

Eighty-Sixth Regular Session

WEDNESDAY, July 6, 1983

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

INTRODUCTION OF RESOLUTIONS

Senate Joint Resolution 35

Requesting that the governor of Wisconsin consider the appointment of older citizens to state boards and commissions in equal proportion to their percentage of the population.

By Senators Feingold, Cullen, Otte, Kincaid and Chilsen; cosponsored by Representatives M. Coggs, Shoemaker and D. Travis.

Read and referred to committee on Aging, Financial Institutions and State Institutions.

INTRODUCTION OF BILLS

Read first time and referred:

Senate Bill 318

Relating to establishing a branch bank at an airport operated by a county having at least 500,000 population.

By Senators Czarnecki and Norquist; cosponsored by Representatives Plewa, Meaux, Kunicki and Hauke, by request of Milwaukee County.

To committee on Aging, Financial Institutions and State Institutions.

Senate Bill 319

Relating to service of process on Saturdays and Sundays.

By Senator Adelman; cosponsored by Representative Rutkowski, by request of Judicial Council.

To committee on Judiciary and Consumer Affairs.

Senate Bill 320

Relating to impaneling additional jurors in civil and criminal trials.

By Senator Adelman; cosponsored by Representative Rutkowski, by request of Judicial Council.

To committee on Judiciary and Consumer Affairs.

COMMITTEE REPORTS

The committee on Transportation reports and recommends for introduction:

Senate Bill 321

Relating to vehicle length and width limits, granting rule-making authority and making appropriations.

By request of the Department of Transportation.

Introduction:

Ayes, 5 -- Senators Otte, Maurer, Moen, Kreul and Ellis;

Noes, 0 -- None.

Read first time and referred to committee on Transportation.

And further recommends:

Assembly Joint Resolution 48

Relating to renaming the Arrowhead Bridge the Richard I. Bong Memorial Bridge and designating September 24, 1983, as Richard I. Bong Day.

Concurrence:

Ayes, 5 -- Senators Otte, Maurer, Moen, Kreul and Ellis;

Noes, 0 -- None.

Senate Bill 6

Relating to return of personal property in a motor vehicle which is being towed or stored.

Adoption of senate substitute amendment 1:

Ayes, 5 -- Senators Otte, Maurer, Moen, Kreul and Ellis;

Noes, 0 -- None.

Passage as amended:

Ayes, 5 -- Senators Otte, Maurer, Moen, Kreul and Ellis;

Noes, 0 -- None.

Senate Bill 161

Relating to liens on motor vehicles for towing or storage.

Passage:

Ayes, 5 -- Senators Otte, Maurer, Moen, Kreul and Ellis;

Noes, 0 -- None.

Senate Bill 172

Relating to vehicle length for auto carriers.

Passage:

Ayes, 5 -- Senators Otte, Maurer, Moen, Kreul and Ellis;

Noes, 0 -- None.

Assembly Bill 7

Relating to snowmobile travel adjacent to roadways.

Concurrence:

Ayes, 5 -- Senators Otte, Maurer, Moen, Kreul and Ellis;

Noes, 0 -- None.

CARL OTTE
Chair

EXECUTIVE COMMUNICATIONS

State of Wisconsin
Office of the Governor
Madison, Wisconsin

July 1, 1983

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:

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Senate Bill	Act No.	Date Approved
81 -----	26 -----	July 1, 1983
83, partial veto-----	27 -----	July 1, 1983

Respectfully,
ANTHONY S. EARL
Governor

To the Honorable Members of the Senate:

I have approved Senate Bill 83 as Act 27, Laws of 1983, and deposited it in the office of the Secretary of State.

It is with pride that I affix my signature to the budget bill for the 1983-85 biennium. The Legislature has acted with discipline and courage in passing a bill which puts our state's finances on solid ground for the first time in this decade. At the same time, this budget keeps faith with our state's commitment to property tax relief, quality education and adequate levels of human services for those who need them. Senate Bill 83 also takes some important steps forward in starting our state's economy on a course leading to renewed prosperity for our business and more jobs for our people.

When I delivered the budget message to the Legislature earlier this year, I asserted that the days of "pray as you go" budgets were behind us. I asked that we do this budget once and that we do it right. The Legislature has fulfilled that charge and has completed its deliberations earlier than any year in recent memory.

Their willingness to confront our fiscal difficulties directly will pay dividends to our citizens not only in this biennium, but for the balance of this decade. I am proud to have been their partner in this endeavor. That I have chosen to veto some of their decisions should not diminish the fact that legislators from both houses - including many who are serving here for the first time - worked long and hard to address the special problems presented to them by a prolonged national recession and the unrealistic fiscal policies of the preceding administration. The business-like way in which this crucial public task was accomplished is a credit to the leadership of the Assembly and the Senate.

Spending Restraint

No matter how it is calculated, the levels of general purpose revenue expenditures represent the smallest percentage increase of any budget since the 1953-54 biennium. Base year doubled, it is 3.4 percent. We project a \$46 million balance at the end of the 1983-85 biennium, a reasonable cushion which represents a return to the fiscal conservatism which Wisconsin citizens have a right to expect.

The tax increases contained in this budget will not finance a Christmas tree of new programs. Nearly 40 percent of the new revenues will go to fund increased property tax relief at the local level. The bulk of the rest - 40 percent - will be used to pay off the deficit I inherited when I took office in January.

We are paying our debts, closing the gap between taxing and spending, and helping local property taxpayers without resorting to regressive taxes such as

sales tax increase or extensions. Higher taxes are unpleasant, but the alternatives would have been even more unpleasant for the people in Wisconsin who could have afforded them least.

If our economy improves more quickly than expected, I will honor my pledge not to use any extra revenues to fund new programs or increase spending levels on existing ones. I made that pledge in January and I stand by it today. If it is possible to end the income tax surcharge before its scheduled expiration in January, 1985, I will seek to do so.

Solvency in General Purpose Revenues, Transportation and Unemployment Compensation

The passage of the budget bill marks the final step in a six-month long process to turn the state toward solvency. When I assumed office in January, we were facing deficits in the state's general purpose revenue fund, the transportation fund and the unemployment compensation (UC) fund. The deficit in the UC fund was cured in April when the Legislature passed a bi-partisan compromise plan which raised UC taxes and reduced benefits so that we will be on a pay-as-you-go basis within the next three years. There is work yet to be done in the unemployment compensation area, but the Legislature wisely left intact the compromise enacted in April. I am hopeful that the Unemployment Compensation Task Force I will be establishing soon will deal with the remaining UC issues in time for action in the October session.

The budget matches general purpose revenues and expenditures for the first time since 1978. Roughly seventy percent of the new revenue in the general purpose revenue fund will come from temporary income tax surcharges which will expire at the end of the biennium.

The transportation fund will be solvent through this biennium and thereafter because of the adoption of the indexed motor fuel tax. This step will provide long-needed stability to the transportation fund which will permit us to plan rationally and sensibly to maintain our highway and mass transit systems.

Though the revenue-raising steps which were taken to erase the red ink in these three areas were not pleasant for me or the Legislature, they will now make it possible for us to turn our full attention to our most important task - revitalizing our state's economy.

Economic Renewal

Senate Bill 83 begins this process by focusing state resources on those areas of our economy which promise large growth.

In this budget, we will be encouraging new and creative research and development with tax credits. We will set the stage for a rapid response from our vocational system to the needs of industry for new skills and the jobs of tomorrow through our "quick-start" training program. And we will expand the "Wisconsin Idea" with \$2 million in new resources for cooperative research efforts between industry and higher education.

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These initiatives, along with the phase-out of the tax on intercorporate dividends and the absence of any permanent increase in the rate of personal and corporate income taxes, show that this was a Legislature will to listen to business and stand up for it.

At the same time, it must not be overlooked that business, and particularly Paul Hassett and the Wisconsin Association of Manufacturers and Commerce, stood up for Wisconsin in this budget in important ways. They provided the counterforce needed to hold down pressures for higher spending in many areas of the budget. But they were reasonable about our state's difficulties and what it would take to work through them.

If the business community will continue to respond in this spirit in the long run, I think our chances for a vibrant private-public effort in behalf of our economy will be very good indeed.

Property Tax Relief

General school aids in this budget are increased by \$97 million over the base year doubled. Shared revenue payments are increased by 13 percent during the biennium. Though the budget contains less in both school aids and shared revenues than I originally proposed, I believe it maintains the extraordinary commitment Wisconsin has made over the last decade to using state resources to keep property taxes down. Roughly 60 percent of all the expenditures in the budget are devoted to property tax relief.

