

# STATE OF WISCONSIN

## Senate Journal

### Eighty-Seventh Regular Session

TUESDAY, January 29, 1985

10:00 A.M.

The senate met.

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

The senate stood for a moment of silent prayer.

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

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

Senators Adelman, Andrea, Chilsen, Chvala, Cullen, Czarnezki, Davis, Ellis, Engeleiter, Feingold, George, Hanaway, Harsdorf, Helbach, Kincaid, Kreul, Lasee, Lee, Leean, Lorman, McCallum, Moen, Norquist, Otte, Plewa, Risser, Roshell, Rude, Stitt, Strohl, Theno, Ulichny and Van Sistine -- 33.

Absent -- None.

Absent with leave -- None.

#### INTRODUCTION OF RESOLUTIONS

##### **Senate Joint Resolution 6**

Relating to authorizing the creation of a Wisconsin state lottery (first consideration).

By Senators Plewa and Kincaid; cosponsored by Representative Robinson.

Read first time and referred to committee on Labor, Business, Veterans Affairs and Insurance.

##### **Senate Joint Resolution 7**

Relating to retaining the constitution's ban on lotteries only for casino gambling, and deleting the existing lottery ban exceptions (first consideration).

By Senators Plewa and Kincaid; cosponsored by Representatives Fergus, Shoemaker, Robinson, Gronemus, Carpenter, Crawford, Bolle and Plizka.

Read first time and referred to committee on Labor, Business, Veterans Affairs and Insurance.

##### **Senate Joint Resolution 8**

Relating to excepting bingo games licensed by the state and operated by residential facilities for elderly persons from the prohibition against legislative authorization of lotteries (first consideration).

By Senators Plewa, Roshell, Andrea and Kincaid; cosponsored by Representatives Carpenter, T. Thompson, Vanderperren, Panzer, Volk, Manske, Fergus, Lepak, Medinger, Plizka, Mark Lewis, Matty, Bolle, Magnuson and Schober.

Read first time and referred to committee on Labor, Business, Veterans Affairs and Insurance.

##### **Senate Joint Resolution 9**

Relating to abolishing the offices of secretary of state and state treasurer (first consideration).

By Senators Plewa, Lee, Czarnezki, Risser, Davis, Harsdorf and Engeleiter; cosponsored by Representatives Radtke, Bell, Foti, Krug, Ladwig, Vergeront, Lepak, York, Huelzman, Welch, Plizka and Schober.

Read first time and referred to committee on Education and Government Operations.

##### **Senate Joint Resolution 10**

Relating to authorizing the creation of a Wisconsin state lottery (first consideration).

By Senators Kincaid, Moen, Plewa and Chilsen; cosponsored by Representatives T. Thompson, Crawford, Robinson, Hasenohrl and Volk.

Read first time and referred to committee on Labor, Business, Veterans Affairs and Insurance.

##### **Senate Joint Resolution 11**

Relating to excepting pari-mutuel betting on horse racing from the prohibition against legislative authorization of lotteries (first consideration).

By Senators Kincaid, Van Sistine and Plewa; cosponsored by Representatives Volk, Hasenohrl and Prosser.

Read first time and referred to committee on Labor, Business, Veterans Affairs and Insurance.

##### **Senate Joint Resolution 12**

Relating to 4-year terms of office for sheriffs (first consideration).

By Senator Ellis.

Read first time and referred to committee on Education and Government Operations.

##### **Senate Joint Resolution 13**

Relating to abolishing, over a 10-year period, the use of the property tax for school operations (first consideration).

By Senators Czarnezki, Lee, Kreul, Lasee and Chilsen.

Read first time and referred to committee on Tourism, Revenue, Financial Institutions and Forestry.

##### **Senate Joint Resolution 14**

Relating to abolishing the use of the property tax for school operations (first consideration).

By Senators Czarnezki, Lee, Harsdorf, Rude, Moen, Feingold, Helbach, Lasee, Leean, Chilsen and Kreul; cosponsored by Representatives Barrett, Krusick, Krug, Crawford, Shoemaker, Holperin, Bell, Seery, Mark Lewis, Becker, Coleman and Welch.

Read first time and referred to committee on Tourism, Revenue, Financial Institutions and Forestry.

**Senate Joint Resolution 15**

Relating to abolishing the earmarking of fines for the school fund (first consideration).

By Senators Otte and Norquist; cosponsored by Representatives Crawford, Krug, Seery, Metz, Holperin, Turba, Goetsch, Wineke, Fergus and Barrett.

Read first time and referred to committee on Education and Government Operations.

INTRODUCTION OF BILLS

Read first time and referred:

**Senate Bill 18**

Relating to child enticement and providing a penalty.

By Senators Chvala, Cullen, Risser, Roshell, Van Sistine, Otte, Lasee, Czarnezki, Plewa, Chilsen and Harsdorf; cosponsored by Representatives Magnuson, D. Travis, Tesmer, Bell, Shoemaker, Matty, Metz, Seery, Tregoning, Buettner, Barrett, Bolle, Black, T. Thompson, Rosenzweig, Weeden and Ladwig.

To committee on Judiciary and Consumer Affairs.

