We've done remarkable things inside and outside this grand old building. Just think back for a moment to the state of our state in the mid-80s.

Remember when our good friends down in Illinois mocked our troubled economy? They even went so far as to put up a billboard on the border saying, "When the last business leaves Wisconsin, please turn out the lights."

Well my friends, the lights are on in Wisconsin and burning brighter than ever.

In fact, I hope our friends in Illinois didn't let the toll gate hit them in the bumper when they moved their families and businesses to Wisconsin by the truckload.

Illinois companies are moving to Wisconsin for our more positive business environment – there are almost 50 in the Kenosha Business Park alone. Illinois families are coming for our great schools and unmatched quality of life. And the poor are venturing north for a good job and greater opportunity, not a bigger welfare check.

We've even taken to beating up on their sports teams. Let's see, since 1986, we've gone to two Super Bowls, three Rose Bowls and a Final Four. Down in Illinois, they still haven't found a quarterback.

I engage in this lighthearted teasing of our good friends and neighbors because it illustrates how much we've built Wisconsin since the days when they teased us.

My, how far we have come together.

We've come so far that we can all claim with great pride tonight that in the year 2001 the state of the state is that of the nation's leader. Name the issue and Wisconsin is leading the way.

Many states claim they're the best, but only one state can back it up. We follow our bold words with bold deeds. During my confirmation process, it was heartwarming to hear how often senators recognized Wisconsin as the nation's leader in innovation.

We took office with one clear mission: To build our economy. And this has remained our No. 1 priority – even in the good times.

We recognized that without strong businesses and good jobs, we can't provide a high quality of life for our families. We can't afford the social programs that help those in need or great public schools for our children.

Let's take a look at the strong economy we built: 800,000 new jobs; 95,000 new manufacturing jobs; a record 3 million people working – the highest percentage in America; unemployment cut by more than half to 3.3 percent; a jobless rate below the national average a record 156 straight months; and a median household income of nearly \$46,000, well above the national average.

What a turnaround! No Company mirrors our comeback better than Wisconsin's very own Harley Davidson. Since 1986, Harley grew its earnings from \$4 million to \$348 million; increased employment from 1,200 to 3,700; opened four new facilities; and saw its stock price grow from 33 cents a share to

\$40. Please welcome Ken Sutton and Wayne Curtain from Harley.

Wisconsin is once again the place where eagles soar and Harleys roar!

We're enjoying the longest period of sustained economic growth in our history.

To those who try to downplay our economic success by giving the credit to good times nationally, let us be clear about one thing: Wisconsin built its economy first, and the nation followed.

Look at these charts, particularly the period from 1987 to 1992.

When the country fell into recession in the early 90s, Wisconsin was one of only a few states not to feel the sting. Our job creation grew while the nation's fell, and our unemployment rate dropped while the nation's rose.

We did not benefit from an economic boom – we helped create the economic boom.

How did we build this economic engine? By what I call the Four Ts of the Great Turnaround: Our 'Tude, the slang for Attitude, Tax Cuts, Transportation and Teaching.

We set a new tone, where success was the only option. We began believing we could achieve anything, then worked together to make it happen.

Don't for a second discount the importance of our attitude change, for it transformed how companies looked at Wisconsin. We made it clear Wisconsin was open for business and companies responded by building and growing here.

As we were adjusting our attitude, we began making investments in the right places to trigger economic growth.

We cut taxes in the very first budget and haven't stopped since.

With your help, we cut taxes 91 times totaling \$16.7 billion. These cuts saved the average

Wisconsin family \$8,400. And they infused new money into the economy to help stimulate growth and prosperity.

And tonight, we have good news to report. The state's national tax ranking has fallen to ninth in the nation, according to the latest Census Bureau figures which reflect tax year 1999.

And when the cuts we enacted for years 2000 and 2001 are factored into the equation, we can say with confidence that Wisconsin is finally out of the top 10 states.

As for state spending, our per capita rate is the 14th lowest in the nation and our state government is the third smallest. Could it be better? Absolutely. Is it bad? Absolutely not.

But let's be fair about what has driven spending – the desire to cut local property taxes.

