

STATE OF WISCONSIN
Assembly Journal
Eighty-Eighth Regular Session

FRIDAY, May 13, 1988

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

ADMINISTRATIVE RULES

Read and referred:

Assembly Clearinghouse Rule 87-86

Relating to unprofessional conduct by psychology applicants and licensees.

Submitted by Department of Regulation and Licensing.

To committee on Commerce and Consumer Affairs.

Referred on May 13, 1988.

Assembly Clearinghouse Rule 87-133

Relating to community support programs for persons with chronic mental illness.

Submitted by Department of Health and Social Services.

To committee on Health.

Referred on May 13, 1988.

Assembly Clearinghouse Rule 87-159

Relating to lobbying.

Submitted by Secretary of State.

To committee on State Affairs.

Referred on May 13, 1988.

Assembly Clearinghouse Rule 88-20

Relating to the individual septic tank replacement or rehabilitation grant program.

Submitted by Department of Natural Resources.

To committee on Environmental Resources and Utilities.

Referred on May 13, 1988.

Assembly Clearinghouse Rule 88-40

Relating to plumbing.

Submitted by Department of Industry, Labor and Human Relations.

To committee on Commerce and Consumer Affairs.

Referred on May 13, 1988.

EXECUTIVE COMMUNICATIONS

State of Wisconsin
Office of the Governor
Madison

To the Honorable, the Assembly:

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

Assembly Bill	Act No.	Date Signed
850 (partial veto) -----	399 -----	May 13, 1988

Respectfully submitted,
TOMMY G. THOMPSON
Governor

GOVERNOR'S VETO MESSAGE

May 13, 1988

To the Honorable Members of the Assembly:

I have approved **Assembly Bill 850** as 1987 Wisconsin Act 399 and deposited it in the Office of the Secretary of State.

Assembly Bill 850 is my second budget as Governor. I am gratified that the bill has built upon the progress begun towards improving our economy, making state taxes more competitive and keeping state spending to a minimum.

Assembly Bill 850 is also the first planned annual budget in Wisconsin since 1980. The process worked reasonably well. The bill was introduced on schedule, as promised, and the Legislature cooperated in a bipartisan fashion to ensure passage. I remain convinced that an orderly annual budget process is far more sensible than an unplanned, abrupt and disruptive budget repair bill. We've actually had to adjust our budget each legislative session since 1980, but as a reaction to fiscal cycles rather than as an effective way to manage the budget. I intend to pursue annual budgets again.

As vetoed, the bill increases state general purpose revenue (GPR) spending by 4.5% over budgeted 1987-88 spending. This level of increase maintains my commitment to move Wisconsin closer to the national average in state spending.

In addition, spending on state operations is being held to an increase of less than 4%, under the rate of inflation. I will continue to demand restraint in state agency budgets.

The intent of annual budgeting is to make any changes necessary to continue existing state programs, review fiscal conditions, and undertake high priority initiatives, revenues permitting, where needed. Assembly Bill 850 contains several significant initiatives.

Environment

- * \$222.5 million in new bonding is authorized for grants to sewage treatment plants and a Clean Water Loan Fund established to replace the expiring Wisconsin Fund.
- * A \$7.5 million petroleum storage clean-up program is created, to be paid from oil inspection fees, to defray costly oil cleanups and help protect Wisconsin's groundwater.
- * \$500,000 GPR in state matching grants is provided to help complete the state's Ice Age hiking trail.

Human Services

- * A \$450,000 GPR cancer initiative is begun to focus on cancer education and prevention.
- * An Office of Health Care Information is established to collect, analyze and distribute health care cost information for consumers and businesses.
- * \$165,000 GPR is provided to expand AIDS testing and counseling.
- * Funding for the Community Options Program (COP) is increased by \$2.5 million GPR to expand the program by over 8%.

Economic Development

- * A \$400,000 GPR Japan Trade Office initiative will be undertaken to increase Wisconsin exports to Japan and Korea and promote Japanese and Korean investments in Wisconsin.
- * \$50,000 GPR is provided to coordinate rural economic development programs, and a new stray voltage program is also created.
- * \$1 million in bonding is authorized to expand the University of Wisconsin Synchrotron Radiation Center, to be paid for through private sector fees.

Education

- * \$3 million GPR is provided to Milwaukee Public Schools to expand five-year old kindergarten programs and to create a first-of-its-kind day care program, targeted to those children most in need of increased educational programming.
- * An additional \$189,400 GPR is provided to increase advanced opportunity grants and minority undergraduate education retention grants.

The largest dollar increase in the budget, as usual, will go to provide state aid to local school districts. I strongly support increasing the share of local school costs borne by state aid to reduce the dependence of local schools on the property tax. At the same time, I have consistently

argued for the need to both increase state aid and control local costs to ensure meaningful property tax relief.

Without question, the Legislature's failure to provide a comprehensive property tax relief package is the biggest disappointment of the 1987 legislative session. The fact that school aids were increased by \$90 million illustrates that the state is committed to maintaining its share of support. However, it also illustrates how much school costs have increased, since the \$90 million increase will barely allow the state to maintain its current 46.5% share of local school costs.

The Legislature did not squarely address the problem of funding elementary and secondary education or the overall property tax relief problem. Instead, it added \$40 million GPR to the Homestead and Farmland programs in 1988-89, and committed over \$60 million GPR to begin a state buyout of the VTAE system and \$45 million to expand the Property Tax/Rent Credit, in 1989-90. Expanding the existing Homestead and Farmland programs would provide only a limited amount of relief to a few people through a credit on their state income taxes. These programs are not viewed as property tax relief by most citizens. More importantly, they don't attack the root cause of the property tax problem, local spending.

I have used my veto power carefully in this budget. Avoiding expensive, unfunded commitments of future state funds is an appropriate use of the veto. The budget as passed by the Legislature is balanced only because of \$142 million carried over from 1987-88. Furthermore, on-going spending in 1988-89 is approximately \$65 million GPR greater than on-going revenues. This "gap" cannot continue to exist.

It is unacceptable to proceed with future increases in state spending for the VTAE buyout or property tax credits without providing adequate funding, without reviewing 1989-91 revenue estimates and without assessing the needs of existing programs. Growth in general purpose revenues will first be needed to offset the existing revenue/expenditure "gap," and then be required to fund existing state programs, such as medical assistance, shared revenue and the University of Wisconsin. I do not want to crowd out funding for these programs by overcommitting the GPR growth that can reasonably be expected in the next two years.

My budget vetoes trim over \$41 million in 1988-89 spending and over \$100 million in new funding commitments for 1989-90. I have also tried to eliminate from the budget items that should have been addressed as separate legislation. Moving up the repeal of the seat belt law, making district attorneys state employees and imposing a moratorium on privately constructed psychiatric hospitals are prime examples of controversial items that deserve public hearings and greater legislative scrutiny than they received as budget amendments.

I have made myself very accessible to legislators and the public and listened to all who took the time to express

their views on vetoes. My correspondence was very much in favor of vetoing narrow, special interest provisions put in the budget at the eleventh hour. In the absence of persuasive arguments for retaining such provisions, they were vetoed.

Through this budget, we have continued to make Wisconsin an even better place to live. Our good schools, competitive tax structure, unsurpassed quality of life and strong work ethic, put us in a very healthy position as we look ahead. The initiatives in the budget seek to extend our prosperity to all places and to all people. We should be content with nothing less.

Respectfully submitted,
TOMMY G. THOMPSON
Governor

ITEM VETOES

A. General Government Operations

1. Crime Laboratories Study
2. Harmful Materials Exemption Prosecution
3. Obscene Materials
4. Trust Fund Authority
5. Classify Public Defender Attorneys
6. Prosecutors Council
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8. Wisconsin Retirement System Study Committee
9. Engineering Classification Survey
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11. Annuitant Board Appointments
12. Executive Creditable Service
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14. Whistleblower Expansion
15. Branch Bank Charter
16. Dislocated Worker Definition
17. Condemnation Pamphlets
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20. Smoking Restrictions
21. Radon Gas
22. Boxing Tax on Televised Exhibitions
23. Dentistry Reciprocity
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25. Campaign Check-Off
26. Contributor Lists

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3. Homestead Credit—Formula Changes
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6. Real Estate Transfer Fee—Time-Share Easements
7. Telecommunications Tax Study
8. Use Tax—Publishers' Nexus
9. Utilities Tax—Adjustment Authority
10. Municipal Finance—Charges for Water for Fire Protection
11. Municipal Finance—Facilities User Charge
12. Municipal Finance—Industrial Development Bonds
13. Municipal Finance—Tax Incremental Financing with Redevelopment Authority Bonds
14. Property Tax—Charter Boats
15. Property Tax—Rental Equipment
16. Treasurer—Local Government Pooled-Investment Fund

C. Education

1. Collective Bargaining Costs
2. Grants for Tutoring Program
3. Membership Count in School Aid Formula
4. Milwaukee Public Schools Study
5. Annual Meeting Powers
6. Preschool to Grade Five Grants
7. Borrowing Authority for Milwaukee Public Schools
8. Teacher Testing
9. Nonresident Tuition Exemption
10. Tuition Award Program—UW-Parkside
11. State Replacement of Vocational Levy
12. Nursing Student Loans
13. Independent Radio Stations
14. Milwaukee Community Arts
15. Cultural Excellence Awards
16. Increased Position Authority for the Arts Board

D. Environmental and Commercial Resources

1. Tobacco Industry Diversification
2. Small Business Assistance Program
3. Employee Ownership Loans
4. Economic Stabilization Grants
5. Tourist Information Center Study
6. Construction Site Erosion Control Ordinances
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11. Solid Waste Facility Siting, Negotiation and Arbitration
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14. County Forest Acreage Payments
15. Scenic Urban Waterways
16. Sealing the Fox River Dam
17. Fox River Navigation Aids
18. Commercial Clamming
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20. Public Service Commission Fines and Forfeitures
21. Mass Transit Operating Assistance Increase
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23. Safety Belt Law Sunset Date
24. Designation of Major Highway Projects
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26. Beloit Northwest Bypass Study
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28. State Highway 36 Study
29. Request for Interstate Highway Weight Limitation Variance
30. Lake Arterial Major Highway Project Land Acquisition
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E. Human Services

1. Victim Notification
2. Education at Northern Center
3. Juvenile Records
4. Lead Poisoning Prevention
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8. Child Care for Employment Programs
9. Community Services Block Grant Supplement
10. Payments to Westview Health Care Center, Inc.
11. Access to Public Hospital Evaluations
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13. Psych/AODA Bed Moratorium
14. Office of Health Care Information
15. MA: Community Support Programs
16. Alzheimer's Clearinghouses
17. Community Options Program Studies
18. Mental Health Gatekeeper
19. Second Class City Long-Term Domestic Abuse Services
20. Child Caring Institutions
21. Council on Physical Disabilities
22. Earmarking of Funding for Runaways
23. Advisory Committees in the Division of Community Services
24. Electronic Monitoring
25. MA: Inpatient Psychiatric Review
26. Nursing Home Reimbursement Formula Study
27. Agent Orange Exclusion

A. General Government Operations

1. Crime Laboratories Study
Section 3036 (2g)

This provision requires the Department of Justice to conduct a study of the possibility of creating larger administrative sections within the state crime

laboratories in order to improve the productivity and case load management of the labs. The department must report its findings and recommendations as part of its 1989-91 budget submission.