**Senate Bill 19**

Relating to minors working in fund-raising sales for nonprofit organizations, public schools or private schools.

By Senators Moen, Kincaid, Harsdorf, Andrea, Strohl, Chvala, Risser, Lasee, Plewa, Helbach, Lee, Chilsen, Leean, Czarnezki, Otte, Cullen, Van Sistine, Ulichny, Feingold, Hanaway, McCallum, Norquist and Davis; cosponsored by Representatives M. Coggs, Vanderperren, Swoboda, J. Young, Shoemaker, Cowles, Krug, Barrett, Carpenter, Crawford, Radtke, Manske, Barca, Zeuske, Coleman, Buettner, Rosenzweig, Wood, Musser, Panzer, Kasten, Bolle, Prosser, Van Gorden, Byers, Huelsman, Magnuson, Margaret Lewis, T. Thompson and Jauch.

To committee on Labor, Business, Veterans Affairs and Insurance.

**Senate Bill 20**

Relating to changing the formula for the homestead credit.

By Senators Kincaid, Czarnezki, Feingold, Plewa, Helbach, Chilsen and Engleiter; cosponsored by Representatives Holperin and Hasenohrl.

To committee on Tourism, Revenue, Financial Institutions and Forestry.

**Senate Bill 21**

Relating to specific information highway signs.

By Senator Kincaid; cosponsored by Representative Holperin.

To committee on Transportation.

**Senate Bill 22**

Relating to shining animals near human dwellings and providing a penalty.

By Senator Kincaid; cosponsored by Representative Volk.

To committee on Energy and Environmental Resources.

**Senate Bill 23**

Relating to commencement of the public school term.

By Senators Kincaid, Cullen, Lasee and Leean; cosponsored by Representatives T. Thompson, Matty and Volk.

To committee on Education and Government Operations.

**Senate Bill 24**

Relating to commencement of fall semester classes at the university of Wisconsin system.

By Senators Kincaid, Leean and Feingold; cosponsored by Representatives Holperin, Swoboda and Volk.

To committee on Education and Government Operations.

**Senate Bill 25**

Relating to possession of a firearm by a person who has a previous felony conviction.

By Senator Ellis.

To committee on Judiciary and Consumer Affairs.

**Senate Bill 26**

Relating to restitution paid by retail theft violators.

By Senators Czarnezki, Andrea, Otte, Norquist, Lee, Rude, Risser, Van Sistine, Lasee, McCallum, Harsdorf and Moen; cosponsored by Representatives Panzer, Krusick, Mark Lewis, Holperin, Vanderperren, Manske, J. Young, Matty, Goetsch, Porter, Krug, R. Travis, Ladwig, Crawford, Seery, Foti, Zeuske, Musser, Van Gorden, Schneiders, D. Travis, Weeden, Schober, Magnuson and Merkt.

To committee on Judiciary and Consumer Affairs.

**Senate Bill 27**

Relating to municipal courts serving 2 or more municipalities.

By Senator Theno; cosponsored by Representatives Musser, Lepak, Weeden, Volk and Schneiders.

To committee on Judiciary and Consumer Affairs.

**Senate Bill 28**

Relating to prohibiting the use and sale of radar detectors and providing a penalty.

By Senators Theno and Strohl; cosponsored by Representatives Seery and Black.

To committee on Judiciary and Consumer Affairs.

State of Wisconsin  
 The University of Wisconsin System  
 January 23, 1985

COMMITTEE REPORTS

The committee on Senate Organization reports and recommends:

**Assembly Joint Resolution 2**

Relating to congratulating Thomas T. Melvin on his 20 years of service with the assembly.

Concurrence:

Ayes, 5 -- Senators Cullen, Risser, Norquist, Engleleiter and Ellis;

Noes, 0 -- None.

TIM CULLEN  
 Chair

PETITIONS AND COMMUNICATIONS

**Senate Petition 2**

A petition by 12 residents of the Park Manor Nursing Home in Milwaukee in opposition to further cuts in assistance to Senior citizens.

By Senator Ulichny.

Read and referred to committee on Aging, Banking, Commercial Credit and Taxation.

State of Wisconsin  
 Elections Board

January 23, 1985

To the Honorable, the Senate

The State Elections Board is required to certify to the county clerks all referendum questions to be submitted to the electors at the spring election on Tuesday, April 2, 1985. In order for the State Elections Board staff to prepare the certification, it is necessary for us to have in our possession no later than February 19, 1985, the certified copy of any resolutions directing that a referendum be submitted to the electors at the 1985 spring election along with the explanatory statement prepared by the attorney general under the provisions of s. 10.02 (2) (c), Wis. Stats.

Legislators seeking to secure the passage of a resolution which would direct the submission of a referendum question to the electors at the April 2, 1985 election are encouraged to consult with the attorney general's office to develop the explanatory statement that must accompany the publication of the referendum notice by the Elections Board and the county clerks.

County clerks and the Elections Board need the intervening two week period, between February 19 and March 2, 1985, to arrange for publication in the appropriate newspapers and for printing ballots.

Thank you for your time and attention to this matter. Please include this letter in the senate and assembly journals. If any legislators have questions, they are encouraged to contact the staff at the State Elections Board.