In 1995, the state picked up two-thirds the cost of local schools and we've maintained that percentage ever since. That costs money. But we made this commitment to cut property taxes \$1.2 billion initially and keep them under control in future years.

And without the cost controls we placed on local school spending, property taxes would be \$2 billion higher right now.

So let's put this in the proper perspective: Spending went up at the state level so taxes could go down at the local level.

What's most impressive is the state took on the extra burden of local school spending and still made substantial cuts in state taxes.

That's quite a feat. And it's a testament to our fiscal discipline.

But if some partisans are still intent on playing games with the spending issue, let me remind them of this fact: Every budget I submitted to the Legislature has come back with more spending — \$1.6 billion to be exact. And my 1,900 vetoes pared \$287 million. Also, I set aside more money for a rainy day in every budget, but the Legislature spent it.

So, perhaps it is time for a cap on state spending.

But back to the four Ts. Along with adjusting our attitude and cutting taxes, we stimulated our economy by investing in our roads.

When we came in, Wisconsin was largely a network of inefficient and dangerous two lane highways. So we built strategic corridors of four-lane roads that are delivering remarkable economic benefits for communities. From 1990 to 1996, more than 87 percent of the 1,900 manufacturing developments in Wisconsin occurred within five miles of a Corridors 2020 highway. And these plants created 90 percent of the new manufacturing jobs in our state.

We built the roads and the jobs followed. The correlation couldn't be clearer, nor could the payoff on the investment.

We also increased spending on mass transportation by 140 percent, helping our workers get to and from their jobs. And we are leading the nation into an exciting new era of high-speed passenger rail with the help of Amtrak.

We've taken a balanced approach to moving our products and people in Wisconsin.

The fourth T, and perhaps the most important, is teaching. Educating our children and workers.

As the nation's Education State, we have long recognized that education must be the foundation for individual success. If we were going to create more jobs, we needed to develop the skilled workers to fill them.

So we invested in our schools like no other time in our history — and that's saying a lot.

We now spend \$7.8 billion dollars each year on public schools — an increase of 141 percent. And the state contribution to schools has grown from \$1 billion to nearly \$5 billion. In addition, we increased other state aids and credits by 230 percent; raised per pupil spending to \$9,000 annually; spent \$47.2 million more in the SAGE program to reduce class sizes; made our teachers among the best paid in the Midwest and America; invested in teacher development and created a salary bonus for national certification.

No state is making a greater, more consistent investment in its public schools than Wisconsin.

We've learned, however, that just spending more money doesn't buy you more success in the classroom. Nowhere was this more evident than in Milwaukee Public Schools, which were lagging behind. This despite the state increasing its aid to MPS by 55 percent and funding 82 percent of its costs.

So we targeted our efforts to building up Milwaukee. We started with the principles that every student can learn and parents must be empowered with more choices.

This philosophy spawned some of the nation's most innovative education reforms.

Charter schools. Public school choice. Private school choice for Milwaukee. Charter schools operated by the city of Milwaukee, UW-Milwaukee, and the Medical College of Wisconsin and MPS.

Nowhere in America does a parent have more choices than in Milwaukee, Wisconsin.

And it's making all the difference.

Parents are now more involved in their children's lives. The public schools are rising to the challenge of competition. And the entire city of Milwaukee is more dedicated to improving the quality of its schools.

There is no doubt in my mind that Milwaukee will become the national model for renewing urban education in America within a few years. I have often used this podium to challenge MPS, but tonight I want to applaud its leaders and educators. Please recognize Superintendent Spence Korte and board vice president Ken Johnson. They are working together to make sure all schools measure up and no child is left behind.

And I urge this Legislature to extend the same array of choices to the state's other urban communities. Have the courage to give these parents the same opportunity as Milwaukee.

The Milwaukee challenge also prompted a statewide debate about the need for higher standards and greater accountability in our schools.

Thus, we came together to create the first set of education standards and the first graduation test. And I applaud the UW System for making passage of the test a requirement for admission.

To help our students achieve; we invested wisely in technology programs like TEACH — a great equalizer that gives rural and urban schools the same access to courses and teachers.