I am vetoing this provision because it imposes an unnecessary burden on the department. The Attorney General has completed a comprehensive management study of the entire department which he presented to the Legislature and my office. In addition, any future budget requests will require department substantiation which it can provide without statutory mandate.

2. Harmful Materials Exemption Prosecution
Sections 472zng, 472znr and 3204 (57) (bd)

These provisions specify that employees, members of the board of directors or trustees of libraries and educational institutions, if acting in their official capacities, are exempt from prosecution for exposing a child to harmful materials. Further, they state that this exemption is severable from other portions of the statute relating to exposing a child to harmful materials (1987 Wisconsin Act 332). Act 332 eliminated an exemption for parents, libraries, schools and museums from prosecution.

I am vetoing these provisions because I believe they weaken the effectiveness of Act 332 and because the Attorney General has expressed concerns regarding the constitutionality of this exemption. The Legislature purposely and correctly deleted these exemptions to protect children from exposure to harmful materials from any source.

3. Obscene Materials
Sections 198tbm, 201hg, 201hm, 201hr, 403miam, 472zktog and 3204 (57) (aog)

These provisions prohibit the commercial transfer of obscene materials and establish a Class D felony for related activities. Obscene materials are limited to pictures, sound recordings and films which depict hardcore sexual conduct of three narrow types—sodomasochistic abuse, bestiality and necrophilia. Further, the provisions require that local district attorneys under this law would need prior approval by the Attorney General before prosecutions could begin. They also limit municipalities' ability to have ordinances against illegal obscenity.

Wisconsin has been without a constitutional obscenity statute since 1981 and is one of only eight states without an enforceable state law. However, I am vetoing these provisions because they are vague, overly broad and possibly unconstitutional. While a partial veto could be exercised to make this law more enforceable, it is still a weak provision and is unlikely to be an effective tool for local prosecutors to use. Specifically, the bill does not provide adequate definitions of obscene material or sexual conduct.

Furthermore, because the definition of obscene is very narrow, it does not cover the representation of all other sexual activity, even if it is obscene under U.S. Supreme

Court guidelines. This is problematic because the content of any materials must be considered as a whole and this could restrict local district attorneys from prosecuting obscenity.

Finally, I will continue to work for passage of a version of the compromise bill which passed the Joint Committee on Finance earlier this year. This legislation has adequate safeguards to protect first amendment rights to free speech. Public interest in enacting a strong, constitutionally sound anti-obscenity bill has continued to grow and I believe the version of the bill I support will result in a more far-reaching and effective law.

4. Trust Fund Authority
Section 3036 (2h)

Section 3036 (2h) places funds authorized for automation of Board of Commissioners of Public Lands loan procedures into unallotted reserve and requires the Department of Justice to request Joint Committee on Finance approval to use the funds. In making its request, the department must furnish calculations of the costs of automated loan processing and estimated savings in reduced manual processing resulting from automation. Funds also are placed in unallotted reserve for positions to be established pending passage of 1987 Assembly Bill 882.

I am vetoing these provisions because they place an inappropriate burden on the board's automation effort and because additional positions have been made unnecessary by my veto of Assembly Bill 882. I am requesting the Secretary of the Department of Administration to place the amount budgeted for these 2.0 positions (\$63,200 PR) in unallotted reserve in appropriation s. 20.455 (4) (h).

5. Classify Public Defender Attorneys
Sections 92m, 368egc, 368egd [as it relates to the language in the section heading "as affected by 1987 Wisconsin Act (this act)"], 368ege, 368egg, 406g, 473m and 3043 (2g)

These provisions convert all Public Defender staff attorney positions except those of the State Public Defender, the deputy and two division administrators from the unclassified to the classified service, provide that the individuals holding those positions continue in them, and place the newly classified positions in a bargaining unit separate from that of other classified state attorneys.

I am vetoing these provisions to retain the current status of the Public Defender staff attorneys which is unclassified without bargaining rights. Although there may be some merit to making this change, I do not believe that this is the proper time or method for converting the staff to the classified service. The state is considering the possibility of creating an entirely new class of state attorneys by assuming responsibility for district attorney, deputy district attorney and assistant district attorney positions. It would be premature to

make changes to existing state attorney positions before the district attorney issue is settled.

6. Prosecutors Council

Sections 1cc, 1cd, 1ce, 1cf, 1cg, 1ch, 1ci, 1cj, 1ck, 1cL, 1cm, 1cn, 1cp, 1cq, 5wm, 13s, 14m, 29c, 29d, 29f, 29g, 29h, 29i, 29j, 29k, 29L, 29n, 29p, 29q, 32c, 32d, 32e, 32f, 32g, 32x [as it relates to s. 20.455 (6) and s. 20.475], 67g, 67m, 88m, 89p, 89r, 91m, 92c, 105aacm, 105yv, 105yx, 117h, 137ga, 137m, 196ea, 196h, 198bn, 198d, 198e, 198pb, 198tb, 198tc, 199bg, 199bh, 199bj, 199bn, 199bp, 199tc, 199td, 199te, 199tf, 199tg, 199th, 199ti, 199tj, 199tk, 199tL, 200dc, 200mag, 200pg, 200q, 200r, 271g, 271gg, 368dpx, 368dxr, 368egd [except as it relates to the language in the section heading "as affected by 1987 Wisconsin Act (this act)"], 368em, 368en, 368eo, 368ep, 368er, 368es, 368et, 368eu, 368ev, 368ew, 398nm, 403mia, 403mib, 403mic, 403zr, 403zt, 404rt, 406h, 406r, 407m, 458c, 458d, 458e, 458f, 458p, 472b, 472bd, 472be, 472bf, 472bg, 472bh, 472bi, 472bj, 472bk, 472bL, 472bm, 472mc, 472zig, 476m, 3057 (1c), (1cm), (1e), (1f), (1fm), (1g), (1i) and (1j), 3203 (57) (bg) and 3204 (57) (am)

These provisions transfer district attorneys, deputy district attorneys and assistant district attorneys from county to state employment and create a statewide prosecution system. The provisions eliminate district attorneys in three counties by establishing four two-county prosecutorial units (one two-county unit exists currently). District attorney salaries would be linked to those of circuit court judges and vary by county population. Assistant district attorney salaries initially would be linked to salaries for the Attorney 15 classification in the classified service but would not increase immediately unless the assistant DA earns less than the starting Attorney 15 salary or unless the salary is below the attorney regrade point closest to but higher than the ADA's current salary. The transfer of the prosecutorial function to the state would be phased in so that counties would make reimbursement payments to the state for DA and ADA salaries until 1992.

I am vetoing these provisions because of the substantial cost, the need for greater public review and comment on the concept, and the many problems inherent in the proposal adopted. I want to emphasize that I favor improving district attorney and assistant district attorney salaries. There is little question that low district attorney and assistant district attorney salaries may result in rapid turnover in those positions which can weaken the prosecutorial system. Inexperienced prosecutors not only can be at a disadvantage, but can also make work more difficult for courts and defense attorneys. Low prosecutorial salaries are a problem which must be addressed, but not necessarily in the annual budget process or in this particular manner. I will appoint an informal study group to begin work on a proposal for the 1989 legislative session.

The full cost of this proposal is estimated to be nearly \$21 million per year when it is fully implemented in 1992. State costs for 1989-90 are expected to be \$8.9 million. And, because the assistant DAs will, for the most part, transfer at or near their current salaries, it may be necessary to have a "catch up" payment to make their salaries comparable with assistant public defenders. Given my continuing concern about containing government spending, these figures are unacceptable.

Although the idea of a statewide prosecutorial system has been studied for several years, this particular proposal has received little public scrutiny. A number of concerns have been raised by affected parties since its passage, and these individuals and groups should have an opportunity to be heard and to be involved in the process of designing the program.

First, although the provisions are designed to increase assistant district attorney salaries to match public defender salaries, they do not completely achieve this result. Assistant DAs transfer to state employment at their current salary or as close to it as the state attorney compensation schedule provides. Some assistant DAs will be no closer to their public defender counterparts than they are now. Others may come closer but will not achieve parity. At the same time, district attorneys will receive an average salary increase of approximately \$20,000.

Second, costs associated with the DA salary pick-up could absorb much of the annual increase in state operations funding. That would mean little or no money would be available for non-DA employe raises, new programs and other state operations functions.

Third, the linking of DA salaries with circuit court judges is inappropriate from a public policy standpoint. The judge, as the impartial decisionmaker, represents a unique position and function within our legal system. It is not sound policy to use the decisionmaker's salary as the scale for one of the two opponents litigating before the court. As a practical matter, it would be impossible to raise the salary of circuit court judges without raising those of DAs as well; this might discourage increasing judicial salaries and pose a problem in terms of attracting qualified attorneys to serve as judges.

If this provision linking DA salaries to judicial salaries were partially vetoed, there would be no salary schedule for state DAs. Even if a schedule were passed in the 1989 legislative session, those salaries would not be available to district attorneys until 1991.

Fourth, the provisions provide that assistant DAs would be unclassified employes with collective bargaining rights. I have vetoed extension of the "TAA Model" in the past and will continue to do so in the future. Collective bargaining is not and should not be available to unclassified employes. Nevertheless, it is logical that the labor status of assistant DAs and assistant PDs be consistent, so some agreement should be reached in relation to both groups before establishing the status of

one or the other. (It should be noted that I am also vetoing a provision that would transfer assistant PDs from the unclassified to the classified service and establish a separate bargaining unit.)

Fifth, the proposal eliminates DAs in three sparsely populated counties. By creating two county prosecutorial units, one county in each pair will lose its DA. The affected counties should be involved in making the decision to give up their DAs.

Finally, a number of other problems have been identified in the proposal. Among them are:

a. Child support enforcement provisions pose problems for small counties which will have to assign those duties to someone other than the DA. Although a number of alternatives are available in the proposal, it appears that this issue requires further work and greater involvement by the counties in arriving at a solution.

b. Although a new state agency is being created, there is no gubernatorial role either in advising or administering the agency. The Prosecutors Council has no governor's appointments although the Attorney General is represented. Most other executive agencies have gubernatorial oversight either through the appointment of a secretary or through all or some members of a board. Given the statewide nature of the organization and the importance of the prosecutorial function, it is appropriate that the Governor be represented.

c. The Prosecutors Council staff is appointed outside the classified service even though employes in the requested classifications are classified in the remainder of state government.

d. The administrative structure of the statewide prosecutorial system appears incomplete. It is not clear how local district attorneys will be able to assume additional administrative duties for multiple counties.

e. The bill allows assistant district attorneys who do not transfer to state employment, because too few positions are available, an unlimited right to appointment when vacancies occur. It is not possible to partially veto this provision to create a more reasonable, limited right to appointment.