The budget contains an important reform in the distribution formula of the Wisconsin State Property Tax Relief program. The "all-leaves" approach to this formula means that the WSPTR formula is now more balanced in its application to rural and urban areas. The Farmland Preservation Program is fully funded and will continue to funnel extra property tax relief to eligible farmers who maintain their lands in agricultural uses.

Health Care Cost Containment

This budget makes changes in the way that health care is delivered and paid for that will put Wisconsin in the forefront of state trying to put a halt to runaway inflation in the health care industry. Some of the changes were proposed by me - and additional changes were added by the Legislature, with particular leadership coming from Senator Paul Offner. If the innovations in the budget bill succeed as I believe they will, we will be able to make significant progress in requiring health care providers to respond to the same competitive forces which govern other sectors of our economy.

Specifically, the budget bill establishes a new, independent hospital rate-setting commission and sets the stage for increased utilization of preferred provider organizations.

If these steps, and others in the budget, are not enough to cure the swelling of health costs, I will not hesitate to propose more effective medicine in another legislative session.

Meantime, I look forward to close cooperation with the private sector as we begin the arduous process of training our health care institutions in the ways of price restraint and tougher management.

Veto Criteria

Because the budget product that returned to me was largely in the form in which I originally proposed it, I have been able to be sparing in the use of the executive veto - more sparing, I believe, than any governor in recent times.

But when I have vetoed, it has been with reason. Of the 70 vetoes I have made in Senate Bill 83, nearly one-third are strictly technical, aimed at clarifying language without altering substance.

The rest involve substance, and my criteria were specific. There were four:

The first class of vetoes includes items in which the Legislature has altered the policy intent of my original proposal. Examples include:

-- The provisions restoring \$77,200 for positions and \$70,000 for other funding connected with the Inland Lakes Renewal program, which I had sought to eliminate as unnecessary.

-- Mandated coverage of chiropractic care under the state employee health plan, private health insurance policies and cooperative health organizations. While I believe insured clients deserve the right to choose chiropractic care, mandating coverage conflicts with my other efforts to contain health care costs.

-- Creation of a "Children's Trust Fund" and a Child Abuse and Neglect Prevention Board within the Department of Administration. While supporting the aims of the program, my veto serves to avoid scattering efforts among departments.

-- Provisions to sunset the indexed motor fuel tax in 1989 and to calculate changes in the index in July of 1986 and thereafter, rather than April, at an annual loss of about \$8 million.

-- \$44 million in GRP bonding authorization for long-term, low-interest loans to counties for recycling facility engineering and construction.

-- Changes in the Wisconsin State Property Tax Relief (WSPTR) program credit formula. My veto restores the WSPTR distribution to an all-leaves basis in 1986 and thereafter.

The second class of vetoes includes items in which a large, unwanted fiscal effect is created in this biennium or in future ones. Examples include:

-- Efforts to begin work toward a second home for veterans, at an eventual cost of as much as \$10 million, without any change in admission requirements.

-- Income tax credits for home improvements, costing an estimated \$10.3 million in 1985-87.

-- An amendment committing future legislatures to finance the full cost of general relief, beginning in 1992.

-- Appropriations restrictions in a program that would require the state to reimburse counties for holding

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inmates or probationers, without providing any funding for the reimbursements.

The third class of vetoes includes items in which the Legislature and I are in accord but language does not effectively accomplish the intent. Examples include:

-- Language making physicians, podiatrists and chiropractors eligible to join preferred provider organizations, but excluding dentists and optometrists. My veto eliminates all restrictions to participation.

-- Language which would prevent some research and development investment from qualifying for the new R&D tax credit.

-- A blanket exemption from waste flow control ordinances governing business or industrial waste if the party has an approved waste site or use.

The fourth class of vetoes includes items which alter current law prematurely. Examples include:

-- An amendment changing the solid waste siting law of 1981 to include need as a subject for consideration in the negotiation/arbitration process. It is premature to say the process requires correction yet.

-- A provision requiring the Educational Communications Board to request state funding of two Milwaukee Area Technical College television channels in 1985-87, even though a Legislative Audit Bureau study of public television in Wisconsin is still in progress.

-- A provision that the Medical College of Wisconsin would lose all state funding if it filled places vacated by a mandated 10 percent reduction in resident students with non-resident students, starting in 1984.

-- The "phantom tax" provision preventing utilities from collecting taxes in their rates that are not actually paid in a particular year.

Conclusion

In conclusion, let me repeat my appreciation and admiration for the legislative courage, realism and maturity that have carried this bill to my desk so promptly.

I believe it will serve us well. Senate Bill 83 may not be a budget for all seasons, but it is right for its time.

This budget bill does not avoid problems, nor does it create them. It addresses them and solves them. The budget is not a feast. But neither will it starve the needy or weaken our vital institutions.

This budget is restrained. It is fair. It is what we can afford. And I sign it now not with any great joy, but with a real sense of relief that we have finally faced up to our difficulties and freed ourselves to concentrate on building a new future for Wisconsin.

Respectfully,
ANTHONY S. EARL
Governor

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I. EDUCATION

A. FUNDING VTAE PUBLIC TELEVISION

Section 2011

This section requires the Educational Communications Board to request state funding, beginning in 1985-87, for Channels 10 and 36 which are licensed to the Milwaukee Area Technical College. The ECB holds the license for the five channels which make up the Wisconsin Educational Television Network. The operating costs of these five channels are financed by ECB. Channels 10 and 36 are not part of the network, although they are affiliates. Channels 10 and 36 are financed — as are other activities of vocational, technical and adult education districts — primarily by local property taxes and state aid. The effect of this section is to retain local control of Channels 10 and 36 while replacing local financing with full state financing.

The Legislative Audit Bureau is in the midst of a study of public TV in Wisconsin. I am vetoing this section because, pending the results of the LAB study, it is premature to make changes in the structure or funding of public TV in the state. Further, for the state to fully finance a function which is beyond its control is questionable state policy.

B. WISCONSIN HIGHER EDUCATION CORPORATION ADVISORY COUNCIL

Sections 55m, 924s

These sections create a council to advise the Wisconsin Higher Education Corporation Board of Directors on administrative and financial matters. The Corporation already has a 24 member Lender Advisory Council made up of banking, credit union and savings and loans representatives. I vetoed the proposed council

because it unnecessarily duplicates expertise already available to the Corporation.

C. JOINT FINANCE COMMITTEE APPROVAL OF FEDERAL EXPENDITURES

Sections 121 as it relates to 20.235(2)(o), 148, 148m

These sections create a separate annual federal appropriation for the administrative operations of the Higher Educational Aids Board (HEAB). This would be the only annual federal appropriation in the Chapter 20 appropriations schedule. As an annual appropriation, the spending of federal funds in excess of the amount appropriated would have to be approved by the Joint Committee on Finance. I understand the desire to control the allocation of federal special allowance funds, but it is the Executive's responsibility to provide this control. I have vetoed these sections to allow continued funding for HEAB under current law and to preserve my authority to receive and expend federal funds.

D. UW SYSTEM ANIMAL TREATMENT RULES

Section 908t

This section requires the Board of Regents to adopt rules regarding the humane treatment of animals used for research purposes and requires the Board to submit a draft of rules to the Legislature by January 1, 1984. The University of Wisconsin is already required to follow National Institute of Health guidelines and the Federal Animal Research Act which are enforced by periodic inspections. This section duplicates efforts already made to address public concern regarding the treatment of research animals. I am vetoing this section in such a way that the Board is required to adopt criteria for researchers to follow, but would not have to follow the time consuming rule making process. I am requesting the Board of Regents to submit the criteria adopted to the Legislature, no later than January 1, 1984.

E. HISTORICAL SOCIETY FISCAL LIMITATIONS

Sections 55tm, 156m, 935p

These sections require each historic site to generate revenue equal to at least 50% of its operating costs and would permit the transfer of revenues between sites only if one site was being closed. I am vetoing these sections because they limit the fiscal flexibility the Society needs to effectively operate the sites. Also, four of the six sites do not meet the 50% criterion and it is highly unlikely that this situation will change in the foreseeable future.