We also provided better job training for our students with the nation's first School-to-Work and Youth Apprenticeship programs.

Our Youth Options program began our quest for a seamless system of schools, where a student can move easily from high school to technical college to the university system — all while getting real work experience. This must be the model for education in the 21st century.

We're also building the Schoolhouse of Tomorrow by pumping unprecedented money into our facilities, from our kindergartens to university research labs. We made sure our two-thirds commitment covered construction costs so small communities could afford new schools and building improvements.

As a result, the state has helped pay for 363 school projects and increased its construction funding by 650 percent.

And we've built our UW System campuses into cutting-edge institutions by helping to finance 4,025 building projects totaling nearly \$2 billion in capital investment.

The payoff is the nation's best-educated, skilled workforce. Our students graduate in high demand.

What makes Wisconsin so special, though, is that in our fine progressive tradition, we have made wise use of our economic success. Yes, we aggressively cut taxes for our families, but we also invested in our future by helping those in need.

Nowhere is our state's social contract more evident than in health care, where we consistently have one of the highest percentages of people with health coverage.

But when our workers can't get or afford health insurance, the state provides a helping hand in the form of BadgerCare. This program allows hard-working families like Todd and Catherine Dobbratz to buy into the state health plan in a way that doesn't tax others or bankrupt government. Now the Dobbratzes have health coverage for themselves and their four children. And I applaud the Legislature for taking swift, bipartisan action to make this program whole. It's a great way to start off the new session.

During my senate confirmation process, there was no program senators in both parties were more interested in than BadgerCare. They wanted to know how we did it and could it be replicated nationally. I don't know the answer but something tells me I'm going to find out. Once again the nation is looking to Wisconsin to solve a problem once deemed unsolvable.

And thanks to your help, we're giving seniors the choice of getting long-term care in their homes through Family Care. And Pathways to Independence is freeing the disabled to pursue careers without the fear of losing life-sustaining health benefits.

But I would be remiss – and in big trouble at home – if I didn't mention the tremendous strides we are making in women's health in Wisconsin. We created an Office of

Women's Health, expanded access to health care, and invested more in research. And I'm pleased to announce I was able to bring GE Medical Systems and UW Hospital together to install two digital mammography machines at UW Health Centers this spring. These machines detect breast cancer at such an early stage it will save hundreds of lives.

Another example of making the latest in medical technology available to Wisconsin women.

Now we also have before us the challenge of making prescriptions drugs affordable to low-income seniors. With both parties and houses publicly committed to addressing this problem, I am confident a solution can be reached. The existing budget constraints, however, clearly place the first priority on helping those seniors in greatest need. Let's make it happen.

Our most recognizable and successful social reform, however, is welfare.

They said you couldn't end AFDC. It was impossible to develop a more compassionate and effective way of helping the poor.

Well, we proved the cynics wrong and showed that every person has value. We rejected a system that discriminated against women and cast them off into a corner of society.

Instead, we took them by the hand and showed them a better way. And an entire nation followed.

W-2 is far and away our most compassionate accomplishment – the greatest change in social policy in 60 years.

We made welfare reform work because we did it right. We brought welfare mothers to the table and asked them what prevented them from working.

With their counsel, we invested up front in the programs needed to move them from dependency to self-sufficiency: child care, health care, transportation, training, food stamps, tax credits and individualized counseling.

Just look at childcare. We increased spending from \$12 million to more than \$200 million, and there are no waiting lists as a result.

Now we're taking childcare to the next step with our Early Childhood Excellence Centers that provide high quality learning for low-income children. These centers will set a new standard in early childhood development – putting at-risk children on more solid footing as they enter school. A model for this concept is SC Johnson and its Next Generation Now center in Racine. I'd like to thank Helen Johnson-Leipold for SC Johnson's leadership.

Welfare reform is succeeding beyond our grandest expectations.

Yes, our caseloads are down a remarkable 94 percent. Only 6,496 families remain on cash assistance.

But more important is the fact these families are better off. Not their lives aren't perfect yet. But they are better off as a whole.

Just look at the data.