As I have indicated, I support increasing the salaries of district attorneys and assistant district attorneys, I am receptive to the idea of making district attorneys state employes and I am willing to work toward a practical solution to the problem of low prosecutorial salaries. This particular proposal represents a strong start toward solving the problem but needs further refinement and scrutiny. Given the magnitude of the issue and the proposed changes, I feel it is best to veto the entire proposal rather than attempt to rewrite it through partial vetoes. In addition, I am convinced that more public review is needed before such far-reaching changes are made.

7. Privatization
Section 25b and 25bc

These provisions prohibit the Department of Administration from contracting for the cleaning or maintenance of any Department managed property unless the property is already under such contract. I am vetoing these provisions because they limit the alternatives available to effectively and efficiently manage state-owned buildings.

8. Wisconsin Retirement System Study Committee
Section 3057 (4m)

This provision releases for expenditure an amount not to exceed \$200,000 GPR for the purpose of conducting a study of the Wisconsin Retirement System contingent upon enactment of 1987 Assembly Bill 1016. I have partially vetoed this provision to allow funding of a study of the Wisconsin Retirement System regardless of action taken related to Assembly Bill 1016. By Executive Order, I have created a Wisconsin Retirement System Study Committee to examine the Wisconsin Retirement System.

9. Engineering Classification Survey
Section 3021 (1g)

This provision directs the Secretary of Employment Relations to complete and act upon the personnel management classification survey for the engineering occupational group on or before January 1, 1989. I am vetoing this provision because it imposes a time limit which may adversely affect the quality and completion of the survey.

10. Teacher Creditable Service
Sections 114c, 117g and 3202

These provisions enable that participating employees of the Wisconsin Retirement System whose service includes Wisconsin teaching service of less than 120 days in a fiscal year for which creditable service was not granted but for which required contributions were made, to receive creditable service. Further, employer contribution rates are required to be adjusted to reflect the cost of granting additional creditable service. I am vetoing these provisions because retirement benefit changes of this nature should be included in retirement system reform legislation. I would sign separate legislation addressing this issue.

11. Annuitant Board Appointments
Sections 3pg, 3pr, 7m, 13c, 13d and 3057 (2r) and (2s)

These provisions require that both the Employee Trust Funds Board and Retirement Research Committee membership be increased by one member and that the additional member shall be an annuitant of the Wisconsin Retirement System as defined under s. 40.02 (4), stats. I am vetoing these provisions because annuitants currently may be members of both bodies, and I am also opposed to requiring an automatic slot for

annuitants on both bodies, which may tend to give annuitants greater weight on policy decisions affecting WRS benefits.

12. Executive Creditable Service
Section 114b

This provision deletes the exception allowing former elected officials or appointees of elected officials to purchase creditable service at less than full cost. I am vetoing this provision because it is reasonable to require elected officials and appointees of elected officials to reimburse the Wisconsin Retirement System for the full cost of granting additional creditable service. Furthermore, the provision repeals language recently passed in separate legislation which specifically requires this reimbursement.

13. Employee Funded Reimbursement Account Plan
Sections 32x [as it relates to s. 20.515 (1) (b)], 68g, 68m and 3204 (19) (am)

These provisions authorize administrative funding of \$109,400 GPR for the purpose of an Employee Funded Reimbursement Account Plan. I am vetoing these provisions because the department of Employee Trust Funds can absorb the expenditures related to this program within currently budgeted amounts.

14. Whistleblower Expansion
Sections 413c, 413g, 413n, 413r, 413w, 3042 (1m), 3203 (21) (am) and 3204 (42) (am)

These provisions create an arbitration alternative to conflicts arising from employees believing that employers have threatened or taken retaliatory action against those employees in violation of s. 230.83, and extend the time in which disciplinary action is considered retaliatory from one and two years to four years. I am vetoing these provisions because the process of arbitration as an alternative to a formal hearing has not been sufficiently examined and the present time frames regarding retaliatory action are reasonable.

15. Branch Bank Charter
Sections 404rg and 404rh

These provisions authorize an exemption from a provision of the inter-state banking law which requires a regional state bank holding company that acquires a Wisconsin bank holding company to sell certain recently chartered banks owned by the Wisconsin bank holding company. This exemption allows a regional state bank holding company to retain a recently chartered bank if it is the surviving bank of a merger with another bank that was chartered before May 9, 1986. I am vetoing these provisions because they did not pass as separate legislation and because the Legislature will have adequate time to address this issue in its next session before the deadline for selling the recently chartered bank.

I will support separate legislation to address this issue in the next legislative session in January of 1989 and will

work with the banking industry and the Legislature to assure that it passes. Addressing this issue in a separate bill is more appropriate than addressing it in the budget bill and I am confident that I will be able to sign a bill satisfactory to the affected parties which has received full legislative debate well in advance of the deadline for selling the recently chartered bank.

16. Dislocated Worker Definition
Section 366v

This provision expands the definition of a dislocated worker who can qualify for assistance from the Department of Industry, Labor and Human Relations to include individuals who are unemployed or underemployed because of a strike or labor dispute which has lasted longer than six months and are unlikely to return to their previous occupation. I am vetoing this provision because extending dislocated worker benefits to this group is inconsistent with state law regarding unemployment compensation and is inconsistent with the federal definition of "dislocated worker" under the federal Job Training and Partnership Act.

17. Condemnation Pamphlets
Section 105adg

This provision expands the information covered in pamphlets prepared by the Department of Industry, Labor and Human Relations on eminent domain laws, reasons for condemnation and other related information to include information on rehabilitation and demolition projects that may cause a person to be displaced. I am vetoing this provision because the department can take this action administratively, and this language is unnecessary.

18. Pilot Wisconsin Job Opportunity Business Subsidy
Section 368c

This provision creates a pilot Wisconsin job opportunity business subsidy program which provides a subsidy of up to \$4 per hour for wages and up to \$1 per hour for fringe benefits to qualified businesses for hiring eligible job applicants for Milwaukee and Wood Counties. Another component of the program provides a subsidy of up to \$6 per hour for wages using grant diversion funds and \$1 per hour for fringe benefits for Kenosha County. This program could create at least 600 new jobs and would operate until June 30, 1991.

I am partially vetoing the provision which allows up to \$1 per hour subsidy for fringe benefits in order to reduce the cost of the program. I am requesting the Secretary of the Department of Administration to place the amount budgeted for fringe benefits into unallotted reserve so that it will lapse into the general fund. I do not believe this will affect the attractiveness of the program because employers would still receive a significant wage subsidy.

In addition, I am vetoing the date the Department of Industry, Labor and Human Relations must have this program operational and the funding distribution requirements which are required in the bill. The

September 1, 1988 date is unrealistic and would create administrative problems for the department. I am, however, directing the department to move as quickly as possible to assure the program is implemented without unnecessary delay. Additionally, this veto will give more flexibility to the department on how the funds should be distributed to the counties participating in the pilot programs.

19. Applicability of Subdivision Regulations to Condominium Developments
Sections 398v, 398w, 455d, 455h, 455p and 455t

These provisions require that residential condominiums developed after December 31, 1988, except for conversion, recreational or camping condominiums, are subject to laws regulating the subdivision of land which require a plat review when an allocation of land creates five or more parcels or building sites of 1.5 acres each or less. In addition, these provisions specify that roads in condominiums must be the width required by local ordinance and that condominiums must be subject to the Department of Industry, Labor and Human Relations' rules regulating private sewage systems if not served by a public sewer.

I am vetoing these provisions because they single out and require duplicative and costly regulation of condominium developments. Wisconsin should continue to treat condominium ownership the same as any other property held in traditional ownership and retain the flexibility which exists under current law.

20. Smoking Restrictions
Sections 366e, 366f, 366g, 366i, 366k, 366L, 366n, 366p, 366r and 366s

These provisions specify that no person may smoke in a school or on school premises, including outdoor areas, except that the person in charge of a school may allow smoking in areas where only faculty, school staff and other adults are allowed. Numerous concerns have been raised by school officials which indicate that these provisions confuse school smoking regulations and create needless conflict.

I am vetoing these provisions because it is more appropriate for the regulation of smoking in schools and on school premises to remain within the authority of the local school system.

In addition, I recently signed 1987 Wisconsin Act 336 which prohibits minors from buying cigarettes or tobacco products. That law should decrease smoking activity in schools in general.

21. Radon Gas
Section 403zm

This provision authorizes the Public Service Commission to require a utility to provide warnings to customers about the potential danger of radon gas accumulation as a result of weatherization.

I am vetoing this provision because the Public Service Commission already has the authority to require a utility to provide warnings to customers. In addition, this provision may generate unnecessary concerns about weatherization.

22. Boxing Tax on Televised Exhibitions
Section 443x

This provision requires a person who holds or shows a boxing match on a closed circuit or cable television which is viewed in the state, whether or not tickets for the viewing or showing are sold, to pay 10% of their total gross receipts from the sale of viewing rights to the Department of Regulation and Licensing. I am vetoing this provision because the department should not charge for the showing of boxing events on television, over which it has no regulatory authority.

23. Dentistry Reciprocity
Sections 443yg, 443ym, 443yr and 3046 (1m)

Sections 443yg, 443yr and 3046 (1m) permit immediate licensing without written examination of dentists and dental hygienists in Wisconsin if they meet licensure requirements established by rule, if their licenses are in good standing in the state in which they are currently licensed, and upon presenting the license and paying specified fees. In addition, section 443ym repeals language which limits to three years certain dental residences that are exempted from licensure.

I am vetoing these provisions because Wisconsin already has an adequate supply of dentists who are able to meet the needs of the citizens of this state. Furthermore, I am concerned about the consumer protection aspect of this change. I do not feel that the budget bill is an appropriate place to recommend other changes to reciprocity laws for dentists and dental hygienists.

24. Dental Insurance Payments
Section 443yp

This provision authorizes the Dentistry Examining Board to investigate and discipline dentists who enter into limited service health organization contracts to cover the copayment provisions of an insurance contract by accepting the payment received from the third party as full payment. I am vetoing this provision because regulation of insurance falls under the authority of the Office of the Commissioner of Insurance. In addition, this dental insurance issue is not appropriate as a budget amendment and should be handled as separate legislation.

25. Campaign Check-Off
Sections 254f and 3203 (18) (am)

These provisions increase the check-off amount for the Wisconsin Campaign Fund from \$1 to \$2. I am vetoing these provisions because they would increase public financing of campaigns at the expense of general fund revenues. The current level of public campaign financing is sufficient.

26. Contributor Lists
Sections 1cmm, 1cmr, 1co and 1cog

These provisions relate to public disclosure and prohibited uses of campaign finance reports. Sections 1cmm and 1cmr would require an individual to sign a statement affirming that the information contained in a campaign finance report will not be used for a prohibited use. I am vetoing this provision because it may discourage the public from examining campaign finance records. I believe that public documents should be readily accessible to all citizens. Requiring that a person identify themselves prior to viewing campaign finance reports contradicts this open records policy.

Sections 1cmm, 1co and 1cog would include lobbying among the prohibited uses of information in campaign finance reports. I am vetoing this provision because it would be difficult to enforce. The definition of lobbying, influencing legislative or administrative action, is very broad. Many activities, some of which may be acceptable, would be prohibited. The existing prohibited uses of information on campaign finance reports, soliciting contributions or for any commercial purpose, are adequate to prevent misuse of the information.