F. RESTRICTION ON MEDICAL CAPITATION FUNDING

Section 919m

The Legislature has reduced enrollments by 10%, starting in 1984, for both the University of Wisconsin Medical School and the Medical College of Wisconsin. For the College, the reduction will occur faster and will have more immediate budget effects. I have no problem subscribing to the logic of restricting enrollments as a potential health cost containment measure. However, I am vetoing a further restriction on the College under which it would lose all state funding if it fills with non-

resident students the places vacated by the 10% reduction in resident students. Without the flexibility to make such enrollment decisions, the loss of state funds can only be made up through significant tuition increases for both residents and non-residents. In addition, I am directing the Department of Health and Social Services to continue to study and track changes in physician supply projections to further assess medical school enrollment policies and to make specific recommendations to me and the Legislature concerning the relationship between health manpower and health costs.

G. LEGISLATIVE COUNCIL SCHOOL AID STUDY

Section 2033(3d)

The Legislative Council is directed to conduct a study of the school aid formula. I am vetoing the section because it conflicts with the mission of the School Finance Task Force which will be created shortly by executive order. The task force, which will include legislators, will examine all major school aid issues including income. Two separate school aid studies would fragment discussion and hinder the development of a consensus on school aid formula changes.

H. CESA DATA PROCESSING CENTERS

Section 2042(4)(c)3

This section proposed to disperse the assets and liabilities of the four regional computer service centers located in CESAs to the school boards that were party to the purchase of the equipment. I am vetoing parts of this section to provide the necessary flexibility for a smooth transition of the regional centers during the CESA reorganization.

I. SCHOOL LEVY ON TIF VALUE

Sections 1159, 1160e, 1160m, 1160s, 1161c

These sections require school board approval before the school levy on the value increment in a tax incremental financing (TIF) district may be allocated to the city creating the tax incremental district.

I have vetoed these sections to preserve tax incremental financing as a local economic development tool. Eliminating the use of the school levy (generally over 50 percent of the total property tax levy) would make most TIF districts uneconomical.

School boards do not represent all interests affected by a TIF development. All affected taxing authorities should be included in decisions creating tax incremental financing districts. During the budget deliberation, I offered a proposal which included municipalities, school boards, county boards, and VTAE boards working together in an orderly and informed TIF local review process. My TIF review proposal would provide a vehicle for informed discussion by all involved parties on the relative merits of development projects. This proposal was rejected in favor of a one-sided solution that would discourage economic development.

I will submit legislation for the special session on economic development which will strengthen and reform

tax incremental financing. I am committed to providing local governments with an effective means to mold their economic futures. I am equally committed to further tightening the definition of projects for which TIF can be used.

II. HUMAN RESOURCES

A. PATIENTS COMPENSATION FUND - PODIATRIST EXEMPTION

Sections 1718m, 1745m, 1745n, 1746m, 1746n

I am vetoing language which removes podiatrists from the patients compensation fund. The patients compensation fund relies on mandatory participation to provide an insurance pool of sufficient size to be self-sustaining and to avoid becoming the insurer of "last resort" for high risk providers. It cannot work effectively if health care providers leave and enter the fund on the basis of the availability or unavailability of excess liability insurance from private carriers. The problem which the podiatrists are trying to address — a significant increase in the assessment they must make into the fund — can be handled administratively. Accordingly, I have directed the Commissioner of Insurance to work with the podiatrists and the Board of Governors of the fund to reconsider the assessment increase.

B. PREFERRED PROVIDER ORGANIZATIONS - PROVIDER GROUPS

Section 1744fm

This section defines the types of health care providers that can participate in preferred provider organizations (PPO's). The provision makes physicians, podiatrists and chiropractors eligible but excludes dentists and optometrists. I vetoed all language which restricts providers participation in PPOs in order to enable such plans the flexibility to respond to market preferences. The success of PPO's lies in their ability to select benefits and to control costs.

C. PREFERRED PROVIDER ORGANIZATIONS - COST-SHARING AND RULES

Sections 1744fm, 2026

The Bill provides for the authorization and implementation of preferred provider organizations (PPO's). The following vetoes are necessary to allow PPO's to compete with standard health plans and to ensure that policy holders are able to make informed decisions about their health care coverage.

First, I have vetoed the language which establishes a sliding scale of copayments (15%-80%) for providers who are not part of the PPO and who charge less than the cost under the PPO. The probability of error in utilizing multiple deductibles would significantly increase the claims adjudication process. Instead, I have retained the language requiring a 20% copayment for providers outside of the PPO contract. This provision is easily understood by consumers and is not an administrative burden to insurance carriers.

Second, I have vetoed the section which requires that deductibles could not vary for similar services covered

under the PPO plan and rendered by selected providers and non-selected providers. In some cases, PPO plans forgive the deductibles for certain services such as inpatient hospital care. Without some variation or additional incentive, there is little reason for consumers to participate in PPO's. Finally, all providers would have a strong motivation to contain deductibles in order to be competitive in the market place.

Finally, I have vetoed the section requiring the Commissioner of Insurance to prepare rules mandating PPO plans to select providers who are lowest cost under a competitive bidding process. Decisions about PPO participation should not be made strictly on the basis of cost. The Insurance Commission should develop rules that prohibit an arbitrary selection of PPO providers.

D. CHIROPRACTIC COVERAGE - HEALTH INSURANCE

Sections 930s, 1588m, 1588n, 1588o, 1588r, 1744d, 1744fm, 1744n, 1744o, 2203(26)(b), 2204(26)(a)

These sections of the budget bill mandate coverage of chiropractic service under the state employee health insurance plan, private health insurance policies, and cooperative health insurance associations such as health maintenance organizations. While good arguments can be made for inclusion of these provisions, requiring chiropractic health insurance coverage is inappropriate at a time when efforts are being made to move away from mandated health care coverage in order to contain rising health care costs. The budget contains initiatives designed to promote the development of innovative health care delivery and financing systems. To be effective at containing costs, these systems must have flexibility to choose the health providers. Mandated coverages tend to minimize this flexibility, and result in higher costs. A second problem is that mandated insurance coverages are not enforceable on self-insured health care plans. Additional insurance mandates therefore provide further incentive for companies to become self-insured in order to avoid all such mandates and other state regulations. As a result of these problems, I have vetoed the provisions related to mandated chiropractic coverage.

The recurring argument made in favor of mandated chiropractic coverage is that many people who desire such coverage are unable to obtain it. Wisconsin law already provides that health insurers may not refuse to offer coverage of chiropractic in individual and group plans which desire it. I will urge the Commissioner of Insurance to strictly enforce this statutory requirement.

E. CHIROPRACTIC COVERAGE - GENERAL RELIEF

Sections 1003m, 1011m

These sections mandate that all general relief granting agencies in Wisconsin provide coverage for chiropractic services. Expanding the number of mandated services under the general relief program is inappropriate at a time when both state and local resources are severely strained. As a result, I have vetoed the provisions which mandate this coverage. However, I have not vetoed those

sections requiring the state to contribute its normal share of funding for chiropractic services under the program. While counties and municipalities will not be mandated to provide chiropractic coverage, those localities which voluntarily choose to cover these services will be able to receive state reimbursement.

F. YOUTH AIDS TO PRIVATE PROVIDERS

Section 967

I have vetoed the provision which allows the Department of Health and Social Services to directly pay private providers for community-based juvenile delinquency-related services because it fragments the county youth aids service delivery system. I would, however, encourage private agencies to work closely with counties to develop innovative youth programs. My veto would continue to allow counties to contract with private providers for youth aid-related services.

G. DAY CARE SET-ASIDE

Section 353, 2020(6)(bm)

I am supportive of strong child care provisions, which I feel this budget gives us. However, I have vetoed the provision that allows the Department of Health & Social Services to set aside up to \$500,000 in 1984 and \$500,000 in the first six months of 1985 for start-up and expansion of day care services. My partial veto of all of these funds will allow counties to use day care allocation for a variety of day care purposes and eliminates the earmarking of funds which are already restricted as to their use. Carryover funds could continue to be used for expansion and improvement of day care services.

H. INPATIENT PSYCHIATRIC CARE GATE-KEEPER CARRYOVER

Sections 329, 1046, 1052

I have vetoed the provision allowing 51 Boards to carry over to the following calendar year up to 50% of unexpended inpatient psychiatric care gatekeeper funds for expenditure on community-based programs. This 50% carryover is excessive and will create pressures for program expansions to be funded in years when no additional carry-over monies may be available.

Additional funds from the new social services block grant monies are now in the budget for use in community support programs for the chronically mentally ill. The new community support program funds can be used for the same purpose for which the additional carryover was intended.