- Our first leaver's study showed that 70 percent left the rolls for a job.
- The average wage is \$7.42 – more than two dollars above the minimum wage.
- The average family on AFDC was 30 percent below the poverty level. Through W-2, they're 30 percent above poverty.
- The child poverty rate has dropped by 20 percent.
- Wisconsin ranks as the fourth best state in the country for children.
- Our overall poverty rate is the fifth lowest; our gap between rich and poor is the fourth smallest.

Clearly, welfare reform is lifting families up. Helping them to succeed. And giving them a higher quality of life. Leilani Duarte, who was part of those first luncheons at the Residence, is proof.

Our challenge is not over, however.

The genius of W-2 is its flexibility and its ability to evolve. And evolve it must.

W-2 helped thousands of families get jobs. Now it must focus on helping them climb the ladder of opportunity to greater self-sufficiency. It must put resources toward helping families stay in the workforce and not slip backwards.

The Division of Economic Support is already in the process of making this transformation and I urge you to support their efforts.

We must not rest until we help these families attain their full share of the American Dream. That is the great promise of W-2.

Our strong economy also allowed us to raise our quality of life through a great outdoors, safer neighborhoods and preservation of our proud farm heritage.

As we created 800,000 new jobs, our tougher environmental standards led to a reduction of industrial pollution by nearly 25 percent.

We cleaned our environment with nationally recognized programs such as the Clean Water Program, recycling, brownfield recovery and the Great Lakes Protection Fund.

We ignited a new era of environmental stewardship in Wisconsin by growing more forest land than at any time in our

state's recorded history; preserving more land for public enjoyment — 256,000 pristine acres; extending the Stewardship Fund by \$460 million and another 10 years; and creating two new Centennial State Parks to celebrate the 100th anniversary of the State Park System. I'd like to thank Dick Steffes and Sue Black of the DNR and Todd Montgomery of the State Parks Friends for their help preserving this land.

We also brought the elk and trumpeter swan back to Wisconsin; while removing the bald eagle, timber wolf, Canada Lynx, Cooper's Hawk and Tremblay's salamander from the endangered species list.

Our vibrant natural resources help make Wisconsin a popular tourist destination.

We increased our tourism promotion budget from \$1 million to \$12.5 million. And the payoff is an economic impact of \$9 billion by the tourism industry. Tourist spending is up 51 percent as more visitors keep coming back more often.

And one of our greatest tourist attractions is the State Fair. You've already seen the aesthetic changes made to the park this summer. And there are even more ambitious plans to modernize the grounds. Please make the State Fair Park renovation a priority — we'll reap the benefits for generations.

We also have a great opportunity to build a world-class History Center that will make sure the story of Wisconsin and its people live forever. I am forwarding the \$75 million project in the budget and plan to raise private money for it as well. This project must also include an underground parking facility.

The History Center will build upon the Overture Project, Monona Terrace, and Capitol Restoration and Veterans Museum improvements — making Madison and the Capitol Square a premiere tourist destination.

I'm just worried there'll be so many fun things to do around here; no work will get done.

The quality of life in our neighborhoods matches that of our great outdoors thanks in large part to our zero tolerance approach to crime.

We restored public confidence in the criminal justice system with truth in sentencing, strengthened our juvenile code by replacing a soft touch with tough love, and kept sexual predators off our streets until they're deemed not to be a threat.

While no one likes to build prisons, there is an unmistakable correlation between rising prison populations and the lowest crime rates in 30 years. When the bad guys are behind bars, they're not committing crimes.

But our goal remains to make a criminal's first visit to prison his last. Our cutting-edge work programs give prisoners a skill and work ethic so they can leave prison with the ability to get a job and stay out of trouble. And drug and alcohol treatment programs help keep them sober.

As we look to the future, every prison must have a work program that trains every prisoner. Otherwise, these criminals will just keep coming back. And let's bring all our prisoners back within two years and upgrade the prison health care system in this budget.

Down on the farm, things are looking up. We are America's Dairyland: the largest producer of cheese, dry whey and sweetened condensed milk. Our cheeses are recognized as the best in the world.