B. Taxes

1. Income Tax—Dependent Tax Credit
Sections 243g, 243r, 3203 (47) (gh) and 3204 (47) (dg)

These provisions require that the \$50 per dependent tax credit be prorated in cases where part of the support for the dependent is being provided by a grandparent under the grandparent liability provision of 1985 Wisconsin Act 56. While its aim is laudable, I am vetoing this proration because it would create a difference between state and federal tax codes and cause compliance difficulties for taxpayers.

Generally, a taxpayer who provides over half of the support for a dependent may take the exemption. Calculating the proration, which would provide a maximum \$25 credit for a grandparent paying less than half of the support, would require extensive record-keeping by taxpayers that would be a burden out of proportion to any derived benefit. Complicating state tax forms for this purpose does not seem justified.

2. Income Tax—School Property Tax Credit
Sections 265g and 3203 (47) (pm)

These provisions increase the rate of the School Property Tax Credit (former Property Tax/Rent Credit) from 6.9% to 10%, beginning with Tax Year 1989. I am vetoing this language because I believe it is unaffordable and because it is inappropriate tax policy. The estimated cost of this credit increase is an annual loss of \$45.6 million in General Purpose Revenues.

From a policy standpoint, a property tax credit which offsets income tax liability is motivated by the consideration that income used to pay property taxes is

not also available for the taxpayer to pay income taxes. Accordingly, the credit rate should not exceed the top marginal rate for the income tax. In addition, such a nonrefundable credit cannot benefit taxpayers who have no income tax liability, such as elderly persons with mostly social security income.

My position on property tax relief has been consistent. To be effective, the state's efforts at reducing property taxes must be reflected on the property tax bill itself and must reach all taxpayers. While the School Property Tax Credit and other income tax-related credits are touted as direct relief to taxpayers, they are actually indirect property tax relief and do not benefit owners of all classes of property. I will continue to work to achieve a real reduction for all property taxpayers during my tenure as Governor.

3. Homestead Credit—Formula Changes
Sections 245b, 245c, 245d, 245e, 245f and 3203 (47) (mc)

These provisions expand eligibility for the Homestead Credit by increasing the maximum income from \$16,500 to \$19,500, the threshold income from \$7,600 to 9,000, and the maximum property tax from \$1,200 to \$1,300. I am vetoing these provisions because they are unaffordable and inappropriate. The cost of these changes is an annual increase of \$30.3 million GPR.

Moreover, the Homestead Credit is a relief measure designed to help low-income households pay the property tax portion of their housing costs. A maximum household income level of \$19,500 substantially exceeds the poverty level. It is inappropriate to increase the Homestead Credit in this manner.

4. Farmland Preservation Credit—Formula Changes
Sections 245rx, 245ry, 246, 246g and 3203 (47) (mcm)

These provisions expand eligibility and benefits for the Farmland Preservation Credit by changing the formula factors for the amount of household income applied to property taxes, the depreciation allowance, the maximum tax and the maximum credit. I am vetoing these provisions on the grounds that they are unaffordable and inappropriate. The annual cost of these provisions would be an \$8.4 million increase on a base of \$39 million—a 22% increase.

The Farmland Preservation Credit under current law offsets about half of farm property taxes on average for claimants who qualify on the basis of income, and some claimants receive benefits as high as 90% of their property taxes. Rather than expand benefits to one group of farmers who already receive such substantial relief, I think additional tax relief should be provided to all farmers. This can be accomplished through direct property tax reduction by increasing state aid to schools while containing increases in local government costs.

5. Excise Tax—Whey Liquor
Section 3204 (47) (gd) and (hm)

These provisions establish an effective date of July 1, 1988, for a repeal of the whey liquor tax and an effective date of March 1, 1989, for creation of a sales tax exemption for testing supplies for diabetes. I understand the considerations for modifying the law regarding the special excise tax rate for liquor containing alcohol made from Wisconsin whey. However, I am concerned about the economic effects of the effective date of that provision. I have, therefore, partially vetoed these provisions to make the effective date of March 1, 1989, apply to the repeal of the whey liquor tax. I do not believe that the current effective date gives producers and users of whey alcohol sufficient time to adjust their operations to the new economic situation brought about by the repeal.

6. Real Estate Transfer Fee—Time-Share Easements
Sections 293m, 3203 (47) (om) and 3204 (57) (dm)

These provisions include "time-share easements" among the conveyances to be recorded on the real estate transfer form and taxed by the real estate transfer fee. I am vetoing this language because other easements are not recorded in this way and it is unclear that there is any real estate interest being conveyed by such easements, which merely permit recurrent use of facilities over a period of years. Another section of the time-share legislation contained in Assembly Bill 850 clarifies that use of time-share recreational facilities is subject to sales tax. That tax is more appropriate for easements than the real estate transfer fee.

7. Telecommunications Tax Study
Section 3047 (3m)

This nonstatutory provision directs the Department of Revenue to form a study committee on the taxation of long-distance telephone companies. The committee's composition is specified, appointment of members by the Governor in consultation with legislative leadership is required, the topics to be discussed in the report are detailed, and a deadline of November 1, 1988, is set.

I am partially vetoing this provision to remove the detailed requirements, because I do not believe that it is appropriate for the Legislature to make such a specific directive for a study to be conducted by an executive branch agency. The effect of this veto is to direct the Department of Revenue to conduct a study of the taxation of telephone companies and to give the department flexibility in determining the most appropriate way to conduct the study.

8. Use Tax—Publishers' Nexus
Section 295cj

This provision creates an exemption from the requirement to collect use tax by out-of-state publishers who meet certain criteria. I placed similar provisions in Assembly Bill 866, and they were amended into Assembly Bill 850. However, in the course of the

legislative process, the types of printed materials qualifying a publisher for the exemption were significantly broadened. I am persuaded that the broadening was appropriate.

However, I am partially vetoing this provision to remove the definition of "printed materials." Since the definition in Assembly Bill 850 as it passed the Legislature now encompasses most printed materials, there is no cogent reason to exclude any remaining type of printed materials. This veto of the definition will have the effect of qualifying publishers of all types of printed material for the exemption. This change will make administration of the exemption easier and will have no significant fiscal effect.

9. Utilities Tax—Adjustment Authority
Section 281

This provision is part of a series of law changes that codified current practice by the Department of Revenue in its allocation to the state of property owned by multi-state companies for purposes of the state ad valorem tax. While the Legislature adopted most of the proposed changes, it deleted several desirable provisions codifying and specifying in detail the department's authority to take into account unusual factors that affect a company's property allocation and to make corrections subsequent to initial assessments. I am vetoing the changes in section 281 to retain the current language granting the department general authority to make adjustments, as this will allow the department the needed administrative flexibility to ensure just and correct allocations.

10. Municipal Finance—Charges for Water for Fire Protection
Sections 403:dm, 403:zf and 3204 (45) (am)

These provisions allow municipalities to have utilities collect directly from water customers for the charges for water for fire protection purposes. Charges may not be based on property value and rate increases due to these charges are not subject to review by the Public Service Commission unless petitioned by one percent of the affected customers or requested by the municipality.

I included a similar provision in Assembly Bill 866, and I am partially vetoing these provisions to more closely reflect the language in Assembly Bill 866. In this way, utilities are not restricted in choosing a basis for assessing these charges on their customers. In addition, any changes in rates resulting from these charges will be subject to regulation by the Public Service Commission, as provided for in current statutes.

11. Municipal Finance—Facilities User Charge
Section 201pwm

This provision allows cities to enact a tax of up to 5% on the cost of admission to sports and entertainment events held in city-owned facilities or in facilities owned by a nonprofit corporation created under chapter 232 (the Bradley Center in Milwaukee).

Although this tax is similar to the one I proposed in my property tax relief initiative, I am vetoing this provision because it differs from the provision in Assembly Bill 866 in several ways: It singles out the Bradley Center as the only privately-owned facility subject to the tax; cities are not required to specify the use for the revenues collected from the tax, and the maximum surcharge is 5% rather than 3%.

12. Municipal Finance—Industrial Development Bonds

Sections 201p, 201pb, 201pd, 201pf, 201ph, 201pi, 201pL, 201pn, 201pp, 201pr, 201pt, 201ptj, 201pu, 201pv and 201pw

These provisions make changes to the statutes regarding industrial development bonding. They allow nonprofit organizations to acquire financing through industrial development bonding. They also allow refinancing debt issued by the Wisconsin Housing and Economic Development Authority, the Wisconsin Health and Educational Facilities Authority and counties using Industrial Development Revenue Bonds.

These matters should be accorded the benefit of the full legislative process, including public hearing on the issues involved. I am therefore vetoing the provisions.

13. Municipal Finance—Tax Incremental Financing with Redevelopment Authority Bonds
Sections 201m, 201mb, 201md, 201mf, 201mh, 201mi, 201mj and 201mL

These provisions allow tax incremental financing project costs to be financed through issuance of redevelopment authority revenue bonds.

This provision was introduced into Assembly Bill 850 without the benefit of public input through legislative hearing or review. In view of the statewide interest in tax incremental financing, I am vetoing this provision so that the opportunity for public discussion on the matter is not bypassed.

14. Property Tax—Charter Boats
Section 494t

This provision changes the effective date for Act 387, which exempts certain charter fishing boats from the property tax, from January 1, 1989 to January 1, 1988.

Under another provision in Assembly Bill 850, commercial fishing boats are exempt from property taxes as of January 1, 1989. I am vetoing section 494t so that the effective date for the exemption for charter fishing boats will be consistent with the effective date for the exemption for commercial fishing boats.

15. Property Tax—Rental Equipment
Sections 206e and 3204 (47) (cr)

These provisions exempt certain types of personal property rented out for periods of one month or less from the personal property tax.

I am vetoing these provisions to maintain the tax base and to preserve tax equity since the affected property is similar to other property that remains taxable. However, I am directing the Department of Revenue to review assessment practices and to determine how any inconsistencies in the application of the law can be addressed.

16. Treasurer—Local Government Pooled-Investment Fund

Section 105yr

This provision extends the public deposit guarantee to the Local Government Pooled-Investment Fund (LGPIF). I am partially vetoing this section to ensure the loss determination in the LGPIF matches loss determination in the State Investment Fund (SIF).

The LGPIF participates in the SIF. The gains or losses of the SIF are now determined under s. 25.14(3). Gains or losses are based on the overall performance of over \$3 billion in investments held by the SIF over a calendar quarter. Without my partial veto, the language would require loss to the LGPIF to be determined on the basis of a single security on a single date. The partial veto matches LGPIF loss determination to current SIF practice.

C. Education

1. Collective Bargaining Costs

Sections 370r, 371nv and 3203 (44) (dm)

These provisions prohibit school districts from receiving general equalization aid on legal costs associated with collective bargaining. I am vetoing these provisions because disallowing these costs would put school districts at a disadvantage in bargaining with their employe unions. Furthermore, these provisions could most negatively effect smaller school districts for whom collective bargaining costs represent a larger part of their budget. In addition, it is arbitrary to select this cost item for exclusion, while other non-education related costs like auditing services and legal costs related to lawsuits remain aidable.

