

JOURNAL OF THE SENATE

FRIDAY, November 5, 1971.

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

EXECUTIVE COMMUNICATIONS

State of Wisconsin
Office of the Governor

November 3, 1971.

To the Honorable, the Senate:

The following bill, originating in the senate, has been approved, signed and deposited in the office of the Secretary of State.

Senate Bill	Chapter No.	Date Approved
373 -----	123 -----	November 2, 1971

Respectfully submitted,

PATRICK J. LUCEY,
Governor.

November 3, 1971.

To the Honorable Members of the Wisconsin Legislature:

I am returning Senate Bill 805 (Chapter 125) with my partial approval.

The State Constitution empowers the Governor to evaluate appropriation bills in their several parts and to reject those parts with which he takes exception. I have exercised the partial veto power in several instances to improve upon what is a very good budget bill. These actions are taken with the objective of improving the bill where technical problems have arisen, as well as assuring that the programs approved as part of the budget bill are in the best interests of the people of the State of Wisconsin who have entrusted us with the responsibility of making our laws, determining the content of state programs, and effectively carrying out those programs.

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There may be some in the Legislature who will disagree with my partial vetoes. If so, the January session of the Legislature will provide an opportunity to review the actions which I have made in what I believe to be the public interest.

Education

Transfer of Credits from County Teachers Colleges: Section 250 of the bill provides that any institution of higher education in this state must accept at full value for degree purposes all credits earned by a student at a county teachers college. Although I agree that those students currently enrolled as first-year students in the county colleges need assurance of the transferability of credits, the language as included in the bill is too broad. As written, it applies to credits earned at any time in the past. It is my understanding that the intent was to limit this provision only to currently enrolled students. Although I have deleted this provision from the bill, I have sent a letter to President Weaver requesting that the University of Wisconsin exercise as much flexibility as possible in evaluating the credits of the affected students to ease the impact of the closing of the county colleges.

Faculty Retirement Pick-up: Section 289 of the bill provides that the effective date for increasing the state's contribution for faculty retirement shall be the first day of the month following the effective date of the budget act. Under these provisions the effective date would not occur until December 1. Since the faculty of the University of Wisconsin System has suffered a long delay in salary and fringe benefit increases, I believe these sections should become effective at soon as permitted under the President's wage-price freeze.

State School Lunch Aid: I originally recommended that the state provide supplemental payments in 1972-73 for school lunches served to economically and culturally disadvantaged children. It was my intent that the state pick up the difference between the federal subsidy and the cost to the school district, not to exceed .20¢ per lunch, to assure that all of the state's needy children would have an adequate school lunch. The Joint Committee Conference on Assembly Bill 414 compromised on this issue by establishing a limit of .10¢ per meal. However, I am certain that none of the members of the committee or of the Legislature as a whole

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would disagree with the need of such disadvantaged children for at least one adequate meal for each school day. I have thus stricken the .10¢ limitation in Section 447 to allow the state to finance the full difference between the federal subsidy and the cost of the lunch.

Guarantee of 70/40 Percent of School Aid Loss: Section 525 of the bill provides a guarantee to school districts which will lose under the school aid formula during the 1971-73 biennium. This provision is intended to protect those districts which suffer from reduced aids due to the need-assessment factor of the school aid formula. It would guarantee each such district a supplemental payment of 70% of the aid decreases to be experienced in 1971-72 and 40% of that which would result in 1972-73. The provision creates a glaring inequity. It provides a higher level of funds to selected districts regardless of need and most of the funds go to a few selected districts. In 1971-72, for instance, three districts which have equalized valuations per student which range from 25% to 60% above the state average—Whitefish Bay, Shorewood and Brookfield—will receive over 50% of the money. In 1972-73, the three districts would receive \$400,000 of the \$1.1 million distributed under this guarantee. Such inequitable distribution of state funds is clearly bad public policy.

While the affected school districts are clearly anticipating the 70% guarantee for the current school year, there is little justification or need for retaining the 40% guarantee for the 1972-73 school year. The funds saved by deleting the 40% guarantee in 1972-73 will more than offset the cost of restoring full state support of the school lunch program, an area in which the need is much greater. The impact of this action will decrease aids somewhat in three relatively affluent districts, but will have a personal benefit for thousands of disadvantaged children.