We produce 23 billion pounds of milk and boast twice as many family farms as any other state. All this despite federal dairy policies that punish Wisconsin farmers and discourage them from farming.

Wisconsin remains the dairy leader because of our commitment to family farming.

Our conversion to use value assessment saved farmers \$41 million in property taxes last year alone — money that could be plowed back into new equipment and technology. I'd like to introduce Chuck and Kathy Garfoot of Verona, who credit use value for allowing them to stay on their land rather sell it in rapidly developing Dane County.

We also increased the farm credits by \$29 million; created a permanent tax credit of up to \$1,000; eliminated the inheritance taxes; and made health care costs fully deductible.

And parents can now pass their farm onto a child without paying onerous capital gains taxes.

We also protected the right to farm with legislation ensuring new neighbors and developments don't infringe upon family farmers and their operations.

For the future, we need to keep our farmers competitive by allowing them to expand.

Larger farms are the only way some farmers — and farm communities — will be able to survive. And many of our cheesemakers desperately need more milk. Just because a farmer wants to grow his herd, doesn't mean he isn't a family farmer. We can't be afraid to expand our dairy operations.

So as we look back on the past 14 years, we have indeed come a long way.

We struck the right balance between cutting taxes and investing prudently in our people.

We developed a winning formula and executed it together.

But behind the statistics are real people, like:

- Matthew Neary, a UW-Stout student pursuing his dream of a career thanks to Pathways.
- Eugene Bingenheimer, who gets quality care at home, thanks to Family Care
- Doctors Anthony D'Alessandro and Paul Volek along with the Nachreiner family, who are making Wisconsin one of best organ donor states in America.
- Wausau Benefits CEO Fred Moore, Board Chairman Dwight Davis and employees Jay Aniker and Chris Thomas — a company that's succeeding with the state's partnership.
- Patricia Burgess, a W-2 participant and her caseworker Barbara Atkins.
- Ben and Debi Heisner, Mineral Point farmers carrying on our agriculture heritage.
- Milwaukee LaFollette Elementary principal Flora Odom-Flagg, and her students Vallory Tole and Welisha Frelow; and Messmer High principal Jeff Monday and students LaTosha Cooper and Juan Youngblood. These schools and educators are

showing that all children in Milwaukee can succeed and meet high expectations.

• And finally the Ruttig and Hussey families, who on this very stage were promised major tax cuts in the last budget, address. We're proud to say we delivered for you.

These are the faces of our success in Wisconsin.

They're why we all got into this profession. To help people. To make their lives better.

And that's exactly what we've done together.

As they leave us tonight, let us thank these citizens for helping make Wisconsin a better place in their own way.

Now to the future. As we set a course for the next decade, we must keep investing in the

Four Ts. As always, I have a plethora of ideas on exactly how to do that.

First and foremost, it is important that Wisconsin maintain its aggressive attitude on economic development by investing in the new economy. Our competitors are no longer Illinois and Minnesota. They are also California, Colorado, Washington, Europe and the Pacific Rim nations.

Wisconsin stands to become America's Biotech Prairie and we mustn't let one high tech company escape our state in search of a better climate. We must nurture cutting-edge biotech companies like Third Wave Technologies, which is about to go public. Third

Wave exemplifies the great potential for this industry in Wisconsin. I'd like to thank Rocky Ganske and Stephanie Vavra for joining us tonight.

We must aggressively pursue more venture capital so the ambitious high-tech and biotech entrepreneurs have the resources to bring their discoveries to market.

We must continue investing wisely in our universities: Keep the Biostar program on pace.

Double the number of information technology graduates. And create a Master's degree in biotechnology at UW-Madison.

And, as best you can give available resources, move forward with the Madison Initiative, Milwaukee Idea and Chippewa Valley Initiative. All are strategic plans geared toward developing the jobs and workers of tomorrow through public-private partnerships in their regions. I'd like to introduce UW-Eau Claire Chancellor Donald Mash, UW-Madison Chancellor John Wiley and UW President Katherine Lyall and thank them for their leadership.

We can't afford to waste the newfound synergy between our universities and private sector if we want to grow the technology industry in Wisconsin.