2. Grants for Tutoring Program

Sections 32x [as it relates to s. 20.255 (2) (ds)], 45m, 368x and 3044 (1m)

These provisions establish a new program providing grants to school districts and private schools to establish tutoring programs in community-based organizations for elementary school students. I am vetoing these provisions because they restrict the actual provision of tutoring to community-based organizations. In many cases, the most efficient and economical way to provide tutoring is at the pupil's own school. Furthermore, the program permits only licensed teachers or university faculty to be used as tutors. By prohibiting college and high school students and other professionals from becoming tutors the cost of the program is increased without any clear measure of the benefit.

3. Membership Count in School Aid Formula

Sections 371p, 371r, 371t, 374g, 374j, 3203 (44) (ba), (bd) and 3204 (44) (ba)

Sections 371r, 374g, 374j and 3203 (44) (bd) provide that four-year-old kindergarten pupils are counted for state aid purposes in the same manner as five-year-old kindergarten pupils (up to 1.0 pupil for a full-day program), beginning with school aids paid in 1989-90. Under current law, four-year-old kindergarten pupils are counted as 0.5 pupil, even if they are enrolled in a full day program. Sections 371p, 371t, 3203 (44) (ba) and 3204 (44) (ba) provide that children in a day care program under s. 119.72 be counted as kindergarten pupils for state aid purposes.

I am vetoing sections 371r and partially vetoing sections 374g, 374j and 3203 (44) (bd) because it is not clear that full-day kindergarten programs for four-year-old pupils benefit all children. I believe this proposal could encourage school districts to implement full-day programs for four-year-olds based on financial, rather than educational reasons.

I am vetoing sections 371p, 371t, 3203 (44) (ba) and partially vetoing section 3204 (44) (ba) because it is inappropriate to count children in a day care program in the school aid formula. This change, to count only children in this Milwaukee day care program, would affect aids to all school districts which receive general equalization aids.

4. Milwaukee Public Schools Study

Section 3044 (5e)

This provision directs \$75,000 GPR to the Marshall Plan Committee which is studying ways to improve the quality of education in Milwaukee. Funding would be provided through a reduction in Milwaukee Public School's general equalization aid allotment.

I am vetoing this provision because there is no specific use defined for this expenditure. It is not clear that these funds will enable the Marshall Plan Committee to do something that it would otherwise be unable to do. This veto does not prevent Milwaukee Public Schools from independently allocating \$75,000, or any other amount, to the Committee.

5. Annual Meeting Powers

Sections 371nd, 371nh, 371np, 371nt and 3203 (44) (cj)

These provisions give school boards for common and union high school districts in Milwaukee County the authority to repeal the requirement that property tax levies be approved by voters at an annual meeting. I am vetoing these provisions because they would further erode taxpayers' ability to influence how their tax dollars are spent. I recognize that the vote on the tax levy is not binding on school boards, but, if anything, we should be strengthening taxpayer input into budget decisions rather than weakening it.

6. Preschool to Grade Five Grants
Section 3044 (4d)

This provision increases funding for preschool through grade 5 (P-5) grants by \$350,000 and targets those funds to school districts in the North Division High School and Kagel Elementary School attendance areas of Milwaukee. I am vetoing this provision because the benefits of the P-5 program have yet to be fully demonstrated.

The Milwaukee Public Schools' Board of Directors has indicated that it will undertake an evaluation of the P-5 program in the near future. The results of that evaluation and other analyses will play an important role in determining the future of the program. I am requesting the Secretary of Administration to place \$350,000 GPR from appropriation 20.255 (2) (do) into unallotted reserve in 1988-89, since, with this veto, these funds will not be needed.

7. Borrowing Authority for Milwaukee Public Schools
Sections 371b and 371c

These provisions would permit the Milwaukee Public School system to issue 10-year promissory notes. If the amount to be borrowed is greater than \$5,000 and 5,000 electors or 20% of the district's electors in the last gubernatorial election petition, a voter referendum would be required. If either of these requirements is not met no referendum would be required.

I am vetoing these provisions because the Milwaukee school district already has the authority to issue bonds with voter approval. I do not support initiatives which reduce taxpayers' input into decisions affecting property taxes. This provision would allow Milwaukee Public Schools to incur additional debt without voter approval.

8. Teacher Testing
Sections 368g, 368r and 369m

These provisions prohibit the State Superintendent from requiring prospective teachers to take an examination as a prerequisite for licensure. These sections override existing administrative code provisions which require prospective teachers to pass both basic skills tests and subject area tests as a licensing prerequisite beginning in 1990. I am vetoing these provisions because the testing program would provide additional assurance that Wisconsin's teachers are qualified in the subjects they teach and that our teacher training programs are providing the basic knowledge necessary for effective teaching.

However, the Assembly Co-Chairman of the Joint Committee on Finance has raised valid concerns regarding subject area testing of teachers. The Department of Public Instruction has agreed to review the requirement for subject area tests in P.I. 4 of the administrative rules. I will convene a meeting of the Assembly Co-Chairman of the Joint Committee on Finance, the Department of Public Instruction and a

member of my staff to work toward an agreed approach on the matter of subject area testing. If an agreement is reached, I will support the introduction of a bill containing the agreement in the next regular legislative session.

9. Nonresident Tuition Exemption
Section 107

This provision would extend the nonresident tuition exemption to dependents of private sector full time employes and to full time public sector employes, their spouses and dependents who have just moved to Wisconsin.

I am partially vetoing the provision which extends the nonresident tuition exemption to public employes, their spouses and dependents. I am not vetoing the provision which extends the nonresident tuition exemption to dependents of private sector employes in the state. My intent is to return the provision to what I proposed in my original budget bill. It is unclear that the tuition status of a public employe and his or her spouse and dependents, is a significant inducement or deterrent for their locating in Wisconsin.

10. Tuition Award Program—UW-Parkside
Section 107m

This provision authorizes the Board of Regents to exempt from nonresident tuition, but not from other fees, up to 200 juniors and seniors at the University of Wisconsin - Parkside enrolled in programs identified by that institution as having surplus capacity.

I am partially vetoing this provision in order to initiate the program for 1988-89 only. The intent of the legislation is to assist UW-Parkside in utilizing temporary surplus capacity by attracting additional nonresident students over a limited program life. The University has agreed to use this program only to attract additional students over and above the current number of nonresident students enrolled at UW-Parkside. The University has also agreed to administer the program in such a way that no qualified Wisconsin residents will be displaced by nonresidents. I intend to include a provision in my next budget which will extend this program beyond 1988-89. However, the program extension will include a sunset provision.

11. State Replacement of Vocational Levy
Sections 32x [as it relates to s. 20.292 (1) (db)], 47m, 109d and 110m

These provisions establish, beginning in the 1989-90 school year, a sum sufficient GPR appropriation which provides a state payment to vocational districts equal to one-half mill of each district's taxable equalized value. The permissible levy rate for operational purposes would be reduced concurrently from 1.5 mills to 1 mill.

I am vetoing these provisions because this substantial investment of \$60 million in state funds fails to address

meaningfully either property tax relief or educational quality.

The proposed state buy out of .5 mill of the vocational school levy is disqualifying and runs counter to the existing vocational education general aid formula. The proposed levy replacement will increase state aid to a district as the district's property valuation increases, and decreases aid if valuation diminishes. This conflicts with the existing general aid formula which tends to favor districts with valuations per student lower than the statewide average.

The proposed .5 mill levy buy out would allocate more than \$60 million of state funds to change the only existing mechanism which has been proven to control property taxes. During the last two years vocational levies for all purposes, including debt service, have increased 5.1%. This compares to a 16.2% increase in the elementary and secondary school levy, net of the school aid credit, during the same time period. Further, in the absence of permanent cost controls on all local taxing jurisdictions, the decreases in vocational property taxes will be more than offset by levy increases elsewhere.

It is likely property taxpayers would realize little, if any, tax reduction as a result of this proposal. The partial state buy out would offset less than 2% of the statewide property tax levy.

The proposed buy out of .5 mill of the VTAE levy does not resolve the immediate revenue problems of districts in which property values have been either declining or stagnating. Districts constrained by the 1.5 mill rate limit will remain so under the 1 mill limit, as structured in the provisions I am vetoing.

My veto has no immediate impact on district finances or property tax levies since no additional property tax relief would be provided until 1990. The issue of VTAE financing can therefore be addressed during the next legislative session.

12. Nursing Student Loans

Sections 32x [as it relates to s. 20.235 (1) (cg)] and 113m

These provisions establish a nursing student loan program. Under the program \$936,300 would be available for loans to nursing students. Loan recipients could have their loans forgiven in whole or in part if they work in a hospital or nursing home after graduation.

I am concerned about the nursing shortage and support the concept of a nursing student loan forgiveness program to alleviate the shortage. However, it has not been determined that the loan forgiveness program, as structured, will increase the number of nursing students. Therefore, since I support the intent of such a program, I am vetoing a digit in the 1988-89 appropriation amount to reduce the amount to \$93,630 to permit the program to run on a trial basis. The funds should be allocated to

at least four nursing education programs including one vocational, technical and adult education school offering an associate degree, one school offering a three-year diploma, one public and one private university or college offering a four-year degree.

In section 113m, I am vetoing the provisions that establish loan maximums, forgiveness requirements and other administrative details. These vetoes will leave the basic program intact while allowing the Higher Educational Aids Board flexibility to develop the most effective financial aid program.

In addition, I am vetoing the provision which phases the program in since the program should be available to all eligible students from its inception, and the provision which makes master's degree candidates eligible for loans because it is important to focus funds on undergraduates who are most likely to fill staff positions.

The Higher Educational Aids Board should develop an effective loan forgiveness program which will ensure that more students will be attracted into nursing. This will be addressed in my next budget. Also, the program developed by the Higher Educational Aids Board should ensure that state funds are not simply used to supplant other loan funds available to needy students.

I am requesting the Secretary of the Department of Administration to freeze 1.0 FTE position and to place \$63,700 GPR provided in the budget for this vetoed item into unallotted reserve in s. 20.235 (2) (aa) to lapse in 1988-89.

13. Independent Radio Stations

Section 3017 (1h)

This provision requires ECB to allocate \$20,000 to contract with independent public radio stations to enhance the coverage of the state network.

I am vetoing this provision because the funding is not based on any demonstrated need and because the language is vague on how ECB is to allocate the funds.

In a separate provision of this bill \$20,000 has been provided for a study of the methods of providing public broadcasting in Northern Wisconsin. The study should include an assessment of whether state funding for unaffiliated radio stations in Northern Wisconsin is cost effective and appropriate. While the study is not required to be completed until July 1989, I am directing ECB to provide any information relevant to independent radio stations by November 1988 for consideration in the next state budget.

I am requesting the Secretary of Administration to place \$20,000 GPR provided in the budget for this vetoed item into unallotted reserve in s. 20.225 (1) (f) to lapse in 1988-89.

14. Milwaukee Community Arts

Sections 32x [as it relates to s. 20.215 (1) (f)], 40m and 118t

These provisions create a new program in the Arts Board for a grant to the Milwaukee Area Technical College for support to community arts programs.