Sincerely,  
 KEVIN J. KENNEDY  
 Executive Secretary

To the Honorable, the Senate:

Chapter 333, Laws of 1973, amended Section 20.923(5), Wis. Stats., to require that the Board of Regents of the University of Wisconsin System assign specified titled positions to University of Wisconsin System salary ranges in whatever manner the Board determined. The Board is required under the subsection to file a report annually with the Governor and the Legislature.

In June, 1978, the Board of Regents adopted resolution #1678 which requires that all positions referenced in s.20.923(5) be assigned to either a State Executive Salary Group 1-5 or to a UW System Administrative Salary Range. The resolution established the following assignment criteria.

I. Positions subject to State Executive Salary Group assignment.

A. All positions referenced in s.20.923(5) which carry the following titles regardless of annual salary:

- Associate Vice Presidents
- Assistant Vice Presidents
- Associate Chancellors
- Vice Chancellors not designated in ss.20.923(4)(8)
- Associate Vice Chancellors
- Assistant Vice Chancellors
- Assistant Chancellors

B. All positions carrying the titles of Assistant to the Chancellor or directors or associate directors with over 50 percent of their activities coded as physical plant, general operations and services, and auxiliary enterprises whose fiscal year annual salary rate exceeds the maximum of pay range 1-17 (FY 1984-85 maximum is \$42,330) of the general non-represented pay schedule #1.

II. Positions subject to UWS Administrative Salary Range Assignment:

All Assistants to the Chancellor and directors or associate directors with over 50 percent of their position assigned to an enumerated activity code in the statute whose annual salary does not exceed the maximum of pay range 1-17.

Part A of the attached report designates those positions assigned to State Executive Salary Groups 1-5 and Part B provides the minimum and maximum for those positions assigned to a UWS Administrative Salary Range. The report is dated January 1, 1985 and serves to fulfill this calendar year's reporting requirements.

Sincerely yours,  
 WALLACE LEMON  
 Associate Vice President

JOURNAL OF THE SENATE [January 29, 1985]

State of Wisconsin

January 25, 1985

To the Honorable, the Senate:

We are pleased to transmit to you the Report of the 1983-84 Joint Legislative State Supported Programs Study and Advisory Committee, dated January 1985. The Report summarizes the visits made by the Committee to state institutions during 1983-84.

We would appreciate your including this letter in the Journal for the information of the membership. Additional copies of the Report are available, on request, from the Legislative Council Offices, Room 147 North, State Capitol.

JEROME VAN SISTINE  
Senate Chair

CLETUS VANDERPERREN  
Assembly Chair

1983-84 (Earl)

Travel - In State Business	\$101.41
Travel - Out of State Business	23.02
Travel - Out of State Conventions	197.20
Organized Meetings	112.50
Services - Postage	247.50
Services - Subscriptions	348.40
Services - Freight Charges	3.47
Services - Photographic	75.00
Printing	413.00
Supplies - Signature Pens	2,030.00
Supplies - Food	1,887.51
Supplies - Reference Material	160.14
Supplies - Miscellaneous	1,166.41
<b>TOTAL--</b>	<b>\$6,765.56</b>

Respectfully submitted,  
KATHLEEN C. FULLIN  
Operations Manager

EXECUTIVE COMMUNICATIONS

State of Wisconsin  
Office of the Governor

January 25, 1985

To the Honorable, the Senate:

Please be advised that I am withdrawing my nomination of JOSE OLIVIERI of Milwaukee, at his request, as a member of the Optometry Examining Board for the term to expire July 1, 1988.

Respectfully,  
ANTHONY S. EARL  
Governor

State of Wisconsin  
Office of the Governor

January 28, 1985

To the Honorable, the Senate:

Pursuant to section 20.525(1)(b) of the Wisconsin Statutes, the following is a summary of expenditures paid from the contingent fund appropriation for fiscal years 1983 and 1984. These expenditures have been charged to this appropriation in accordance with guidelines proposed by the Department of Administration in consultation with this office.

<u>1982-83 (Dreyfus-Earl)</u>	
Travel - In State Business	\$194.70
Travel - Out of State Business	488.61
Travel - Out of State Conventions	19.00
Travel - Non State Employees	712.58
Services - Rent of Space	281.00
Professional Contractual Services	150.00
Services - Subscriptions	172.85
Services - Miscellaneous	524.11
Services - Food	1,537.71
Supplies - Miscellaneous	38.76
<b>TOTAL --</b>	<b>\$4,119.32</b>