And keep looking to cut taxes. While tax cuts may be hard to come by this session, it doesn't mean you shouldn't try. If money is found, a priority must be placed on stimulating new economic growth - just as we did in 1987.

A hub exemption is vital to the competitiveness of our Wisconsin-based airlines. Modern commerce demands easy access to air travel, which makes Midwest Express an economic jewel that gives us a leg up on our competitors.

If possible, find a way to create tax-free Technology Zones in regions of the state. They can set the Biotech Prairie on fire by providing a tremendous financial incentive for high-tech companies to locate and grow in Wisconsin. The payoff will be thousands of new jobs and taxpayers.

And single factor should be another priority, so our businesses aren't tempted to move to a neighboring state.

Then don't forget the importance of transportation. Even in the new economy, moving commerce will demand a strong road system.

No road project is more important than the Marquette Interchange, through which a majority of our state's commerce travels. This Legislature must commit itself to getting this project off the ground promptly, or commerce in our state will suffer.

Vital to the Marquette project is repairing the Hoan Bridge, which is to serve as a major relief valve for traffic while the Marquette is closed. We're working closely with the federal government to get emergency funds to fix the northbound lanes. And I have instructed the Department of Transportation to get the southbound lanes ready for traffic by mid-February, a target that can be met safely.

And I'm looking for some lawmakers to take up the charge of high-speed passenger rail in Wisconsin. We need to get a high-speed route established from Chicago to Milwaukee and Madison, ultimately going to other areas as well. It simply doesn't pay anymore to drive from Madison or Milwaukee to Chicago. Trains are a fast and cheap alternative.

The state recently purchased the Milwaukee Amtrak station and plans to remodel it into a beautiful intermodal facility. And if we build an Amtrak stop at Mitchell Field, we will quickly establish Milwaukee as the third airport serving the Chicago region.

Finally, our commitment to education must never waiver. Therefore, this budget will maintain the state's commitment to two-thirds local school funding.

And let's move beyond the fear of accountability. Challenge our kids to meet the high standards we set for them. Make the state graduation test mandatory.

Tonight I challenge the state to solve another one of society's unsolvable problems.

Let's eradicate illiteracy in Wisconsin.

We're setting up reading academies to train teachers in the best ways to teach children to read. And we're developing web-based reading methods for elementary school teachers.

Eliminating illiteracy will require the dedicated effort of us all - from parents to teachers to employers and churches. It'll take more people like Tori Rader of the Brown County

Literacy Council, Dottie Heitke of the Stateline Literacy Council, and Barbara Manthei who leads the state's literacy effort. Let's come together and make Wisconsin the first state where everyone can read. There's no greater legacy we can leave our next generation.

Finally, I would like to add to the equation for future success, two Es: energy and efficiency.

We must make sure the trails we blaze tomorrow are well lit and capable of powering commerce in Wisconsin. This means producing enough energy.

Let me be clear: There is no issue more crucial or critical to Wisconsin's future right now than energy. We're running out of it. Plain and simple. And Wisconsin is not alone, for

Alan Greenspan warned last week of a national crisis in energy production.

In Wisconsin, we simply don't have enough power plants and transmission lines.

Just presuming a very modest 3 percent growth in demand for electricity, Wisconsin's electricity needs will exceed its generating capabilities in just two short years. But our economy keeps growing at a 5 to 6 percent pace. And what happens if an existing power plant goes down for maintenance or repairs?

Ladies and gentlemen, we have no margin for error.

We've built some plants in the last few years, and our deregulation efforts have been hailed nationally as among the smartest – in stark contrast to California. But this has only allowed us to get by.

We need to immediately pursue a balanced course of building more power plants and erecting more transmission lines. And we need a natural gas pipeline to make our supply more reliable. We can do all of these without harming the environment, despite what the fear mongers claim. We've proven this in the past.

Without enough energy, not only will our existing businesses suffer; all those high-tech companies we want to attract will go elsewhere. High-technology runs on raw power not wood stoves.

Even the Wall Street Journal wrote a few days ago that states are aggressively using energy as a powerful new tool in recruiting business.