I am vetoing these provisions because other sources of state funding currently exist for the support of this type of program. The budget includes \$400,000 for the Arts Challenge Initiative, including set-asides and special matching provisions for small and minority arts organizations.

15. Cultural Excellence Awards

Sections 120g

This provision creates a new program for awards to outstanding Wisconsin arts organizations based on nominations made by the Governor. Furthermore, the Arts Board is required to award the entire appropriation of \$250,000 GPR in 1988-89 to a single organization.

I am partially vetoing this provision to allow for a one-time payment of \$250,000 to the American Players Theatre in 1988-89 only. I have allowed one-time funding for American Players Theatre based on assurances from the organization that this assistance will not become an ongoing revenue expectation. American Players Theatre represents a major cultural resource for the entire state as well as an important segment of the local economy in its home community. This one-time funding should act as a stabilizing force for its future and is intended to supplement the organization's fund-raising efforts.

16. Increased Position Authority for the Arts Board

Section 3005 (1g)

This provision creates an additional 0.5 FTE position for the Arts Board to be funded from the Challenge Grant Program appropriation.

I am vetoing this provision because the Board should administer the Arts Challenge Initiative with existing staff resources. In addition, this provision would reduce the funding available for grants to local arts agencies and organizations. I believe all available funding for this program should be directed to grants.

D. Environmental and Commercial Resources

1. Tobacco Industry Diversification

Section 3004 (5m)

This provision requires the Department of Agriculture, Trade and Consumer Protection (DATCP) to award a grant of \$50,000 GPR from the soil and water resource management grant program to a tobacco cooperative to assist in diversifying products marketed by the cooperative. I am vetoing this section for several reasons. First, I believe requiring DATCP to provide a grant for a specific project through legislation circumvents the program eligibility and priority criteria

established for the soil and water resource management grant program and sets a poor policy precedent for the future. The specific project is an economic development and marketing project not a soil and water conservation project. Second, I initiated revisions through Act 27 to consolidate the state's nonpoint source and soil and water resource management programs and strengthen DATCP's role in these programs. Providing \$50,000 GPR from the DATCP soil and water resource management grant program undermines the efforts to strengthen DATCP's role and reduces the limited funds currently available for the soil and water resource management program.

I encourage the tobacco cooperative to work with my office, legislative representatives, and the Department of Development to find more appropriate financing for the marketing diversification project.

2. Small Business Assistance Program

Sections 444h, 444t, 3016 (3m) and 3037 (2r)

These provisions create a small business set aside of 20% in the Wisconsin Development Fund, require the Department of Development to establish a bureau to administer small business assistance programs and direct the Legislative Audit Bureau to study the availability of financing for small businesses.

I am vetoing these provisions because they are unnecessary and limit the department's flexibility in providing assistance to businesses. The set aside provision requires the department to reserve 20% of the Wisconsin Development Fund for the first nine months of each fiscal year. While I strongly support the intent of this provision, it reduces the flexibility needed to fund projects and could result in the loss of significant job creation and retention opportunities. Moreover, since the Department of Development has a good record of providing funds to small businesses, a mandated set aside is unnecessary.

I am vetoing the provisions which require the Department of Development to establish a bureau or organizational subunit to administer community and small business assistance activities since the responsibility for ensuring the efficient organization of state agencies is an executive function. The Department of Development is committed, as I am, to meeting the needs of small businesses. Creating a separate organizational unit for small businesses would duplicate services and create confusion for businesses contacting the department. I am also vetoing the Legislative Audit Bureau study since enumeration of the study in the budget is unnecessary. The Legislature can direct such a study through its Joint Audit Committee.

3. Employee Ownership Loans

Section 3016 (4m)

This provision allows the Department of Development to make loans from the Wisconsin Development Fund to employ groups attempting to assume control of an

existing business and reorganize the business as an employe-owned business. The loans are to be repaid without interest, the department is required to disburse funds in two stages, at intervals of at least 15 days and in amounts at any one stage of \$100,000 or less, and the department is required to act on all applications within 10 days after receipt.

I am vetoing the language regarding the repayment of loans without interest and the disbursement requirements because these provisions unnecessarily restrict the department's flexibility in negotiating contracts and are contrary to the procedures followed for other loans from the Wisconsin Development Fund. The department has been successful in negotiating contracts that are beneficial and responsive to the needs of the recipients while at the same time ensuring that funds are not released until the recipient has met their obligations. I am also vetoing the language that requires the Department of Development to act on applications within 10 days of receipt because the review period places undue constraints on the department and the Wisconsin Development Finance Board and could lead to a less than thorough review of applications.

4. Economic Stabilization Grants
Sections 9k, 9L, 13b, 38r and 444z

These provisions create an Economic Stabilization Board attached to the Department of Development and authorize the board to make grants from the Wisconsin Development Fund to cities and counties for job training and job retention and creation activities.

I am vetoing these provisions because they duplicate the purpose of the Wisconsin Development Fund and the Wisconsin Development Finance Board. Since the language in these sections does not require that the grants be made for specific projects, there would be no assurance that the funds provided would indeed create or retain jobs. I am sensitive to the problems faced by communities that have experienced plant closings and high unemployment rates. However, creating another board and grant program is not a solution to these problems.

5. Tourist Information Center Study
Section 3016 (3r)

This provision requires the Department of Development to study the need and possible locations for additional tourist information centers and report to the legislature on its findings by January 1, 1989.

I am vetoing this provision because it is unnecessary and the completion date is unrealistic. The Department of Development, in cooperation with the Department of Transportation, is currently reviewing the siting of future tourist information centers and exploring alternatives for providing information at waysides throughout the state. Since the department has identified this as one of its priorities, a statutory mandate is not needed.

6. Construction Site Erosion Control Ordinances
Sections 200d, 200m, 200p, 398Lm, 398m, 398n, 398o and 398p

These provisions require all counties, cities and villages to enact a construction site erosion control ordinance. I am vetoing this language because the provisions apply broadly to these local units of government regardless of the severity of the water quality and erosion problems, the amount of construction occurring within the jurisdictions, or their size. The state has taken positive steps to reduce construction site erosion without mandating ordinances. Model ordinances have been developed and are available for counties and municipalities to adopt. The nonpoint source pollution abatement program ties adoption of a construction site erosion control ordinance to the program's grant funds and focuses on critical watersheds and construction site erosion problems. These positive state and local initiatives should be supported and continued and are preferable to a statewide mandate.

7. Clean Water Fund Program Study
Section 3037 (4m)

This provision requests that the Legislative Council study several aspects of the Clean Water Fund program including the funding priorities and financial hardship assistance. The study findings and recommendations are to be reported to the Legislature in 1989. I am vetoing this provision because legislative concern about the Clean Water Fund program funding priorities and financial hardship was resolved prior to final legislative passage of the budget bill. Statutory language was added to the budget bill which requires legislative review of the Department of Natural Resources (DNR) annual finance plan, requires the DNR to report on the status of unsewered communities by 1991, requires the DNR to develop additional statutory language on financial hardship and allows DNR more discretion on setting the same loan interest rates for certain treatment projects. These changes satisfied these legislative concerns and the Legislative Council study is no longer needed.

8. Pilot Local Groundwater Management Grant Program
Sections 32x [as it relates to s. 20.370 (4) (df)], 53w, 403mhm and 404st

These provisions authorize \$20,000 GPR for a local groundwater management grant program administered by the Department of Natural Resources. Grants are to be used for groundwater planning and management practices to address groundwater contamination problems and encourage cooperation between local government units and higher education institutions. Highest grant priority would go to Marathon County.

I am vetoing these provisions because the state currently provides \$231,000 GPR annually to the Department of Natural Resources and Wisconsin Geologic and Natural History Survey for the survey and analysis of groundwater conditions and problems. These funds are

spent primarily for county groundwater studies and to research special groundwater contamination projects. A new local groundwater management grant program would unnecessarily duplicate the existing program.

9. Well Compensation Grant Program

Sections 32x [as it relates to s. 20.370 (2) (eb) and 20.370 (2) (eh)], 52e, 52g, 102m, 199g, 199r, 308m, 398cac, 398cam, 398cb, 398cbm, 398cc, 398ccm, 398cd, 398cdm, 398ce, 398cem, 398cf, 398cfm, 398cg, 398cgm, 398ch, 398chm, 398cj, 398cjm, 398ck, 398ckm, 398cL, 398cLm, 398cm, 398cmm, 398cn, 398cnm, 398cp, 398cpm, 398cq, 398cqm, 398cr, 398crm, 398cs, 398csm, 398ct, 398ctm, 398cu, 398cum, 398cv, 398cvm, 398cw, 398rLp, 398rLq, 403em, 403er, 403mhr, 403mzm, 472mm, 472zcm, 472zv, 3203 (40) (ag), 3203 (40) (am), 3203 (40) (ar) and 3204 (40) (bm)

These provisions modify the well compensation grant program and provide \$400,000 GPR in FY 1987-88, \$215,400 GPR in FY 1988-89, and \$313,300 PR in FY 1988-89. The modifications limit grants to residences occupied 51% of the year; reduce grant awards from 80% to 60%; raise new revenues from a pesticide surcharge fee of \$150/yr., tipping fee of \$.05/ton, and petroleum inspection fee of \$.33/50 gal.; add a well compensation assessment; add a cost recovery provision; and allow DNR to raise fees, except the tipping fee, by rule.

I am retaining the \$400,000 GPR funding for FY 1987-88 to provide grants to those applicants currently on a waiting list because funds have not been appropriated for two years and to close-out the well compensation program. I believe the state has a commitment to these citizens. I am vetoing the remaining provisions because I believe it is not the proper state role to provide public funds to assist in replacing private contaminated wells which also provide private property improvement benefits. In addition, the provisions incorporate the well compensation bill (Assembly Bill 388) which, as a major environmental initiative, should have received full legislative review and public input. Assembly Bill 388 was tabled on the Assembly floor and was not reviewed by the Senate.

As an alternative to the well compensation grant program, I am asking the Commissioner of Insurance to work with the insurance industry on the possibility of providing well compensation insurance to property owners.

Such insurance would cover the replacement of private water wells and is an appropriate vehicle for assisting property owners with the risk of well contamination property damage.

10. Municipal Solid Waste Disposal Environmental Impact Study
Section 3040 (4r)

This provision requires the Department of Natural Resources (DNR) to conduct an environmental impact study on municipal solid waste disposal techniques and costs. The DNR is directed to use, as a study benchmark, the incinerator facility operating in New Richmond, Wisconsin. I am vetoing this provision because it would duplicate current DNR activities. The DNR is conducting a second environmental assessment for the New Richmond incinerator which will be completed within the next three months. In addition, the DNR will begin a programmatic environmental impact statement on solid waste incineration which will look broadly at the incineration issue in Wisconsin for administrative rule development. These two DNR studies should address the issues for both the New Richmond facility and incineration in general.