I. COUNTY LIABILITY FOR OUTPATIENT SERVICES

Section 1065m

I have vetoed the provision requiring that the 51 Board that authorizes medical assistance for reimbursable mental health outpatient services pay for 10% of the cost of these services. This provision does not achieve what its author (Senator Chilsen) and I want to achieve. The language as written creates inconsistencies in Board responsibilities between mental health outpatient and inpatient care, and between care of clients receiving outpatient care. My veto restores current language

requiring that the 51 Board of the patient's county of residence must authorize medical assistance reimbursable mental health outpatient services, and should be liable for 10% of the cost of the services.

I have also directed the Department of Health and Social Services to work with Senator Chilsen to administratively resolve this issue by September 1.

J. CHILDREN'S TRUST FUND/CHILD ABUSE AND NEGLECT PREVENTION BOARD

Sections 41s, 43s, 121 as it relates to s. 20.433, 317s, 643c, 1001s, 1167m, 2057(8), 2057(9), 2201(20)(j), 2201(32)(h), 2201(42)(f)

These sections:

1. Create and fund the operations of a Child Abuse and Neglect Prevention Board attached to the Department of Administration, with the members of the Board being ex officio or gubernatorial appoints;
2. Establish a Board-administered grant program to fund private, non-profit or public organizations for activities designed to prevent child abuse and neglect;
3. Increase by \$2 the fee for a certified copy of a birth certificate, with the associated revenues being earmarked to fund the grant program and the operations of the Board; and
4. Establish an appropriation entitled "Children's Trust Fund" consisting of gifts and grants dedicated to the same purposes.

Clearly one of the greatest threats to the health and safety of our families is the alarming increase in child abuse and neglect. However, I prefer a mechanism that ensures coordination with existing human service programs. I have vetoed portions of the proposal so that this program will be coordinated with the ongoing efforts in the Department of Health and Social Services. Specifically, the veto attaches the Board to the Department of Health and Social Services and makes it advisory. In addition, the funding from the children's trust fund as well as the \$2.00 birth certificate fee will be allocated by DHSS in coordination with other human service programs, such as community aids. I am convinced that with this veto we will be better able to focus our financial and human resources in a coordinated effort to prevent child abuse and neglect.

K. PROBATION AND PAROLE HOLD REIMBURSEMENT

Section 1130r

I am supportive of the proposition that the state should reimburse counties for certain probation and parole expenses, but I disagree with the Legislature's decision to include this program without providing any funding. I have vetoed the requirement that the Department of Health and Social Services make payments to counties from a specific appropriation (general operations s. 20.435(3)(a)). The effect of the veto is to allow the department to draw on other appropriations to fund the payments. This flexibility is needed since the Legislature did not provide new funds for the reimbursement program.

L. D.D. CENTER EMPLOYE RETRAINING

Section 995

The amended bill would require DHSS to take certain actions related to employe rights when layoffs occur as a result of the community integration program (C.I.P.). These include:

1. Redeploying laid off employes into vacant positions.
2. Providing "fair & equitable arrangements to protect the interests of all state employes affected by the program, including arrangements to preserve employe rights and benefits..."
3. Providing "training and retraining of those employes if necessary and arrangements under which maximum efforts are made to guarantee the employment of those employes."

I have chosen to veto only the third provision. Under current contracts, the Centers routinely attempt to provide on-the-job training for laid-off employes when appropriate. If the language is not vetoed, the expanded responsibility of the department would have to be funded from the limited GPR appropriated for maintenance or education programs; the Legislature did not provide additional GPR funds and Medical Assistance funds cannot be used for employe training not related to patient care. I am committed to ensuring that all employes facing lay-offs receive fair treatment within the boundaries of collective bargaining contracts.

M. GENERAL RELIEF - STATE AID

Sections 1004m, 1005c, 1005g, 1009m, 1012m, 1014g, 1015, 1016m, 1017, 1024a, 1024am, 1024b, 1024c, 1024d, 1024e, 1024f, 1024g, 1024h, 1024i, 1024j, 1024k, 1024l, 1024n, 1024o, 2020(30), 2020(31), 2202(20)(j), 2203(20)(e), 2204(20)(j)

This amendment provides for a gradual increase in the phase-in of state aid for general relief culminating in full state assumption by January 1, 1992. The amendment also provides for the elimination of legal settlement in 1988 and substituting the recipient's place of residency for the determination of a community's liability for general relief costs. The amendment further provides that eligibility for increased state aid over 50% is applicable only to countywide systems of administering general relief that meet the recommended state standards of assistance. These costs and standards would result from a special study completed by the Department of Health and Social Services during the 1983-85 biennium.

My veto eliminates all of these provisions, contained in this amendment, except for the study. The effect of this veto is to restore the basic general relief proposal approved by the Joint Committee on Finance. My original budget submission included, for the first time, state funding for General Relief Medical costs. The Joint Finance Committee added 10% cost-sharing for General Relief benefits. I find this program an acceptable beginning for additional property tax relief. But, one of my basic conditions for any proposal for state aid for general relief was a concern that this legislature not commit any future legislatures to a take over of general

relief costs. Though I remain committed to state pick-up of general relief it is unreasonable and unrealistic to commit future legislatures to a specific schedule stretching nine years into the future.

N. COMMUNITY ACTION AGENCIES - ELIMINATE FUNDING RESTRICTIONS

Section 996v

This amendment creates a formal statutory definition of the duties, functions, and funding for community action agencies. There are several provisions in this amendment that are of concern because they limit the state's flexibility in planning and funding community action agencies through the federal community services block grant.

The first item that I have vetoed would have required that any new community action agency must serve at least 3% of the statewide population at or below 125% of the poverty level. I have also item vetoed a provision that would have required that only existing community action agencies and seasonal and migrant organizations are eligible for at least 90% of these federal block grant funds. While I agree that 90% of the funds should be statutorily reserved for Community Action Agencies and other similar organizations, I do not agree that these funds should be used for only existing agencies. I believe that state law should not unnecessarily hinder the extension or the expansion of services provided by community action agencies and other organizations in all parts of the state.

I have also vetoed a provision which guarantees a minimum allocation of \$50,000 to each community action agency. This guarantee could create an inequity whereby small community action agencies would receive a substantially larger per capita amount than would those agencies serving larger populations.

The current block grant planning process provides the flexibility to reassess the most appropriate allocation for these federal funds on an annual basis. The remaining statutory language formally recognizes that community action agencies are an integral part of the state's human service system.

O. SHELTER PRORATION

Sections 1041, 1596

This veto is designed to clarify some ambiguity that exists in the proposed shelter proration language. My first item veto clarifies that the 15% shelter proration policy is to be calculated from the AFDC payment level and not from the standard of need. This is consistent with the original intent of this policy. My second item veto removes a potential conflict relating to the temporary (six months) exemption from rule-making in order for the Department of Health & Social Services to implement this policy as expeditiously as possible. My veto makes clear that the Department's temporary exemption from rule-making applies to the entire shelter proration section. This is also consistent with the original proposal which the Legislature's approved.

P. CHILD SUPPORT - HEARING REQUIREMENT

Sections 1766am, 1766f

These sections create a "second" hearing requirement which immediately follows the initial determination that a payer should be exempt from an automatic wage assignment because of extraordinary circumstances. This "second" hearing is redundant and unnecessary. My veto removes that second hearing requirement.

My second item veto clarifies a specific reference to the assignment of child support. I have vetoed the word "child" in order to insure that the assignment of support would include family support orders as well.

Q. SSI - DEPARTMENT WAIVER

Section 1025m

This provision expands the definition of the nonmedical group care category to include supervised living arrangements of eight individuals or less. My item veto removes the Department of Health & Social Services' authority to waive the eight person restriction which would have allowed for the construction of large facilities. My concern is that the flexibility conferred by the waiver authority runs counter to the state's effort to promote smaller community based living arrangements for the disabled. Finally, the budget assumed the use of smaller facilities and without this veto, costs could increase above budgeted levels.

R. FEDERAL OIL OVERCHARGE FUNDS

Section 2018

This amendment requires the Governor to submit a proposal to the Joint Committee on Finance for approval of the allocation of the federal oil overcharge funds. Current statutes (s. 16.54) authorize the Governor exclusive executive authority to accept federal funds that are allocated to the state. This proposal would clearly remove the Governor's authority for the disbursement of the oil overcharge funds and transfer that authority to the Joint Committee on Finance. This is directly counter to the legislature's traditional role to review and comment on the Governor's proposals for the disbursement of federal funds. I do not see the wisdom in singling out specific federal appropriations for legislative involvement.