The stakes are high: If this chamber does not heed this clarion call to action, it will put the economic future of this state at great peril.

Next, we must become more efficient. At every level of government, we need to do a better job of delivering the services our people demand at a price we can all afford.

And there's no better time to start than this budget when revenues will be lower than expected.

Thanks to the hard work of Don Kettl and his commission, we now have a road map to smaller, more efficient government – from Elroy to Juneau County to Madison. The commission's recommendations, including how we better distribute revenue between state and local government, will be included in the upcoming budget. Don is with us here tonight after completing another thankless task for our state.

Tonight, I want to focus on the five most "radical and bold" ideas — the catalysts for truly modernizing our government for a new century.

1.) Create incentives to collaborate. In our forefathers' zeal for strong local control, they created too much government. And this has led to overlapping services.

By engaging in regional collaboration for the delivery of services, governments can reap significant savings without sacrificing quality. For example, do neighboring communities really need separate mass transit systems? Or separate waste collection services?

I can tell you right now, that the amount of money the state can send back to communities and spend on programs isn't going to grow in this budget. The economic windfall isn't there. So there's no better time for local governments to collaborate and develop savings.

2.) Demand performance and accountability. We would improve harmony and performance by more clearly defining the roles of state and local government.

For example, the state might assume responsibility for providing human service programs and contract with local government to deliver them. The state would pay local government based on its performance. The more efficient the delivery, the greater the financial reward.

The result would be greater accountability, better service and less friction.

3.) Performance-based education. There is no area that state and local government spends more money on than schools. But we need to do a better job of making sure that money gets directly into the classroom by giving greater operating flexibility to every local school building. And we must demand high performance. We must also continue to breakdown barriers to our seamless system of schools.

4.) A Top-To-Bottom Scrub of Government. If we are serious about reforming government, we need to dig deep and determine what we do well and what we do poorly at all levels.

We need to search and destroy regulations and programs that have outlived their usefulness; share the best practices of government; and establish performance-based management for state government.

5.) Expand e-government. Web portals for all levels of government will make it easier for citizens to access services and reduce the cost of goods the government buys.

Tonight, state government is unveiling its new, one-stop web site: www.wisconsin.gov.

Once on-line, an array of state services will be at your fingertips. You can renew your vehicle registration, reserve a campsite, look for a job, begin building a new business, learn how to get social services in your community, see how your child's school grades out compared to others, or plan a family trip. Every state agency is making its programs and services accessible online.

And by using the portal to buy products on-line, we will save taxpayers money.

Through reverse auctions, we can get the products we need at the lowest price possible.

In a recent auction to purchase textiles, you can see that the longer the auction went on, the lower the price dropped. We finally bought the textiles for 33 percent below the market price.

Our e-portal underscores the great efficiencies we can accomplish in government if we're bold enough to change.

Reforming government doesn't just mean making it more efficient, however.

Perhaps the area where government needs the greatest reform is in the political system.

The fall elections brought a new level of attack ads, record spending and reports of smokes-for-votes and felons voting.

Thus, it is time to quit the political posturing and pass the first Kettl Commission Report — the comprehensive campaign finance reform. It's the only bipartisan reform out there.

And let's take it a step further: Develop stronger regulations on independent ads. The

Constitution makes speech free but last-minute attack ads are costing our democracy too much. We need to strike a better balance.

Next, pass a bipartisan package of voting reforms that include: requiring a photo ID to register and vote; the training of election observers; creation of a statewide voter list; a new position at the Elections Board to help local governments conduct elections properly; and a task force to study the use of technology to increase voter participation.

We are America's good government state. The integrity of our polls must never be questioned again.

Tonight, I am pleased to announce a new project that will help increase public participation and reduce cynicism.

It's called The WisconsinEye Public Affairs Network. It will be Wisconsin's version of C-SPAN.

These small, discreet cameras will be mounted in the Assembly and Senate Chambers, providing the public with straightforward coverage of legislative proceedings. This represents the very latest in miniature digital technology.

WisconsinEye will cover hearings, press conferences and other happenings in state government and around the state. And students and educators will have a real-time window on the State Capitol.