SENATE CLEARINGHOUSE ORDERS

**Clearinghouse Rule 84-75**

AN ORDER to repeal HSS 303.53, 303.77 to 303.78 and 303.80; to renumber HSS 303.02 (14) to (16); to renumber and amend HSS 303.15 (intro.) and (1) to (5) and 303.79 and Note; to amend HSS 303.03 (4), 303.11 (3) and Note, 303.13 to 303.14, 303.25 and Note, 303.28 and Note, 303.63 (title), (1) (d) and (3), 303.71 (1), 303.72 (3) and (4), 303.81 (1), (2) and (8) and Note, 303.82 (1) and (2) and Note, 303.84 (1) (intro.) and (h), (2) (a) (table), (am) and (b) and Note, 303.86 (5) Note, 303.86 (6), 306.01, 306.07 (6) and (4) Note to (6) Note, 306.16 (3) and Note, 308.04 (6), (7), (11) and (3) Note, (5) Note, (10) to (11) Notes and 310.13 and Note; to repeal and recreate HSS 303.49 Note and 303.50 Note to 303.52 Note, 303.75 and 303.76 and Notes and 308.04 (2) and Note and (4) and Note; and to create HSS 303.02 (14) and (15), 303.15 (2), 303.26 (5), 303.271 and Note, 303.511, 303.631 and Note, 303.87 and Note and 306.045 and Note, relating to prohibited conduct, discipline, disciplinary hearings, administrative confinement, voluntary confinement and complaints of inmates at adult correctional institutions.

Submitted by Department of Health and Social Services.

Report received from agency, January 24, 1985.

Referred to committee on Agriculture, Health and Human Services, January 29, 1985.

**Clearinghouse Rule 84-183**

AN ORDER to repeal Bkg 8.06 to 8.14; and to repeal and recreate ch. Bkg 8 (title) and Bkg 8.01 to 8.05, relating to branches and bank stations.

Submitted by Office of the Commissioner of Banking.

Report received from agency, January 25, 1985.

Referred to committee on Aging, Banking, Commercial Credit and Taxation, January 29, 1985.

**Clearinghouse Rule 84-201**

AN ORDER to create NR 5.21 (2), relating to waiver of the slow-no-wake speed restriction on Curtis Lake, Oneida County.

Submitted by Department of Natural Resources.  
Withdrawn by agency, January 23, 1985.

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

**Clearinghouse Rule 84-52**

AN ORDER to repeal H 3.23; and to create ch. HSS 122, relating to bed limits for nursing homes and residential facilities for the developmentally disabled and to prior review and approval of capital expenditures for nursing homes and residential facilities for the developmentally disabled.

Submitted by Department of Health and Social Services.

No action taken.

**RODNEY C. MOEN**  
Chair

The chair appointed Senators George and Chilsen to await upon the Governor.

By request of Senator Cullen, with unanimous consent, the senate recessed until 11:47 A.M.

10:10 A.M.

RECESS

11:47 A.M.

The senate reconvened.

The senate proceeded in a body to the Assembly Chamber to meet in Joint Convention to receive the Budget Message.

IN ASSEMBLY CHAMBER  
IN JOINT CONVENTION

The President of the Senate in the chair.

The committee to await upon the Governor appeared with his excellency the Governor, who delivered his message as follows:

Before I present my budget message, I want to introduce some special guests who are also special friends of Wisconsin who have come from our sister state of Heilongjiang Province, North of China.

Last June, I had the pleasure of visiting Harbin, the capital of Heilongjiang, for the first time, along with Senator Cullen, who represented the Legislature. There was also a 20 member trade delegation with us.

The fruits of that visit have been many. New business and educational relationships have been begun, and a three-member team from Heilongjiang has been in

Wisconsin for the past two months purchasing Holstein breeding stock to be flown to the dairyland of China.

We have found much common ground. Although our countries are very different, our challenge is much the same. China is breaking with the past, to open to the west, and to modernize its economy as quickly as possible.

There is no "business as usual" in China today. They are making bold departures and trying new ideas.

This is also our challenge in Wisconsin, our world has also changed.

Like Governor Chen and the Chinese, we must also recover and modernize by making new departures.

One of those departures is to intensify our involvement in trade with other countries and make Wisconsin a world leader in exports and international exchange. In keeping with that spirit, it is my great pleasure to present to you, for your welcome, our friend Governor Chen Lei of Heilongjiang Province. Let us also welcome Mayor Chen Yunlin of Qiqihar City, a city of nearly 6 million, and the other members of the official delegation who are with us on the floor today, Zhang Jizhi, Zhou Wenhua, Du Xianzhong, Qu Shaowen and interpreter, Kiao Tongyan.

Finally, let us welcome the five-member trade team led by Mr. Xu GuangQuan, who have accompanied Governor Chen and has been meeting with businesses in Madison and Milwaukee and later today will meet with businesses from Eau Claire and Chippewa Falls. Other members of the team are Xiu Feng, Ren Zhaokui, Li Anmin and interpreter, Zhan Xinyuan.

Two weeks ago, when I reported to you on the state of the state, I described it as very promising. Your decisions in the next six months will determine whether or not we can take advantage of that promise. Let me begin by telling you what this budget is not. It is not a stand-pat budget. It is not a status quo budget. It is not a document designed to avoid offense at all costs. It is not a campaign brochure offering something for everybody.

This is a budget which increases property tax relief payments from the state to local governments and school districts by \$700 million, the highest such increase in the history of our state.

It is a budget which reduces the personal income tax by \$132 million.

It is a budget which returns Wisconsin to its progressive tradition of reform, not only in income taxes, but in education, social services, local government and environmental protection.

The budget I present to you today is a document which seeks to secure a strong economy and which makes the economic future of Wisconsin our first priority.

This budget is very different from the one which preceded it, but there are some similarities. Like the last budget, it is conservative; it leaves more money in the till than the statutes require.