Human Resources

Council on State Welfare Program: The Council on State Welfare Program is created by Sections 10 and 308 of the bill. The Council was originally the recommendation of the Task Force on Welfare Payments to review the broad range of problems involved with the administration of public assistance programs, with the objective of reducing the cost

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of administration. As approved in the bill, special emphasis is to be placed on a study of the standard of need and the merit system. While I am sympathetic with the objectives outlined for the Council, I believe the Council as constituted would prove to be ineffective and would serve to undermine the Board of Health and Social Services. I believe a comprehensive review of welfare programs is needed and I will, in the near future, recommend steps to the Legislature to deal with this problem. I have thus deleted the provisions relating to the Council on State Welfare Program.

Manpower Training Study: Section 527 of the bill would require a complete study of manpower training programs prior to the annual review of the 1972-73 budget with a complete report and recommendations to be submitted to the joint committee on Finance by January of 1972. This provision was included in the budget several months ago when the time limits provided would have been feasible. I have thus deleted this section from the bill and have asked the Department of Administration and the Manpower Council to carry out the worthy intent of the section, although the time deadline could not be met.

Welfare Restrictions: Section 531 of the bill sets forth certain administrative regulations concerning the determinations made by counties in granting benefits under all public assistance programs. Item (1) (a) provides that counties shall not include the area of special needs in determining eligibility. Excluding special needs would create hardships for some people who do have particular handicaps, such as an elderly couple who cannot do their own laundry or cleaning. Item (1) (b) provides that counties shall average income received in any budget year in excess of recognized minimum needs over the succeeding months. The Department of Health and Social Services believes this provision is illegal and that the state cannot require that individuals live on a welfare standard when they are not receiving grants. Item (1) (c) provides that counties shall use only actual income received during the prior month in determining the size of the welfare grant. Not only is this provision inconsistent with (1) (b), but it is also believed to be illegal since the level of aid must be based on need during the period for which the aid is provided. Although these matters were discussed with the Conference Committee, the department has since researched these items and

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believes they are unacceptable public policy. I have thus deleted these three items from the bill.

Aid to Families With Dependent Children—Unemployed Parents Program (AFDC-U): Section 532 (15) of the budget bill limits the restoration of the AFDC-U program to the first fiscal year of the 1971-73 biennium. This action was taken by the Conference Committee on the assumption that economic conditions would improve measurably by July of 1972 and there would be less need for the program. Although I would like to support this optimistic view of the economy, current economic indicators give us no reason to assume that the long-awaited economic upturn will occur prior to July. In addition, I believe that AFDC-U is a necessary and desirable program to assist families in financial difficulty due to economic conditions and to contribute to continued family stability. I have thus vetoed the provision in Section 532 (15) which would limit this program to fiscal 1971-72 only.

Other Provisions

Locations of State Personnel in Regional Planning Commissions: The two appropriations in Section 172 require the Department of Local Affairs and Development to continue the practice of locating state personnel in regional planning commissions. This practice has advantages in assisting new commissions. However, it has the undesirable feature of split responsibility if continued over a long period of time. The decision should be made by the Secretary of Local Affairs and Development in consultation with each commission. Therefore, I have vetoed this new statutory requirement which will permit continued administrative discretion.

Council for Home and Family: For several sessions, the ability of the Council for Home and Family to accomplish the objectives for which it was created has been strongly questioned by both the executive and legislative branches of government. Its history of continual over spending of its appropriation, internal diversiveness and its inability to retain an executive director has led me to the conclusion that the Council for Home and Family does not constitute an effective body to deal with the problems of family disintegration in our society. Consequently, I have vetoed the General Purpose Revenue and Marriage License Fee appro-

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priations for the Council in 1971-73. In vetoing these appropriations I urge the Legislature to examine other alternatives for solving the problems of the family in our society.