S. APPROVAL OF THE TRANSFER OF FEDERAL FUNDS BETWEEN BLOCK GRANTS

Sections 6m, 82m

This amendment requires the Joint Committee on Finance's approval to transfer federal funds between block grants. Under current law, the state has the discretion to transfer up to 10% of a federal block grant to another block grant program. The Governor has the authority to implement this provision. This amendment removes the Governor's authority and transfers final approval authority to the Joint Committee on Finance. This intrusion into the executive's authority is unwarranted. My veto restores current law and the Governor's authority to determine the appropriate

transfer of federal block grants funds. This is consistent with the Governor's current authority for the receipt and disbursement of other federal funds.

T. APPROVAL OF THE FEDERAL LOW INCOME ENERGY ASSISTANCE PLAN BY THE JFC

Section 82r

Currently, all of the federal block grants are submitted to the appropriate legislative standing committees for their review and recommendations. This amendment singles out one federal block grant, the Low Income Energy Assistance Program, for specific approval by the Joint Committee on Finance. To isolate one block grant for legislative approval is not only inconsistent with the traditional review of federal block grants by the legislature but also removes the Governor's authority to determine appropriate disbursement of these federal funds. My veto eliminates the third in a trilogy of unique approvals by the Joint Committee on Finance. Current law should be retained for the review of all federal block grant.

U. FEDERAL AUDIT DISALLOWANCES

Section 82w

Under s. 16.54, the Governor has authority to approve and accept all federal funds on behalf of the state and to enter into agreements with the federal government. These activities are carried out through executive branch agencies subject to the final approval of the Governor. This section of the bill would require approval by the Legislature's Joint Finance Committee of all settlements of audit disallowances related to federal grant funds. This represents an erosion of the executive branch responsibility and authority to properly administer federal funds. Such restrictions placed on executive agencies to settle state-federal differences may hinder or delay prompt resolution of audit questions.

V. SECOND VETERANS HOME

Section 2005(11)

I am vetoing the budget bill requirements for the Building Commission to work with the Department of Veterans Affairs to study the feasibility of constructing a 200 bed veterans home in southeastern Wisconsin, to identify potential sites and submit a design and budget to the legislature by December 31, 1984.

The present admission criteria at the King Home allows admission of individuals who require little or no nursing care. The liberal admission criteria means that existing beds are not always available for those veterans who require the most skilled and intensive nursing care. I have asked the Department of Veterans Affairs in conjunction with the Department of Administration to review the admission criteria and report to me with alternatives that will help guarantee that the maximum number of beds are available for the elderly veterans who have the greatest medical need.

I have left untouched two major items relating to veterans which are far more significant than the item

which is the subject of this veto. One is the new Agent Orange study program, which is extremely critical to those veterans who served in Vietnam. I have also let stand the 100 million dollar increase in bonding authority for the veteran's primary mortgage loan program though I am concerned about its impact on the state's ability to borrow for other purposes.

Finally, as long as admission requirements to the Veterans Home are so liberal (including not only veterans but their spouses and families as well) any addition to the number of available beds will still leave the vast majority of eligible persons unserved.

III. ENVIRONMENTAL AND COMMERCIAL RESOURCES

A. MMSD - CAPITAL COST RECOVERY

Sections 1162L, 1162u

This section requires Milwaukee Metropolitan Sewerage District capital cost recovery charges to be equitable and uniform. Removal of the word "equitable" allows MMSD to select a uniform system without delays caused by legal challenges to the definition of equitable, and to institute an effective cost recovery system that treats district and contract communities uniformly.

B. RECYCLING AND RESOURCE RECOVERY LOAN PROGRAM

Section 121 as it relates to s. 20.370(4)(je), Sections 260p, 527m, 536m, 1555m, 2038(9) and (10), 2204(38)(h)

These sections create a \$44 million GPR Bonding authorization for long-term, low-interest loans to counties for recycling facility engineering and construction. Forty million dollars of this amount would be restricted to counties which had been involved in negotiations with the Solid Waste Recycling Authority. For the counties involved in Authority negotiations, this budget contains \$50,000 GPR for transition grants. This transition funding will not be vetoed. I am vetoing this bonding authorization for several reasons:

1. I believe the economics of large-scale recycling projects are not favorable at this time. When the economics are favorable, counties and the private sector will be able to creatively finance these projects without state assistance.
2. Participation in this loan program is restricted primarily to counties where Authority project negotiations were underway.
3. The language restricts interest assessed to counties to 5%. State bonds are being issued at 8.75% or higher and the state would have to absorb the difference.
4. Low-technology recycling, which is less expensive and more reliable, should be the type of resource recovery Wisconsin especially encourages. To this end, the budget retains my proposal for one technical assistance position in the Department of Natural Resources.

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C. LANDFILL SITING PROCESS

Sections 1539b, 1539d, 1539f, 1539h, 1539j, 1539k, 1539m, 1539n, 1539p, 1539r, 1539s, 1539t, 1539v, 1539w, 1539x, 1539y, 1539z, 2202(38)(h), 2203(38)(e)

These sections make a major modification to a basic assumption in Chapter 374, Laws of 1981, the solid waste siting bill. These sections would require that "need" for a particular site be a subject for consideration in the negotiation/arbitration process. Currently, the question of need is specifically excluded from the negotiation/arbitration process, on the assumption that there is an urgent statewide need to find suitable waste disposal sites. The problems with amending Chapter 374 as proposed in these sections are:

1. A two-stage process which first considers need will increase the negotiation/arbitration process by 8-10 months. The process is already long and involved.
2. Criteria for determining need are very broad, and would be difficult to interpret consistently, particularly given the difficulty of predicting waste flow patterns.
3. The existing process is relatively new and the need for this change has not been demonstrated.

This veto preserves the consensus and compromise among waste haulers, landfill operators, municipal representatives, and other interests involved in drafting Chapter 374. It avoids further delays in critical landfill-siting in Wisconsin. However, this veto should not be a signal to those involved in the consensus that current law cannot or should not be improved. There is no veto of the increase to the Waste Facility Siting Board appropriation of \$17,000 annually for an increase of .50 GPR position.

D. INLAND LAKES RENEWAL GRANT PROGRAM

Section 121 as it relates to s. 20.285(1)(ff), Sections 212m, 2053(6)

I am vetoing the proposed \$70,000 GPR grant program in UW-Extension to assist inland lake districts in organizing and in conducting feasibility studies. The program would authorize grants of \$2,500 each for organizing a new lake district and for lake renewal project feasibility studies.

Grants of \$2,500 for organizing a district are not necessary. There are several established inland lake districts which can share their organizing experiences with any new districts. Grants for feasibility studies are small enough that a new district could easily meet the costs through its taxing powers.

E. INLAND LAKES RENEWAL - UW-EXTENSION POSITIONS

Section 908h

My budget proposals eliminated the Inland Lakes grants and all associated positions and funding in DNR and UW-Extension. The Legislature restored \$77,200 GPR annually to fund 2.0 FTE for inland lakes technical assistance in UW-Extension.

I am vetoing this section because technical expertise continues to be available through DNR staff. Additional support could be provided by the districts through their existing taxing authority.

The funds for these positions are in a larger appropriation and cannot be vetoed directly. However, I am vetoing a new section of authorization to UW-Extension to conduct technical assistance, and instructing the Department of Administration not to allot the \$77,200 each year or authorize the positions.

F. NON-RESIDENT COMMERCIAL FISHING LICENSE FEES

Sections 703, 786, 2203(38)(am)

An amendment was added which increases non-resident commercial fishing fees from a current maximum of \$900 to a maximum of \$10,000 per vessel, effective on July 1, 1984.

I am vetoing this entire item because this increase in nonresident commercial license fees is far in excess of the current resident fees (\$300 per boat).

A Task Force is being formed by the Department of Natural Resources to examine Great Lakes commercial fishery Management costs and recommend fee increases.

G. USE OF TURKEY STAMP REVENUES

Section 711m

My budget proposals created a new wild turkey hunting license. The Joint Finance Committee changed the proposed license to a stamp, for collectors' purposes. This language restricts the use of the revenues from this stamp to turkey program operations only. The intent of the stamp proposal was to increase sales by selling to collectors, not to restrict revenue uses. My veto removes the requirement that these wild turkey stamp fees be used only for the turkey program, saving separate accounting procedures. It will have no effect on the resources devoted to the turkey program, which may exceed turkey stamp revenues, in any event.