Though there are increases in some expenditure categories, you will find I have carefully scrutinized all requests for new positions. If you enact this budget as I present it to you, there will be fewer state employees on

June 30, 1987 than there were in December 1982. During that same period, our state's population will have grown by almost 2 percent.

Though this budget begins an historic shift away from automatic growth in shared revenues toward increased support for school aids, it is a budget which keeps faith with local governments. Shared revenues will increase by \$92 million, an amount which will permit municipalities, towns and counties to begin to make the adjustments needed in their budgeting and management practices without compromising the equalization principles which are so important to maintaining fairness in our property tax relief programs.

This budget contains a small but important policy initiative which provides funding to property-rich, income-poor districts in our state which have for years been the zero aid category of the school aids program. I have talked to many legislators concerned about this disparity and I have been convinced that some relief is in order.

Accountability is a theme of this budget and it moves to achieve it in two major ways. First, by adding nearly \$400 million in new aid to elementary and secondary education, we are fulfilling the state's constitutional responsibility in this critical area. Second, by beginning to shift general relief and local criminal justice costs off the property tax we are encouraging the use of that tax more and more for property-related functions. That is as it should be.

I am going to limit the balance of my remarks to two of the most significant issues areas of this budget -- economic development and education. But you will find as you examine the bill that there are many budget-related initiatives worth your attention and support.

This budget represents thousands of hours of decision making, analysis and consultation. The major decisions are mine. As has been the tradition in Wisconsin, the buck stops at the Governor's desk. Luckily, in this biennium, a few of the bucks will start there, too.

### **Hold the Line on Spending**

There is some disagreement, though, as to just how many. The Legislative Fiscal Bureau has made a slightly more optimistic projection of our fiscal situation than the Budget Office. The revenue estimates which drive this budget have been reviewed by the Council on Economic Affairs, a group of economists who have been highly accurate in assessing the likely course of our state's economy. The economic assumptions in this budget are realistic and prudent. That is how most people operate their personal budgets, and I believe we should run the state's finances the same way.

As the budget process unfolds, we may discover revenues will be higher or expenditures lower than we now expect. We should resolve now, today, that any additional revenue must be used to implement further state tax reductions, to help solve our persistent cash flow problem, or to eliminate the need for general

obligation bonding. We should not begin thinking up new ways to spend it.

There is absolutely no reason why the prosperity of our private sector ought to translate automatically into higher state spending. As far as I am concerned, the expenditure side of this budget should not include any increase over the spending level I am proposing. I will do whatever I can to enforce that policy as the budget debate goes forward.

### **Economic Revitalization**

As we deal with the basic questions before us on taxing and spending, we must not lose the momentum that we have built over the last two years in our efforts to revitalize the Wisconsin economy. We need to remind ourselves that the economic crises which caused us so much pain during the last few years was both a national and regional trauma. We did not invent the recession here; we just paid the price for it.

As difficult as things may have been in Wisconsin, they were at least as bad in Michigan, Illinois, Ohio and the other Great Lakes states. We have been caught in the switches of an economy that is changing before our eyes.

The national economy is moving from a system of mass production to a system of specialized products and services. In the next economy, quality will count as it never has before.

This is an opportunity made to order for Wisconsin. We are known for doing things right, whether it is training our work force, building quality products or providing effective government.

I am convinced that the worse is behind us and that the prospects for an economic renaissance in the Great Lakes are greater than I would have dared to hope when I took office two years ago. Wisconsin and Minnesota are leading the recovery in our region.

We are beginning to see the dividends of our long-term investments in education, environmental protection and progressive social policy. Our greatest days are yet to come, but they are coming soon.

Our task now must be to seize the opportunities offered by a changing set of economic rules. The most important step we can take is to reduce and reform the personal income tax. Virtually every business climate survey and every conversation I have had with business leaders confirms that our personal income tax has a chilling effect on our business climate. The income tax changes I have proposed can set a new tone for business development in our state...while cutting taxes for most people in every income class.

We need to maintain the progress we began in October of 1983 in the special session on economic development. I am proposing that we make significant new investments in our efforts to retain Wisconsin businesses through the activities of the Department of Development. I am recommending that the quick start labor training fund be tripled to \$3 million in the biennium and that the Technology Development Fund be doubled to \$2.5 million. The quick start fund provided specialized training for 600 workers at Harley Davidson

in Milwaukee and the Technology Development Fund opened the door to a billion dollar hearing aid market for Nicolet Instruments.

Forward Wisconsin has put Wisconsin on the map of national and international competition for jobs and development. I am proposing \$1 million for the state to continue its funding share for this trailblazing public sector/private sector effort.

Last year we expanded our international trade program by opening an office in Frankfurt, West Germany. Next year we should look to the Far East and establishing a trade office there. Our positive experience in the past week and over the last few months with our guests from China convinces me that this region has great potential for our exports.

We have made significant strides in export promotion with our friends from China. There has been increased trade in dairy cattle, in breeding technology and in ginseng. And I am certain there will be more. We cannot write a national farm bill here in Madison, but I am convinced that a long-term commitment to increasing our agriculture exports can make a significant difference to Wisconsin farmers.