11. Solid Waste Facility Siting, Negotiation and Arbitration

Sections 32m, 398rb, 398rbm, 398rc, 398rd, 398re, 398rf, 398rg, 398rh, 398ri, 398rj, 398rk, 398rke, 398rks, 398rLe, 398rLm, 398rLs, 398rme, 398rmm, 398rms, 398rne, 398rnm, 398rns, 398ro, 398rp, 398rq, 398rr, 398rs, 398rt, 398ru, 398rv, 398rx, 3203 (40) (ab), 3203 (40) (bm) and 3203 (40) (bn)

These provisions make several changes in the solid waste siting, negotiation and arbitration laws. The provisions require the Department of Natural Resources to consider diversion of waste from an existing facility when approving a new facility; provide that facility construction proceed after a negotiation agreement is reached or 18 months have passed, whichever is sooner; raise the local committee costs paid by the applicant from \$20,000 to \$40,000; require the Waste Facility Siting Board to consider location appropriateness and applicant past performance as criteria for determining facility siting; prohibit the Department of Natural Resources from rejecting items in a negotiated agreement which are more stringent than required in the feasibility report or plan of operation; expand the subjects which may be arbitrated to include those which may be negotiated; and require that the Department of Natural Resources not issue a determination of need or approve a feasibility report if a proposed facility is located within five miles of a facility in operation with certain exceptions. This last provision would preclude the development of four facilities including the Libby site and Vondron site in Dane County, the Muskego site in Waukesha County, and the Freis site in Manitowoc County.

I am vetoing these provisions for several reasons. First, several provisions circumvent the state's comprehensive solid waste facility siting process by using arbitrary rather than environmental and technological criteria. Current laws are among the most stringent in the nation and ensure that new facilities are appropriately located

and safely designed. Opponents of proposed landfills have many avenues to challenge proposed sites. Second, many of these provisions make significant policy changes to the solid waste facility siting and negotiation and arbitration processes which should not be made in the budget. Such modifications should be debated by the full Legislature and receive public input. To facilitate this review, I support the legislative resolution which requests the Legislative Council to study the waste facility siting, negotiation and arbitration processes. In addition, I am seriously considering executive review of the solid waste facility siting and negotiation and arbitration processes. The continuing controversy and criticism which surrounds the solid waste disposal issue demands further attention as well as exploring solid waste disposal alternatives.

12. Waterways Commission

Sections 13m, 32x [as it relates to s. 20.370 (4) (bu)], 53d, 54br, 75r, 105aak, 105e, 105f, 105fm, 105g, 105h, 105i, 105j, 105kg, 105kp, 105m, 105ng, 105nh, 105nq, 105p, 105q, 105r, 105s, 105t, 105u, 105v, 105w, 105x, 105y, 198x, 200f, 398u, 3040 (6d), 3040 (9m) and 3204 (40) (aa)

These provisions make substantial changes to the Waterways Commission recreational boating program. They create a new waterways assistance program by expanding the scope of projects eligible for funding, changing the approval process for certain projects, changing the allocation of funds between types of bodies of water, and modifying lake management responsibilities.

I am vetoing these provisions because they create a new program without adequate analysis and public input. The proposed changes are significant, affecting the funding allocation formula and greatly expanding eligibility and should receive a thorough public debate as separate legislation. These changes are not appropriate as a budget amendment.

13. Milwaukee County Park Trees

Sections 52r, 93c and 32x [as it relates to s. 20.370 (4) (at)]

These provisions provide \$25,000 SEG and establish a program to plant and replace trees destroyed by storms in county parks located in counties with a population in excess of 500,000. The program would be funded from the forestry account of the conservation fund. I am vetoing these provisions because of the diversion of forestry money to a nonforestry use, and because of the adverse effect expenditures for this program would have on the forestry account balance.

14. County Forest Acreage Payments

Section 104cam

This provision increases the acreage payments on land enrolled under the County Forest Law from 20 cents to 40 cents per acre. I support increasing these payments. However, I am vetoing this provision because of the

negative impact increased payments would have on the forestry account of the conservation fund. There is a structural deficit in the account. Expenses are greater than revenues received. A deficit is projected in the account at the end of 1990-91. Expenditures from the forestry account must be carefully controlled because of the low projected balances in the account. I am expecting the Department of Natural Resources to address the need for increased aid and other long-term forestry account spending and revenue issues in the next budget.

15. Scenic Urban Waterways

Section 32x [as it relates to s. 20.370 (4) (dq)]

This provision provides funding for the Scenic Urban Waterways program. The program would be funded from the motorboat gas tax formula funds. I am vetoing this section because the program is ineffective and duplicates the Waterways Commission program, the local park aid program and the DNR nonpoint pollution abatement program.

16. Sealing the Fox River Dam

Section 105aam

This provision requires the Department of Natural Resources to alter the Rapide Croche Dam and seal the lock and facility at the dam on the Fox River by October 1, 1988 to prevent the migration of lampreys into Lake Winnebago. I am aware of the problem with lampreys. However, I am vetoing this provision because the department does not have the authority to alter the dam or seal the locks because they belong to the Army Corps of Engineers. The provision is unnecessary because the lock has already been closed and the Department of Natural Resources is working with the Army Corps of Engineers to develop the barrier for the dam. In addition, the Sea Lamprey Study Committee is analyzing these issues.

17. Fox River Navigation Aids

Section 105aap

This provision requires the Department of Natural Resources to place and remove navigational aids on the Fox River, and authorizes the department to contract for this activity. I am vetoing this provision because the department should not be required to place navigational aids for local units of government. Other communities purchase and place their own navigational aids. The language in this section establishes a permanent program for placement of aids. I have not vetoed \$20,000 of segregated funding provided to assist local units in the placement of the aids. I am requesting the Department of Natural Resources to use the funds as one-time financing to local governments and intend that state aid not be continued in the future. Providing funding for the placement of aids on the Fox River is appropriate at this time because of the unique situation relating to navigation aids for this system. The Coast Guard made a determination not to place the aids a short time before placement was necessary, and local units did not have adequate time to plan for this expenditure.

18. Commercial Clamming

Sections 104cb, 104gg, 104gi, 104gk and 481c

These provisions eliminate the nonresidential clam buyers license fee, and eliminate reciprocity provisions. I am vetoing these provisions because they would have an adverse effect on the commercial clamming industry. I am vetoing the provision eliminating the fee for nonresident clam buyers because the license for this group was not eliminated, and as a result, there is a possibility that the Department of Natural Resources could be required to issue those licenses at no charge. I am vetoing the provisions eliminating reciprocity with other states because it would have a negative impact on residents of Wisconsin engaged in the clamming industry who clam in waters under the jurisdiction of other states.

19. Motorboat Noise Levels

Sections 105aadd and 105aadr

These provisions establish the enforcement standard for allowable motorboat engine noise levels and exempt motorboats operated more than one mile from the shoreline on a body of water at least 50,000 acres in size from the requirement. The 86 decibel noise level would have to be measured from any point on the shoreline. I am vetoing these provisions because the measurement from the shoreline is unworkable and does not protect persons anchored on the body of water from excessive noise levels. I am vetoing the provision relating to the exemption on bodies of water of at least 50,000 acres because it is redundant. These bodies of water are exempted in other provisions of the statutes.

20. Public Service Commission Fines and Forfeitures

Sections 403zb, 403zmb, 403zmd, 403zmf, 403zmh, 403zmj, 403zmL, 403zp, 403zpg, 403ztm, 403zu and 403zum

These provisions increase the maximum amounts of fines and forfeitures which can be levied by the Public Service Commission, provide that if more than one act or omission comprises a single incident or event a single forfeiture will be imposed and specify that, if a death or life threatening situation exists or there is continued failure by the utility to comply, that the maximum forfeiture shall be trebled. I am vetoing these provisions because they make major changes to the fine and forfeiture and assessment process, and are more appropriately addressed outside of the budget bill. These issues are controversial and should receive full public and legislative review as separate legislation.

21. Mass Transit Operating Assistance Increase

Sections 306q, 306s and 3203 (52) (ag)

These provisions increase the state's share of local mass transit operating costs from 37.5 percent to 39 percent beginning in calendar year 1989. I am vetoing these provisions for the following reasons: (1) Federal assistance for mass transit is increasing for many Wisconsin cities; (2) at the current level of state support, 16 communities will receive more than 70 percent of their

operating expenses from state and federal funds; (3) the State of Wisconsin ranks fourth in the nation in terms of state support for transit operations. With this level of state and federal support, 11 communities are able to operate their systems with no local revenue and little or no incentive to control costs. The state share is a fixed percentage of local costs and thus already responds to cost increases due to inflation or local service expansion. Continued increases in the state share are unwarranted.

22. Transit Commission Eligibility for Assistance

Section 306nm

This provision would expand the definition of eligible applicants for state mass transit aid to include systems operated by transit commissions. I am vetoing this provision because it could have significant and unintended consequences. The provision could extend state operation assistance to inter-city bus systems which would have significant fiscal implications.

23. Safety Belt Law Sunset Date

Sections 443bcg, 443bcr, 443pc, 443pe, 443pk, 443pm and 494gm

These provisions change the sunset date for the safety belt law (Wisconsin Act 132) from June 30, 1989 to February 1, 1989.

I am vetoing these provisions, thereby retaining the June 30, 1989 sunset date. The February 1, 1989 sunset date would leave less than one month for the Legislature to review the findings of the Legislative Council study of safety belt use and effectiveness that is due January 1, 1989. Given the public interest in this law, a complete review of its effectiveness is warranted. The Legislature should be allowed sufficient time to act on the results of the review.

24. Designation of Major Highway Projects

Sections 3m and 305d

These provisions allow individual legislators to petition the Transportation Projects Commission to designate a highway improvement project, costing more than \$2,000,000 and located in the legislator's district, as a major highway project. If the Commission agreed to the designation, the project could not proceed until it had been enumerated by the full Legislature as a major highway project.

I am vetoing these provisions since cities and villages already have the option of petitioning the Commission to designate nonfreeway projects costing more than \$2,000,000 as major highway projects. Consequently, it is inappropriate to create a mechanism by which a single legislator can use the Commission as leverage in disputes over local priorities.

25. Disadvantaged Business Demonstration and Training Program

Section 305rg

This provision establishes responsibilities for contractors submitting bids for highway contracts under the

Disadvantaged Business Demonstration and Training Program.

Among other responsibilities the contractor must agree to develop a program of preapprenticeship training or obtain such a program from a subcontractor. In both cases the program must be developed in cooperation with local labor unions.

I am vetoing the language that requires the preapprentice program to be developed in cooperation with local labor unions. Union involvement is not appropriate in every case. Most of the women and minority owned contractors are nonunion and requiring cooperation in every case is possibly counter-productive. I urge the Department of Transportation, the unions and contractors to cooperate whenever it is appropriate. The statutes, however, should be neutral.

26. Beloit Northwest Bypass Study
Section 3052 (3r)

This provision directs the Department of Transportation to study alternative bypass solutions to facilitate traffic movement around the northwest part of Beloit.

I am vetoing portions of this provision because the specific route designation is geographically unworkable, the study is to apply only to truck and heavy vehicle traffic and only in one quadrant of the city and because the date specified for completion of the study, January 1, 1989, allows insufficient time to do a meaningful study. I have not vetoed language that directs the department to conduct a study of alternate bypass solutions and to report its findings to the Legislature. The department is already working with local officials regarding the study.