A more formal announcement on this project is coming soon. But let me tell you now that this network will not cost the taxpayers any money. WisconsinEye will be supported by a private not-for-profit company, and Charter Communications is contributing as well.

Please welcome the network's president Jeff Roberts, its vice president Jon Henkes and Chris Fenger and Tim Vowell of Charter Communications.

And I would like to give credit to the Assembly and Senate for openly welcoming WisconsinEye into their chambers. It's a bold and courageous move.

So there you have it. Another ambitious agenda for the future. And you thought you'd get off easy tonight with me just talking about the past.

Believe me, I would love to keep going because I still have hundreds of ideas for this state.

But now it is time to pass the torch and say goodbye.

Tomorrow at noon, Scott McCallum will become the 43rd Governor of this great state. A new era of leadership and government will begin.

Already, Scott is showing the strong decision-making that will be necessary to keep Wisconsin on a sound path. As you know, there is no budget windfall this year. The failure to heed warnings about the structural deficit and a bigger rainy day fund will make this a difficult budget session. But the lieutenant governor is one of the few people in this room not responsible for this predicament.

Thus, I encourage you to give him your full support. Being governor is not easy. But Scott McCallum is more than up to the challenge. He's a good man and I wish him well.

As for me, well, I've spoken so long tonight because deep down I really don't want this night to end. For I know tomorrow brings a new beginning.

But how do you say goodbye to a place you love so much?

I'll begin by thanking you, the people of Wisconsin, for all the courtesies and friendships you have extended my family. You have warmly given us your home and made us your neighbors. I

want to thank my children: Kelli, Tommi and Jason for standing by me. It's not easy being the governor's children, but they always carried themselves with grace and dignity.

In fact, of every success I spoke about tonight, there is nothing I am more proud of than my children. They have grown to be warm, caring adults. And the credit goes to my wife Sue Ann.

Sue and I have been through so much together, and she is such a great part of my success.

Without a doubt, I would not be standing here today without her. So please welcome my wife, who would like to say a few words of thanks.

(MRS. THOMPSON)

Thank you, for the opportunity to serve as Wisconsin's first lady for these last 14 years. It has been an honor and a privilege.

Thank you, also for supporting Tom, our family and myself. The kindness of the people of Wisconsin has been a great source of strength for all of us. We will always treasure our moments as governor and first lady.

We have developed many wonderful friendships, visited many beautiful communities and learned so much about our state.

You have heard Tom speak often of his family of more than 5 million people here in Wisconsin. That is a sentiment that we both share. No matter where we go in Wisconsin, we have always felt welcome.

I also have had the opportunity to become involved in many special programs. Women's health issues and literacy are among those that have been so close to my heart.

I plan to continue my work after I leave as your first lady. I promise you I will remain committed to women's health, both here in Wisconsin and in Washington.

Again, thank you all for your continued friendship and support.

(GOV. THOMPSON)

As I said at the beginning of this speech, when it was still daylight: My, how far we have come.

We believe in ourselves again. We created the most sustained period of success in Wisconsin history. And we did it by working together.

Hopefully, the people of this state will regard me as a governor who cared – cared enough to make a difference. Someone who left the state better than he found it.

So I would like to end tonight by simply saying thank you.

There has been no greater honor in my life – and there will never be a greater honor – than to have been elected four times to serve as your governor. You made these the most special years of my career and I will miss you greatly.

I'll miss traveling this great state — the farm breakfasts, the 5K races, the softball games.

I'll miss waking up on a Saturday morning and taking a Harley Ride, or biking through our beautiful countryside. I'll miss the rides at the State Fair, Friday night fish fries, doing the electric slide with my friends in Milwaukee.

But most of all, I'm just going to miss spending time with you. You are my friends.

Together, we made a good life for ourselves here in Wisconsin.

Be proud of it. But never be satisfied. A better way is just beyond the horizon.

I love you all. Thank you and God Bless Wisconsin.

ADJOURNMENT

Adjourned.

8:48 P.M.

SENATE ENROLLED PROPOSALS

The Chief Clerk records:

Senate Bill 18

Report correctly enrolled on January 31, 2001.