H. MODIFY RADIOACTIVE WASTE SITING PROVISIONS

Section 1556r

Language was inserted in the budget bill to establish procedures for radioactive waste siting exploration. Its intent was that exploratory efforts related to the possible siting of a radioactive waste storage facility be subject to DNR permitting procedures under the Metallic Mining Reclamation Act. I have no concern with the intent of the language, but there are several technical problems. My veto will:

1. Clarify that a hearing will be held in a county prior to exploration but that the statewide exploration license can be issued prior to hearings in individual counties.
2. Allow DNR to recover the costs of consultants hired to review environmental impact statements by depositing fees assessed to the applicants into a program revenue account.
3. Exclude the UW-Extension's Geological and Natural History Survey unit from mandated program

responsibilities in this area. UW-Extension will continue to be included in the process on an as needed basis.

I. WASTE FLOW CONTROL - EXEMPTIONS

Section 1553p

The bill currently allows an exemption from any waste flow control ordinance for business or industrial waste if the party has an approved waste site or use. This blanket exemption may exempt some wastes that would be in the best public interest to recycle. If no demand or benefit exists for these wastes, they would be excluded from the waste flow ordinance anyway. This veto eliminates these exemptions.

I am establishing, by executive order, a Recycling Council to review waste flow control language modifications that should be made before January, 1984, when waste flow delegation takes effect. This Commission, to be chaired by the author of this provision, will explicitly address how flow control authority should be handled.

J. WASTE FLOW CONTROL - FINANCIAL RESPONSIBILITY

Section 1553p

I am vetoing a portion of a requirement for recycling facilities to prove financial responsibility which is worded in such a way as to imply that other hazardous waste facilities would no longer need proof of financial responsibility. The phrase "other than a hazardous waste facility" is removed so that such facilities do not inadvertently receive an exemption.

K. WASTE FLOW CONTROL - PSC ROLE

Sections 1553p, 2043(3), 2201(43)(bn)

I am vetoing some of those portions of the bill affecting the role of the Public Service Commission in waste flow delegation. Specifically, this veto eliminates: a) PSC review of the "best public interest" determination by municipalities; b) an appeal to PSC, after passage of a municipal flow control ordinance, for those individuals requesting to be exempted from the ordinance; c) a requirement that PSC reallocate half of a program revenue position for recycling reviews. PSC review of various environmental criteria for 'best public interest' assumes that PSC will make judgments involving appropriate solid waste management practices. My veto will provide for a judicial review on municipal determinations under s. 68.13. Similarly, determination of suitable exemptions from an enacted ordinance is a waste management issue beyond PSC expertise. This category of ordinance is automatically eligible for judicial review under Chapter 68. PSC will continue to review and approve recycling facility rates and tipping fee charges. The bill reallocates half of an existing PSC program revenue funded engineer's time for recycling related reviews. This is inappropriate because I am removing PSC's role in exemption appeals and sufficient program revenue is unlikely to be available .

L. WILD GINSENG REGULATION - TECHNICAL ADJUSTMENTS

Sections 807m, 811r, 1364s

These sections were introduced to implement federal requirements for packaging, shipping and purchase of wild ginseng. Wild ginseng is on the federal endangered species list and Wisconsin has been considered too lax in its regulatory efforts. To clarify some passages and remove potential conflict with the federal program, three changes are being made by veto:

1. The current statutory definition of a wild ginseng dealer is restored. The amendment would have exempted from reporting and license requirements anyone who buys wild ginseng solely for resale.
2. The word "planted" is removed from the definition of wild ginseng, since ginseng deliberately planted and grown is not wild.
3. The term "dealer" is removed from the requirement that purchases of wild ginseng include "dealer license number of the vendor," since purchases may come from dealers or harvesters, and both should be documented.

These changes allow Wisconsin to meet federal requirements for strict regulation, and avoid a threatened U.S. Fish & Wildlife service 1983 ban on Wisconsin wild or domestic ginseng export.

M. DEFERRED OR "PHANTOM" TAXES

Section 1591m

The budget bill prohibits utilities from collecting federal and state taxes not actually paid in a particular year. This is the so-called "phantom" or deferred tax issue. The practice is presently allowed by both the state and federal government to enable utilities to build capital replacement and expansion reserves. Although there are good arguments on both sides of the issue, I fear that the broad prohibition in the bill may hurt rather than help ratepayers in the long run. Neither the proponents nor the opponents of this change can, with any degree of certainty, show the effect on the ratepayer. This concern is particularly relevant four to five years in the future. Separate legislation concerning phantom taxes has been introduced earlier in the session. If its proponents can demonstrate that its enactment will have significant positive impact on ratepayers, I will support its enactment.

N. FUEL ADJUSTMENT CLAUSE - RULE SPECIFICATIONS

Section 1591r

The budget prohibits the use of an automatic adjustment clause to increase rates for utility fuel cost increases. I agree with this elimination of the automatic fuel adjustment clause. In place of automatic adjustments the language requires the Public Service Commission to promulgate rules which provide for a periodic review and hearing on the costs of fuel, and rate adjustments to recognize those costs. I fear that this language eliminates much of the benefit of prohibiting the automatic adjustment clause. Accordingly, I have vetoed the

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language in a manner that enables the PSC to develop a mechanism to address increased fuel costs without a mandate for periodic reviews, hearings and rate adjustments.

O. INDEXED MOTOR FUEL TAX SUNSET

Sections 1288, 1292

I have vetoed the language in these sections which sunsets the indexed motor fuel tax in 1989. A sunset is contrary to the goal of providing a predictable source of transportation revenue.

P. APRIL MOTOR FUEL TAX INDEXING

Sections 1288, 1292

Under the current provisions of SB 83, indexing the motor fuel tax rate is to occur beginning on April 1, 1985, and on July 1 in 1986 and on July 1 each year thereafter. Indexing on July 1st of each year produces about \$8 million less revenue annually than if indexing were effective on April 1 of each year.

Throughout the budget process, I strongly supported the concept of indexing the motor fuel tax to provide the Transportation Fund with a stable revenue source for the next four years. My budget projected positive ending balances in the Transportation Fund through the end of the 1985-87 biennium. However, in subsequent action in the Senate, costs of Pupil Transportation Aids, formerly GPR funded, were converted to Transportation SEG funding for 1983-84. This expenditure modification jeopardizes the stability of the Transportation Fund balance. Accordingly, I have vetoed part of these sections so that the indexed tax rate, initially implemented on April 1, 1985, will continue to be adjusted on April 1 of each year thereafter. This change would generate an additional \$16.0 million SEG in 1985-87 and partially offset the impact of the 1983-84 Pupil Transportation Aids transfer on future years' balances.

Q. DPI SERVICES FOR DRIVERS

Section 121 as it relates to s. 20.255(1)(hm)

This section appropriates \$250,000 PRO annually from the drunk driving surcharge to familiarize school children with the problems caused by drunk driving. My veto eliminates funding for the program in the first year of the biennium, but allows second year funding to remain. My decision to eliminate first year funding is based on the concern that three existing state programs in the Department of Transportation, Department of Health and Social Services, and at the State Lab of Hygiene are currently projected to utilize all available surcharge revenues during 1983-85. Without this veto, funding for the three existing programs and the proposed Department of Public Instruction program would have to be modified or prorated. These modifications would result in reducing existing services.

Current projections of the drunk driving surcharge fund, including funding for DPI programs, would put the fund in a \$60,000 deficit at the end of 1983-84, and -\$275,000 by 1984-85. It is my hope that the veto of first year funding for this program will avoid a 1983-84 deficit and allow time for legislative action to provide sufficient

revenues for the fund prior to 1984-85 to avoid reductions in existing programming.

R. I-90 ROCK COUNTY INTERCHANGE

Section 2051(8)

This section specifies that DOT conduct preliminary engineering and design work for an interchange on I-90 adjacent to Avalon Road in Rock County. This direction of a specific location hinders state and local planning processes and forecloses options before they have been evaluated. Since two or more reasonable locations exist for the interchange, I have vetoed the specific location for the project. I have also vetoed reference to design work because it presupposes that one interchange project has been chosen for construction.