Utility Tax Payments: Section 418 of the bill limits the distribution of special utility payments to 5 mills times the value of utility production plants, general structures, pipelines and all other property in the municipality. This is the result of an amendment which was added in the senate and which serves to partially defeat the purpose of tax redistribution by providing large sums of shared taxes to a relatively few (9) utility tax islands. By item vetoing the reference to "production plant" in s. 79.014 (1) (b) I have reduced the large amounts of funds which would otherwise go to these municipalities. On the other hand, the provisions of the 90% guarantee will serve to reduce the impact of this charge so that the loss for any one municipality in any year will not be great. Although I was willing to allow up to 3 mills for these districts, which I felt was a very generous payment, I cannot in good conscience approve 5 mills for all utility property in these districts. This partial veto is not meant to provide a long-term solution to the problem of utility tax redistribution, but rather the intent is to reduce the inequitable impact of the 5 mill payment until the legislature can correct the formula in a more permanent way.

Technical Changes

Both the merger act (Chapter 100) and the budget bill contain language amending s. 15.57 relating to the membership of the Educational Communications Board. Since these are some inconsistencies in the language and Ch. 100 already reflects the provisions of the merger, I have vetoed Section 22 of this bill as a technical matter to avoid confusion in the wording between the two sections.

Likewise, Section 252 amends s. 39.05 (1) of the statutes relating to the UW campuses at Green Bay and Parkside. Since the section in question was repealed by the Chapter 100, I have vetoed Section 252 to bring it technically into conformity with the merger act.

On page 154 of the bill, the provisions of 71-02 (2) (gh), would require persons moving into or out of Wisconsin in

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1971 to prorate allowable standard deduction. Such proration is not required until 1972 for migrating taxpayers—or others with out-of-state, untaxed incomes—choosing to itemize their deductions.

With the veto action I have taken, proration will be required for both standard and itemized deductions beginning with the 1972 income year.

The original Senate Bill 805 did not provide a new form of tax distribution, yet proposed an income tax on certain insurance companies. Certain language in s. 71.14 (2) (b) 2 gave the factor to use in apportioning income tax from insurance companies between municipalities. The material is unnecessary and, possibly, conflicting with the tax distribution pattern outlined in the assembly amendment to ASA 1, i.e., creation of and distribution from a Municipal and County Shared Tax Account. It has thus been deleted from the bill.

On page 166 of the bill it was necessary to delete the provisions relating to the November distribution of individual and corporate income taxes. Without this change, income tax collections from individuals and corporations for the period August 1, 1971 to October 31, 1971 would be placed in the Municipal and County Shared Tax Account, with the result that income tax distributions scheduled for counties and municipalities could not be made on November 30, 1971.

As drafted on page 192 of the bill, the local share of liquor tax collections in the 1971–72 fiscal year (paid to municipalities in calendar 1972) would not become part of shared tax account. In addition, the appropriation for the payments disappears January 1, 1972.

To provide that the local share of these collections are entered into the shared tax account as intended, it was necessary to veto portions of s. 139.13.

Section 419 of the bill creates the position of Special Assistant for Safety and Law Enforcement in the Department of Transportation. Included in this section is a detailed listing of the duties of the special assistant. I have vetoed this listing of duties as a technical change as it is inappropriate to include such a detailed listing of duties in the statutes

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and, further, it would only serve to limit the flexibility of the secretary in utilizing the special assistant.

I have also made a number of partial vetoes on pages 190 (all of section 463), 191, and 221 to clarify the effective dates relating to the increased taxes on cigarettes and intoxicating liquor.

Section 532 (19) of the bill provides for a 31-day delay in the abolition of the Coordinating Council for Higher Education. Since Chapter 100 has already abolished the Coordinating Council I have deleted 532 (19) as a technical change.

Respectfully,

PATRICK J. LUCEY,
Governor.

CHIEF CLERK'S CORRECTION

Suggested by Legislative Reference Bureau

Senate Bill 805

In enrolling, the following correction was made in assembly substitute amendment 1:

On page 76, line 13, strike through "in 1970-71".

On page 235, delete lines 1 to 27.

On page 246, line 31, change "(bm)" to "(dm)".