All of us here know that Wisconsin is a great place in which to live and vacation. But we need to make sure the rest of the world knows it, too. Therefore, I am proposing we increase expenditures for tourism promotion by \$1 million over the biennium, the most significant increase in funding in the history of the program. We want the region, the nation and the world to "Escape to Wisconsin" during every season of the year.

When they come, we want to be able to offer them not only great outdoor experiences, but an environment in which the arts and creativity flourish. As I did last biennium, I am suggesting an increase in support for the arts. This is not only an investment in culture, but an important element in a comprehensive economic development strategy.

I am proposing the transfer of the Division of Housing for the Department of Development to the Wisconsin Housing and Economic Development Authority. This step will put all state housing activities under one roof and permit the Department of Development to concentrate on the job creation dimension of its economic development mission. It also means a reduction of several positions in the department budget. New positions in the department will improve administration of the agency's grant programs and provide new resources to the Permit Information Center.

This budget creates a special fund to be made available to workers seeking to explore the feasibility of employe ownership of businesses threatened with shutdown or relocation. The employe ownership option has potential for saving jobs and improving productivity it is examined realistically and professionally. The Employe Ownership Fund is designed to make that kind of careful analysis possible in a limited number of cases.

In addition to the overall income tax reduction and reform proposal in the budget, I am proposing some

modifications i business taxes which can make some positive differences for a large number of Wisconsin enterprises. These changes will encourage venture capital investments in our state and cushion the difficulties experienced by some of our major manufacturing industries.

These policy initiatives will be complemented by other state activities which are crucial to economic revitalization. Among them is our continuing commitment to a health infrastructure. More than \$1.1 billion are appropriated for sewage treatment facilities, highways, harbors, bridges, airports and recreation areas. These expenditures will serve to set Wisconsin apart as a place in which to live, to earn a living, to run a business.

These are the expenditures, along with our commitment to property tax relief, which place Wisconsin relatively high in state expenditure rankings. I don't think they're frills. I think they're solid investments. They provide a quality of life which distinguishes Wisconsin from other states. We dare not shortchange them.

#### **Excellent Schools**

Now let me turn to education.

The 1985-87 budget represents a major shifting of priorities. Nowhere is the need greater or the opportunity more compelling than in education.

In our primary and secondary schools, our University System and our vocational schools, we have the opportunity to set partisan concerns and questions of control aside and pursue a common goal -- schools that provide quality education for all of Wisconsin's students.

#### **Elementary and Secondary Education**

As I said in my State of the State address, I want to commit more resources than ever before in our history to primary and secondary education. The budget provides \$390 million new dollars -- \$325 million in general support and \$65 million in categorical aids -- to build a better educational opportunity for our children and a better break for property taxpayers.

We know what happens when we fail our children educationally. They suffer, and our society suffers. We see them on our general assistance rolls, on A.F.D.C., in our courts and our jails and on our unemployment rolls.

We will pay a price. The question is, do we pay now or later? And will the payment be an investment or a penalty?

I say, for our children's sake and for our economy's sake, there is no time like the present.

There is no better time than now to take a comprehensive look at education and to build a framework for effective schools in every community in the state.

There is no better time than now to tell those responsible for our schools what we expect of them and give school district officials and teachers the time and the resources they need to accomplish these goals.

**Performance Standards**

The 1985-87 budget includes a series of standards that will be phased in between 1986 and 1988. I will be asking school officials to provide regular instruction in the basics in the elementary and middle school grades, to spend more time on direct pupil instruction, to test reading in the third grade so we can identify students who need special attention, to provide programs to address deficiencies in reading, language arts and math which show up in testing.

I will also ask them to be accountable to the public -- to describe how they are meeting the needs of the children in their districts through course offerings, testing, remediation and the like.

And I will ask them to develop programs for children who are "at-risk" -- dropouts, pupils who are habitually absent, pupils who are behind their age group in credits attained or in basic skill levels, and pupils who have social, physical, educational or developmental problems that hinder their educational advancement -- and to develop education for employment programs for the 60 percent of the children who seek no formal education after high school.

I will be asking for your support in these efforts, too. I want your support not because I want to wrest control from the local school districts, but because I want every diploma from every high school in Wisconsin to be a passport to something greater -- a passport to employment or a passport to higher levels of education.

**Education for Employment**

Our elementary and secondary schools must be the place where our children get the tools they need to make an easy transition from school to the workplace.

They must be places that recognize the world of work, the world of competition and the economic achievement into which every child will graduate. They must be places that prepare all young people -- especially the 60 percent that do not receive any formal education after high school -- to be, in the words of the highly acclaimed Parker project, "the finest, most skilled, best educated workforce in America."

Our high schools must change the focus of vocational education and integrate work experience into a sound education for employment plan. This is an important undertaking, and our financial commitment -- \$10 million -- will reflect that importance.

**At-Risk Programs**

In this budget there are several initiatives for those students whose educational potential has yet to be realized. There is the pre-school through 5th grade (P-5) proposal. There is a weighting factor of 1.2 for low-income students. There is an aid plan for some of the zero aid districts based on low-income students.