S. MAJOR HIGHWAYS PLANS AND SPECIFICATIONS

Section 12p

The budget directs the Department of Transportation to provide assistance to the Transportation Projects Commission's review of major highway projects. Among items specified as part of this assistance is preparation of preliminary plans and specifications for proposed projects. These are architectural terms, which, when used in highway design, include all design work to prepare a project for construction, such as detailed plans, estimates and specifications. This detail is unnecessary for review of project concept and scope by the Transportation Projects Commission and would be extremely costly. Accordingly, I have vetoed this language.

T. STADIUM FREEWAY SOUTH REIMBURSEMENT

Section 2051(7m)(b)4

This section prohibits the Department of Transportation from demanding reimbursement from local units of government that might receive property as a result of the disposal of Stadium Freeway South lands. These properties were purchased with state transportation revenues and a diversion of these revenues to any other local purpose would be inappropriate.

U. STADIUM FREEWAY SOUTH STUDY DEADLINE

Section 2051(7m)(b)1f

The budget requires the Department of Development to complete by January 1, 1984, a study and disposition plan relating to lands originally acquired by the state for construction of a Stadium Freeway South in Milwaukee County. The timeframe provided by the date reference is insufficient to do a complete and thorough study. Accordingly, I have vetoed this deadline but I am directing the Department of Development to have the study and plan completed by July 1, 1984.

IV. GENERAL GOVERNMENT OPERATIONS

A. ENERGY DEVELOPMENT AND DEMONSTRATION FUND

Section 121 as it relates to s. 20.505(1)(d)

I am utilizing my partial veto authority to delete \$112,500 GPR in 1984-85 of funding for the Energy

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Development and Demonstration Fund in the Department of Administration. While the fund's objectives are important, the relative priority of this program is lower than other priorities for general purpose revenues. As the enabling statutory authority for this program remains intact, the funding level can be further debated during deliberations on the 1985-87 biennial budget.

During the interim period it is likely that a \$100,000 federally-funded Energy Development and Demonstration Fund will be established. I am also directing the Division of State Energy to work with Wisconsin utilities to encourage their continued sponsorship of demonstration projects on renewable energy sources and energy conservation technologies.

B. ROBERT L. BORUM CLAIM

Section 2057(11)

This section authorizes a \$75,000 GPR payment to Robert L. Borum to compensate him for permanent partial disability. I am vetoing this section because resolution of claims against the state should follow established statutory procedures and not be delineated in a session law. Mr. Borum's claim was reviewed by the State Claims Board which recommended on July 31, 1974 that the claim be denied.

C. REAPPORTIONMENT

Sections 1b, 1f, 1jd, 1jh, 1jp, 1jt, 15m, 108d, 108m, 1136t, 1152p, 1152r, 2033(4), 2203(33)(c)

I am vetoing the reapportionment plan. While I find the substance of the redistricting effort to be acceptable, objections to the process of including the plan in the budget make it impossible for it to be judged on its merits. I will call a special session of the Legislature to assure a full public hearing for the proposed plan.

D. QUIT BENEFITS FOR OUT-OF-STATE WORK

Sections 1399q, 2203(25)(g)

These sections provide that workers who accept employment out of state and terminate that employment with good cause can return to the state and receive benefits after 26 weeks of work, rather than being limited to only 10 weeks as current law provides. I am vetoing this provision because it establishes unequal and disparate treatment under the Unemployment Compensation law. If enacted, a worker laid off from a job who accepts work in another state is subject to less stringent requirements than a worker who accepts a job within the state. This is a substantial benefit to workers in border areas, but much less useful to workers in the central areas of the state.

E. JOCER APPROVAL OF CLASS CHANGES

Section 1609dm, 1611am

I have vetoed the requirement that the Joint Committee on Employment Relations review any proposal of the DER Secretary to assign an existing class of employees to a higher pay range or create a new class which would result in a higher pay range. This requirement is contrary

to the thrust of the DER reorganization which recognized that this and other agency functions should appropriately be placed under the purview of the DER Secretary. In addition, JOCER approval of class changes could create potentially excessive delays in the process. In the past, some approvals have been delayed because JOCER meetings have been held irregularly.

F. DEADLINE FOR PIC HEARINGS

Section 2057(10)

This provision sets an August 15, 1983 deadline for Private Industry Council public hearings for Job Training plans. I am vetoing this section because the date is arbitrary and will be impossible for some local governments to meet. My veto retains the requirement that a public hearing must be held before the plan is submitted to me.

G. CANADIAN PHYSICIAN LICENSING

Section 1718r

This section requires the State Medical Examining Board to issue non-restrictive licenses to a very narrow category of Canadian physicians. In fact, it specifically contemplates the licensing of a particular physician who has failed three times the examination necessary for licensure in Wisconsin. Legislating exemptions to licensing requirements of general application subverts the regulatory process.

H. SALES TAX EXEMPTION FOR PERSONAL PRODUCTS

Sections 1284p, 2204(45)(rm)

I have vetoed the sections that create a sales tax exemption for toilet tissue and toothpaste sold in retail food stores. The proposed exemptions are unfair in that other types of paper products and non-prescription hygiene products would remain subject to tax. Also, the exemption of goods sold by a particular type of retail store discriminates against other retail establishments that sell the same products but that are not exempt from the sales tax. Without this veto state tax revenues would be reduced by \$2.5 million annually during the 1985-87 biennium when the provision goes into full effect.

I. LIQUOR SALES TERRITORY RESTRICTIONS

Sections 1489d, 1489h, 1489t

These sections would restrict sales between alcohol beverage wholesalers and retail licensees so that the retailer would be required to purchase from only those wholesalers operating in the geographic area of the state in which the retailer is located.

I have vetoed these sections because they would place unjustified restrictions on sales transactions between alcohol beverage wholesalers and retailers. The Department of Justice has indicated that these sections may conflict with federal antitrust laws. Enforcement of these provisions would be an unnecessary intrusion into business transactions of some of the state's small businesses.

J. HOME IMPROVEMENTS TAX CREDIT

Sections 121 as it relates to s. 20.835(2)(cm), 489n, 1232m, 1255m, 2201(1)(i), 2202(45)(m)

While I recognize the potential disincentive for home rehabilitation caused by home improvements being subject to assessment increases, I have vetoed the creation of a new home improvements income tax credit. In developing the 1983-85 budget, I have emphasized the importance of balancing revenues and expenditures. I have strongly opposed tax reduction proposals with delayed effective dates. It is estimated that the program would cost \$3.5 million in FY 1986 and \$6.8 million in FY 1987 for a total 1985-87 biennial cost of \$10.3 million. The annual cost is estimated to be \$15.5 million when fully implemented in 1990. No mention was made about funding these expenditures.

This program is not effectively targeted because it has no income test. Lack of an income test creates questions about the constitutionality of the program because it resembles a property tax offset rather than an income maintenance program.

K. WISCONSIN STATE PROPERTY TAX RELIEF CREDIT FORMULA

Sections 1305, 1306e, 1316m, 1316n, 1319m, 1322m, 1324, 1325m, 2202(45)(f), 2204(45)(f)

I have vetoed the sections of the WSPTR distribution formula language that relate to school aids and aidable revenue in 1986 and thereafter. This veto will return the WSPTR distribution to an all levies basis, which is the distribution formula I originally recommended. My veto of the 1986 distribution language will leave intact the compromises reached by the Legislature regarding the 1983-85 funding levels and distribution. The distribution for 1984 will be 66% all levies, 34% school aids; and for 1985 80% all levies, 20% school aids. The 1986 tax credits will be paid out in proportion to each individual taxpayer's share of the total statewide property tax burden, regardless of where that individual lives or owns property in the state.

Unlike the old General Property Tax Relief (GPTR) formula which favored urban areas and the school-based WSPTR formula which favored rural areas, the all-levies distribution is neutral as shown in the table:

	POPULATION %	WSPTR %
Town	31.6%	32%
Village	10.9%	11%
City	57.5%	57%

L. R&D TAX CREDIT FOR CAPITAL EXPENDITURES

Section 1233m

Senate Bill 83 includes a 5% income tax credit to encourage additional investment in research and development activities in Wisconsin. The research and development credit (R&D) will encourage the diversification of the Wisconsin economy into high-growth industries and the development of new products by our established industries. The credit is intended to apply to increases in noncapital R&D expenditures and

to new or expanded R&D facilities and equipment. However, the final version of the budget bill provides that the 5% R&D credit for capital equipment apply incrementally, i.e., to the increase in capital expenditures over a base period. This method would prevent firms that make multi-year investments from receiving the credit even though a substantial investment has been made. This veto would change the method of determining the credit so that the credit could be claimed on all qualified expenditures.