Each of these proposals is designed to give both the students and the school officials that little bit of extra support they need to make it in an increasingly competitive economy.

Believe me, they can succeed if we are willing to help.

Not long ago, I had the opportunity to visit an elementary school in Milwaukee. It was a school that had moved from the bottom in terms of student achievement to near the top. It was a school that pushed aside the conventional wisdom about inner city students and took seriously the task of improving educational opportunity for its students. It was a school where everyone -- from the principal to the teachers to the students -- had a stake in the operation, a sense of purpose, a sense of accomplishment. It was a school that, without changing the student population, dramatically improved attitudes about learning and changed student achievement.

As I moved from classroom to classroom and watched students get successfully drilled in math, English and social studies, I couldn't help but think that we have been cheating too many children for too long. Our expectations for them have been too low. We have written them off too early and we have helped them foreclose on their future.

But whatever we do in the way of improved programs and additional funding, we will not reach our objectives in the absence of competent, well-motivated teachers in the classroom.

We need to attract our best young people to the high calling of education. Education cannot continue to be an academic major of last resort. I am proposing several steps to improve the quality of teaching in our schools.

First, as of June 4, 1987, only the top 50 percent of the sophomore class will be eligible for admission to a teacher preparation program.

Second, once in the program, teachers will have to maintain a "B" average to stay in.

Third, they will have to complete some field experience.

Fourth, they will have to complete an academic minor if they intend to teach in elementary or middle schools. Students who intend to teach at the secondary level will have to complete an academic major.

In exchange for these higher standards, I am proposing that in 1988 we insist on an \$18,000 starting salary for teachers, based on 1984 dollars.

With all this talk about higher standards, more specialized programs for students, and better pay for teachers, let us not lose sight of the other important reason for committing so much new money to fund primary and secondary education: the property taxpayer.

While some of the new expectations of our schools will cost additional money, many will not. Many, in fact, will provide an opportunity to reallocate resources rather than just spending more.

As I noted earlier, this budget includes the largest increase ever for primary and secondary education. The new money for general aids, coupled with the new money for categorical aids, is enough to move state support of school costs from 39 percent in 1984-85 to 41.5 percent in 1985-86 and 42.9 percent in 1986-87. When we count the portion of Wisconsin State Property Tax Relief Credit attributable to local school levies -- about 54 percent -- as state assistance to elementary and secondary education, our support becomes 48 percent in 1986-87.



As we increase our level of support for education, it is time for taxpayers to learn more about how education is financed in Wisconsin. Therefore, I am suggesting that the \$325 million in additional school support be distributed as a credit using the general equalization aid formula and that it join WSPTR as a below the line credit on our property tax bills. Not only will this place the credit where credit is due, it will make school districts more accountable.

### **The University System**

White our commitment to primary and secondary education is great, our commitment to the University of Wisconsin and to the vocational schools is no less significant.

We will begin a ten-year program of improving facilities and we'll make faculty salaries at the University more competitive. We will target research dollars toward projects which have special interest to Wisconsin business and industry and provide more assistance for minority and disadvantaged students. In short, we will focus our energies on maintaining and enhancing our reputation as one of the finest University systems in the country.

One of the most essential of these proposals, and one of the most controversial, has to do with competitive salaries for University faculty. There is no doubt that we have fallen behind similar institutions, not only in the Big Ten, but throughout the country. A good deal of time has been spent addressing this problem and a pay plan has been advanced by a committee appointed by President O'Neil and me which has been modified and approved by the Board of Regents. This plan has not been well received in all quarters. Frankly, it is unlikely that any proposal would satisfy every group in the University community. Two things, however, are clear. There is a difference between the University of Wisconsin-Madison and the University of Wisconsin-Milwaukee on the one hand, and the University cluster campuses on the other hand. That difference, to some extent, will be recognized in differing levels of compensation. It further ought to be understood that determining the distribution of the catch-up plan is not appropriately a matter for a political body like this Legislature. It is a matter that ought to be resolved within the University community.

The University System needs a break from the political wars and a return to its basic mission of education. That is why I urge you to accept the Regents' judgment as the most equitable solution available to a problem that we simply must put behind us.

### **Vocational Education**

Our Vocational, Technical and Adult Education initiatives have a critical role to play in improving Wisconsin's competitive advantages.

They must prepare our students for jobs now barely visible on the horizon. They must be more uniformly forward-looking and innovative. I have put together a budget proposal on vocational education which respects

its strengths, balances competing demands, avoid future funding crises and provides immediate resources for critical needs.

The budget proposals relating to funding and governance strengthen the positions of both the state and local districts. I want this system to be the best -- not simply the best in the country -- but the very best we here in Wisconsin can create. This is the standard we should be striving for.

I believe the state board must be stronger. It must be tougher and more decisive. It must help lead the system. It must improve coordination between districts. It must advocate more effectively on behalf of vocational education. To that end, I am proposing the creating of a new board in which six of the nine board members are appointed without concern for meeting any criteria other than their commitment to the best possible vocational system.

This reconstituted state board should have some new tools to address state priorities. I have proposed \$2.5 million in GPR support for an emerging occupations fund which will promote new program development and equipment purchases in areas of projected employment growth.