M. SECONDARY MORTGAGE LOAN PROGRAM

Sections 949r and 949x

I have vetoed these provisions which would broaden the eligibility for second mortgage loans by permitting the issuance of loans to veterans who already have second mortgages issued by the federal government. I am concerned about allowing third-priority mortgages under the secondary mortgage loan program at a time when the Veterans Trust Fund is projected to face deficits in the next several years. Under these provisions, the Department of Veterans Affairs could grant a \$5,000 second mortgage at 3% for up to 30 years to a veteran who already has received a below-market interest rate on a HUD-issued second mortgage.

My vetoes would restore the requirement that second mortgage loans under this program cannot be issued if the mortgage is subject to more than one prior mortgage.

N. SPECIFIC SCHOOL AID PAYMENT DATE

Section 1483r

Under current law, general school aid payments may be paid any time within a scheduled month. The section requires these payments to be paid on the second Monday of the month.

I am vetoing this section since it reduces cash management flexibility. The general fund will face recurring cash shortages. The veto will restore current law permitting school aid payments to be moved within a month to accommodate state cash needs for vendor payments, payrolls, and other expenses.

O. PROGRAM AND SEGREGATED REVENUE SUFFICIENCY

Section 72s, 2201(18)(b)

I am vetoing part of this section because it imposes the unnecessary requirement that the Governor approve plans developed by agencies for dealing with temporary cash problems in certain revolving appropriations. This new law, as vetoed, will have such approval rest with the Secretary of Administration, and therefore be consistent with other similar approval procedures of Chapter 16.

P. CONTINUING AND SUM SUFFICIENT APPROPRIATIONS

Sections 118m, 118n

These sections would require that any amendment to an executive budget bill and all other legislative proposals, which affect a sum sufficient or continuing appropriation specify for each such appropriation the amount of the increase or decrease. I have vetoed these sections because

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the Legislative Reference Bureau attorneys are not trained to make fiscal estimates; drafting time will be slowed down because of the provision; and thirdly, the confidentiality of the draft will be breached when the LRB has to consult with the agencies in making their fiscal estimates. I am proposing that the Legislative Reference Bureau, Legislative Fiscal Bureau and the Department of Administration work out an acceptable solution to address the concerns of the Legislature.

Q. LISTING OF SUBCONTRACTORS

Sections 104j and 1155m

These partial vetoes delete the requirement that all subcontractors and the amounts of their bids be delineated with the bid for state and local government construction projects. This requirement would have made the implementation of statutory language authorizing the use of general contractors cumbersome and unworkable by requiring the listing of bids for many small subcontractors and suppliers at the time of bidding. My veto retains the current law which specifies that a list of subcontractors need not be submitted with construction bids.

R. PROPERTY TAX EXEMPTION FOR RENTED PERSONAL PROPERTY

Sections 1179n, 2204(45)(s)

This section would exempt various types of rented property and equipment from the property tax. I have several reasons for vetoing this provision. First, it fails to afford equal treatment to similar types of businesses since property rented from the neighborhood hardware store would be taxable whereas the same property, if rented from a rental company, would be exempt. In addition, this provision would create opportunities for restructuring existing rental and service agreements so as to bring additional property under the exemption. The Department of Revenue feels that such a restructuring could add several hundred million dollars to the exemption. Finally, I am concerned with protecting the local property tax base; a reduction of \$3 million or more in the taxes paid by owners of rental property would be shifted to other property owners if this provision were left intact.

State of Wisconsin
Office of the Governor
Madison, Wisconsin

June 29, 1983

To the Honorable, the Senate:

I am pleased to nominate and with the advice and consent of the Senate, do appoint LAFAYETTE MCKINNEY of Milwaukee to the Psychology Examining Board pursuant to the statute governing, to serve a term to expire July 1, 1986.

Respectfully,
ANTHONY S. EARL
Governor

Read and referred to committee on Health, Education, Corrections and Human Services.

State of Wisconsin
Office of the Governor
Madison, Wisconsin

June 29, 1983

To the Honorable, the Senate:

I am pleased to nominate and with the advice and consent of the Senate, do appoint JOANN MYRICK of Middleton to the Psychology Examining Board pursuant to the statute governing, to serve a term to expire July 1, 1985.

Respectfully,
ANTHONY S. EARL
Governor

Read and referred to committee on Health, Education, Corrections and Human Services.

State of Wisconsin
Office of the Governor
Madison, Wisconsin

June 29, 1983

To the Honorable, the Senate:

I am pleased to nominate and with the advice and consent of the Senate, do appoint WALTER J. GLEASON of Delavan to the Psychology Examining Board pursuant to the statute governing, to serve a term to expire July 1, 1986.

Respectfully,
ANTHONY S. EARL
Governor

Read and referred to committee on Health, Education, Corrections and Human Services.

State of Wisconsin
Office of the Governor
Madison, Wisconsin

June 29, 1983

To the Honorable, the Senate:

I am pleased to nominate and with the advice and consent of the Senate, do appoint DAVID P. PRASSE of Whitefish Bay to the Psychology Examining Board pursuant to the statute governing, to serve a term to expire July 1, 1986.

Respectfully,
ANTHONY S. EARL
Governor

Read and referred to committee on Health, Education, Corrections and Human Services.

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SENATE CLEARINGHOUSE ORDERS

The committee on Transportation reports and recommends:

Clearinghouse Rule 83-33

AN ORDER to create ch. Trans 275, relating to the application for and issuance of single trip permits by telephone.

No action taken.

Clearinghouse Rule 82-4

AN ORDER to create ch. Trans 110, relating to driver licensing of school bus operators.

No action taken.

CARL OTTE
Chair

The committee on Agriculture and Rural Affairs reports and recommends:

Clearinghouse Rule 83-26

AN ORDER to repeal ch. Ag 97; and to create ch. Ag 142, relating to a cranberry marketing order for the levy and payment of assessments for the purposes of financing research, market development and educational programs, and the creation of a marketing board for administration of the marketing order.

No action taken.

RODNEY C. MOEN
Chair

State of Wisconsin
Revisor of Statutes Bureau
Madison, Wisconsin

July 1, 1983

Donald J. Schneider
Senate Chief Clerk
State Capitol
Madison, Wisconsin

Dear Mr. Schneider:

The following rules have been published and are effective:

- Clearinghouse Rule 82- 76 effective July 1, 1983.
- Clearinghouse Rule 82-115 effective July 1, 1983.
- Clearinghouse Rule 82-143 effective July 1, 1983.
- Clearinghouse Rule 82-149 effective July 1, 1983.
- Clearinghouse Rule 82-184 effective July 1, 1983.
- Clearinghouse Rule 82-190 effective July 1, 1983.
- Clearinghouse Rule 82-198 effective July 1, 1983.
- Clearinghouse Rule 82-202 effective July 1, 1983.
- Clearinghouse Rule 82-204 effective July 1, 1983.
- Clearinghouse Rule 82-208 effective July 1, 1983.
- Clearinghouse Rule 82-210 effective July 1, 1983.
- Clearinghouse Rule 82-213 effective July 1, 1983.
- Clearinghouse Rule 82-219 effective July 1, 1983.
- Clearinghouse Rule 82-225 effective July 1, 1983.
- Clearinghouse Rule 82-231 effective July 1, 1983.
- Clearinghouse Rule 82-233 effective July 1, 1983.
- Clearinghouse Rule 82-240 effective July 1, 1983.
- Clearinghouse Rule 82-241 effective July 1, 1983.
- Clearinghouse Rule 82-243 effective July 1, 1983.
- Clearinghouse Rule 82-251 effective July 1, 1983.
- Clearinghouse Rule 83- 2 effective July 1, 1983.
- Clearinghouse Rule 83- 4 effective July 1, 1983.
- Clearinghouse Rule 83- 10 effective July 1, 1983.
- Clearinghouse Rule 83- 11 effective July 1, 1983.
- Clearinghouse Rule 83- 20 effective July 1, 1983.

Sincerely,
GARY L. POULSON
Assistant Revisor

CHIEF CLERK'S REPORT

The chief clerk records:

Senate Bill 81

Correctly enrolled and presented to the Governor on June 30, 1983.

Senate Bill 83

Correctly enrolled and presented to the Governor on July 1, 1983.