The second initiative will address the critical needs of adult learners without adequate basic skills. This vocational education opportunities fund will set aside \$2.5 million to encourage districts to develop new basic skills programming and to provide tutorial support for students struggling in vocational training programs.

At the district level the budget provides a \$15 million increase over base year doubled in general aids. This funding level reverses the trend of recent years of declining state support.

I am also proposing the election of local district boards. I believe improved accountability, visibility and accessibility make a strong case for elected boards. People who have taxing authority should stand before the electorate to justify their decisions. With this new accountability, the artificial restraint of the mill levy limit will no longer be necessary.

Taken together these changes will prepare our vocational education system to meet the challenge of responding to our rapidly changing economy.

### **Bipartisanship**

In the last two years we have seen some remarkable changes in our state. Our economy has moved from a deep recession to a strong recovery. We have moved from the largest budget deficit in our state's history to a position of fiscal strength. We have made significant progress in job creation and improving our business climate. We have gained nationwide attention for our successful efforts to contain health care costs. We have been immersed in a sea of change and managed to keep our head above water. We did so because we were willing to make some politically difficult choices and because in matters like unemployment compensation and economic development we were able to forge a bipartisan coalition.

Although we have had some bipartisan successes here in Wisconsin, we have seen nothing but bipartisan failure in Washington, D.C. Indeed, as we meet today, the long political stalemate over the Federal budget endures.

Democrats in Congress say that they absolutely refuse to consider any cuts in entitlement programs. Republicans in the Congress say that they will not include any tax increases in the upcoming budget. And the President and Secretary Weinberger say that they won't consider significant cuts in the defense budget.

All of us know that this is a prescription for disaster. All of us know that there have to be some cuts in entitlement programs, that there have to be some increases in revenues and that there have to be significant cuts in the defense budget if we are to balance the Federal budget. If the bipartisan failure which has gripped Washington the last two years continues into the next two, it bodes ill not only for Wisconsin but for our region and most of the states in the Union.

I am concerned when I see plans emanating from Washington, D.C. which would see the Federal government get well at the expense of the states. Many in Washington of both political persuasions point to surpluses in state treasuries as a possible remedy for the problems now faced by the national government. It would be far better if those in Washington would emulate the behavior of those of us on the state level, rather than try to get well at our expense. Two years ago, all of the Great Lakes states and 32 other states across the nation had to raise taxes and cut expenditures in order to put their houses in order. Those states had Republican governors, Democratic governors, Republican and Democratic legislatures. They had to set aside partisan differences to get the job done. It wasn't fun, but they responded. The states did exactly what the President and the Congress have failed to do, and now the President and the Congress are asking the states to pay the price of their failures.

So let us send a message today to the Congress and the President. You can expect massive, not passive, resistance if we are asked to bear the brunt of the next round of expenditure cuts. We are willing to do our share, but we'll not go quietly while the Pentagon continues to buy \$700 screwdrivers and high-tech superweapons that don't work. The states are not going to let our revitalization efforts do down in flames while Federal entitlement programs stay on automatic pilot. We're not going to take the heat for state tax increases while the President creates expectations for yet another round of Federal tax cuts.

But beyond resisting what is going on in Washington, D.C., we can do something more positive here. We can try to build on the successes and bipartisanship we had in the last session and set an example of bipartisan cooperation and success as we approach our own taxing and spending plans in the next two years.

I've had the opportunity to speak with the leadership on both sides of the aisle. I am impressed with their

willingness to work with one another in this session, but I have been here long enough to know that it is easier to talk about bipartisanship than it is to make it work. I want to remind everyone here that bipartisanship is as essential on tough decisions as it is on easy ones.

Even though this budget finds us stronger financially than the last one, it is no less true that we need to work together. As a state we stand at a crucial point in our history.

We can look at ourselves as an aging industrial state going through a long an inexorable slide towards mediocrity, or we can resolve to seize every opportunity offered by the rapidly changing world economy of which we are a part. This budget seeks to make the most of those opportunities. And I look forward to working with all of you to make it a reality.

By request of Senator Cullen, with unanimous consent, the rules were suspended and the Calendar of January 29 was considered at this time.

### Senate Bill 3

Relating to making an appropriation to the department of transportation for improvements on state trunk and connecting highways.

By request of Senator George, with unanimous consent, **Senate Bill 3** was referred to joint committee on Finance.

### Assembly Joint Resolution 2

Relating to congratulating Thomas T. Melvin on his 20 years of service with the assembly.

Read.

By request of Senator Lee, with unanimous consent, he was made a co-author of **Assembly Joint Resolution 2**.

Concurred in.

### MOTIONS

By request of Senator Lee, with unanimous consent, **Senate Joint Resolution 12** was withdrawn from committee on Education and Government Operations and referred to committee on Urban Affairs, Utilities and Elections.

By request of Senator Van Sistine, with unanimous consent, **Senate Bill 17** was withdrawn from committee on Labor, Business, Veterans Affairs and Insurance and referred to committee on Transportation.

By request of Senator Cullen, with unanimous consent, all action was ordered immediately messaged.

Upon motion of Senator Cullen the senate adjourned until 10:00 A.M. Thursday, January 31.

11:55 A.M.