27. Drivers License Organ Donor Sticker
Sections 443ag and 3204 (52) (bm)

These provisions require the Department of Transportation to relocate the space for organ donor stickers from the rear to the front of drivers licenses.

I am vetoing this provision. While it may seem like a minor issue, I believe it deserves more consideration than it received as a budget amendment without a full public hearing. Not all drivers are interested in displaying the personal decision regarding organ donations every time they cash a check. While the authors of this provision have good intentions, I am concerned that it may in fact cause some resentment and as a result fewer donor agreements.

28. State Highway 36 Study
Section 3052 (3v)

This provision directs the Department of Transportation to conduct a study relating to improving the safety of travel on state trunk highway (STH) 36 between Milwaukee and Burlington, to include consideration of plans to make the road a four lane highway, and to report its findings to the Legislature by September 1, 1988.

I am vetoing this provision since STH 36 is already being studied as a major highway project candidate. The department's thorough and widely accepted process for selecting and evaluating candidate major highway projects includes studies of this type. Therefore, specific statutory direction is not necessary or appropriate on any one project.

29. Request for Interstate Highway Weight Limitation Variance
Section 3052 (6m)

This provision directs the Department of Transportation to request the appropriate federal highway authorities to grant a variance from the federal weight limitations on Interstate 43 between Beloit and Milwaukee, for the transportation of garbage. I am vetoing this provision since federal highway authorities do not have the power to grant such waivers.

30. Lake Arterial Major Highway Project Land Acquisition
Section 305t

This provision would require the Department of Transportation to offer to purchase an entire residential real estate parcel if the department seeks to acquire more than 10% of the land associated with the property or an interest in more than 10% of the land.

I am vetoing this provision because it overrides the department's accepted process of negotiating real estate acquisitions on an individual basis. The provision increases costs and would set a precedent that could inhibit the use of federal funds on future projects. The department's existing process adequately takes into consideration proximity damage and infringement costs of highway projects. Given the unique urban nature of this project, the department is already considering the concerns of the affected property owners and will negotiate fair and equitable settlements accordingly.

31. Compulsory Financial Responsibility
Sections 443bc, 443c, 443cb, 443ce, 443cg, 443cj, 443cm, 443co, 443cq, 443cr, 443cs, 443ct, 443mbm, 3052 (2m), 3200 and 3204 (52) (ah)

These provisions create a compulsory financial responsibility system (mandatory auto insurance) in Wisconsin. I am vetoing these provisions to retain current financial responsibility law. While I am not opposed to some form of compulsory financial responsibility for Wisconsin motorists, I do not believe that this proposal has had sufficient discussion in the Legislature. A proposal this significant should receive full consideration including more opportunity for public comment. It should not be adopted as a result of a last-minute budget amendment when it failed to pass as a bill.

32. Liquor Promotion
Section 374vu

This section repeals and replaces the current law regulating the value of promotional items furnished to

campuses or "Class B" licensees and permittees by manufacturers, rectifiers and wholesalers with the federal guidelines for these activities.

I am vetoing this provision because reliance on federal law substantially expands the scope of existing state statutes and conflicts with some of the provisions remaining in state statutes. In addition, due to the complexity of the federal regulations and the substantial number of people affected by this change, this provision would create significant administrative problems. Such changes should be proposed and debated as separate legislation.

33. Possession and Regulation of Firearms
Sections 201j and 472zkr

These provisions provide that no municipality may prohibit the ownership of firearms by persons under the age of 18 and create a Class A misdemeanor for anyone, except law enforcement officials and military personnel, who knowingly possesses a loaded firearm on a highway in a city or village. I am vetoing these provisions because they are inappropriate as budget amendments and should receive full public and legislative review as separate legislation. The provisions are particularly controversial and deserve further discussion and debate.

E. Human Services

1. Victim Notification

Sections 198p, 198r, 472z-p, 3203 (24) (ab) and 3204 (24) (eh)

These provisions require that before a person is released on parole the Department of Health and Social Services (DHSS) shall notify the crime victim or, if the victim dies as a result of the crime, a member of the victim's family who has requested notification regarding the person to be released. Assembly Bill 850 also provides \$55,700 GPR and 1.0 GPR FTE position in DHSS in 1988-89 to administer the notification of release.

I am vetoing these provisions because current law provides for notification to the victim or family member as appropriate when a person applies for parole. Notification of subsequent applications for parole are also made if requested by the victim or family member. Under current law, victims of crimes have the right to provide written statements concerning parole applications being considered by the parole board. The provisions which I am vetoing add unnecessary administration to the existing process of notification. In those cases where the victim or family member has submitted written statements to the parole board when notified of the parole hearing, I am directing the Secretary of Health and Social Services to notify the victim or family member as appropriate if the parole board makes the decision to release the parole applicant. I am also requesting the Secretary of the Department of Administration to place \$55,700 GPR in unallotted reserve in 1988-89 and to freeze 1.0 GPR FTE position.

2. Education at Northern Center
Section 3024 (15r)

This provision requires that a student attending school at Northern Wisconsin Center for the Developmentally Disabled on March 1, 1988, continues to be educated at the Center unless the public school district in which the Center is located and the parent or guardian of the Center student determines that transferring the student to the public school is appropriate to meet the student's needs. I am vetoing this provision because it restrains the Department of Public Instruction and the school district in discharging their statutory responsibilities relating to handicapped children. Currently, a school district cannot reject a referral or deny educational programming to a child. If a child's parent/guardian does not consent to the placement, there is an administrative due process hearing established by statute to resolve differences. This process serves handicapped children well and there appears to be no justification to create a separate standard for one of the three state centers.

3. Juvenile Records
Section 148rpg, 148rph, 148rpi and 148rpk

These provisions require that if a child has a peace officer and/or court record as a result of an alleged violation of the sexual assault statute and the child was not adjudged delinquent on the basis of the alleged sexual assault, the peace officer and/or court record for the alleged violation is to be expunged. I am vetoing these provisions because the information to be expunged is useful in planning treatment and rehabilitation programs for juveniles who have not been adjudicated delinquent, but who are supervised under a consent decree. It should be noted that the information to be expunged is already confidential as a child's record and not available for public inspection or disclosure. Additionally, the provisions expunge the record of only one type of offense which has the effect of distorting information available to personnel who are planning treatment and rehabilitation.

4. Lead Poisoning Prevention
Section 3024 (14m)

This provision would earmark \$31,900 of federal block grant funds to pay for a sanitarian in the Milwaukee city health department to provide lead poisoning prevention services. I am vetoing this provision.

Currently, block grant funds are awarded on a competitive basis for lead poisoning prevention services and Milwaukee has received an award for such services based on competition with other localities. If this provision is enacted, the amount cited above would be removed from the statewide allocation for lead poisoning prevention services and earmarked specifically for Milwaukee. These funds would be automatically granted and Milwaukee could still compete with other localities for additional funds. While it is reasonable to dedicate amounts for specific programs, I do not believe it is

appropriate to set aside funds outside the competitive process for a specific locality.

5. Learnfare—Timing

Section 182g

This provision delays the implementation of the requirement that students who receive benefits under Aid to Families with Dependent Children attend school. I am vetoing this provision to allow this requirement, commonly known as Learnfare, to proceed in the current school year.

County income maintenance agencies are currently using March attendance records to begin enforcing this requirement. To allow this provision to become law would needlessly delay implementation of the program. Under the federal waiver permitting the Learnfare requirement, the state has only three years to use and test the program. This provision will only serve to delay our efforts to stress the importance of attending school to students who vitally need to complete their education.

6. Learnfare—Sanction Process

Sections 185g and 185r

These provisions require that prior to invoking sanctions under Learnfare, the following steps must be taken: the school offers to the student individual programs or curriculum modifications; the school notifies the parent or guardian of each unexcused absence and maintains a written record of the notification; and the county provides a fact-finding meeting prior to a sanction to determine if all the conditions of the Learnfare program apply to the student.

I am vetoing these provisions because they overlap current state law and federal regulations, and may place a greater administrative burden on the schools and county income maintenance agencies which will likely limit the effectiveness of the Learnfare program. Current state law already provides that schools identify children in need of additional or modified programs and develop a plan to address those needs, and requires keeping a written record of notice of unexcused absences. Federal law requires a hearing before any sanction is applied, which makes the fact-finding provision a redundant step in the process.

7. Food Stamp Eligibility for SSI Recipients

Section 152

This provision authorizes the Department of Health Social Services to seek a waiver of federal law to allow Wisconsin's supplemental security income (SSI) recipients to receive the value of their food stamp entitlement in cash. In addition, the provision states that if the waiver is approved or denied, the department will notify the federal government that the state's SSI supplement no longer includes a payment in lieu of food stamps.

I am partially vetoing of this latter provision to eliminate the requirement that we notify the federal government of

this change in state policy if our waiver application is denied. If this provision became law and the waiver is denied, over 70,000 individuals would automatically be eligible to apply for food stamps. Correspondingly, the state and counties would be obligated to administer the issuance of food stamp to these individuals. The cost of this administration, depending on the number of SSI recipients applying, could range between \$1 million to \$3 million for state and county governments. Given current budget authority, the counties would be required to fund this responsibility. The Legislature did not approve any funding for this purpose.

Therefore, my veto will eliminate the possibility of this unfunded liability being placed on counties.

8. Child Care for Employment Programs

Section 192m

This provision specifies that the Department of Health and Social Services may not provide or reimburse child care services needed by recipients of Aid to Families with Dependent Children (AFDC) engaged in work programs, unless the child care is licensed or certified under state law. Further, the section provides that recipients are not required to participate in work programs if licensed or certified child care is unavailable.

I am vetoing this provision because it will hinder the state's efforts to provide vital employment training to AFDC recipients and restrict parental choice in selecting child care providers.

9. Community Services Block Grant Supplement

Section 32x [as it relates to s. 20.435 (4) (cv)]

This provision appropriates \$300,000 general purpose revenue in fiscal year 1988-89 to the Community Services Block Grant Supplement, as allocated by section 46.30 (4) of the statutes. I am vetoing the dollar amounts in the schedule to eliminate all funding for this supplement.

The supplement for the Community Services Block Grant was created in the 1985-87 biennium to soften the blow of elimination or significant reduction of the block grant by the federal government. Since that time, federal funding has remained relatively stable. The state supplement is unnecessary and represents an undesirable precedent for replacing lost federal funds with state resources.

10. Payments to Westview Health Care Center, Inc.

Section 3024 (12n)

This provision requires that the Department of Health and Social Services (DHSS) pay the "state share" of Medical Assistance (MA) costs for skilled nursing care services at Westview Health Care Center, Inc. in Racine County for the period January 16, 1988 to April 16, 1988. Westview has been decertified as an MA provider and is currently changing ownership. Further, this provision authorizes funding on the condition that certain deficiencies, which led to the original decertification, have been eliminated. In addition, the language specifies

that payment for services shall be prorated between the facility owner and the facility lessee in proportion to the number of patient days of skilled nursing care that each provided at the facility during this period.

I am partially vetoing this provision to allow payments to be made to Westview Health Care Center, Inc. for services provided after the April 16, 1988 end date included in the bill. To date, Westview has not been recertified as an MA provider, though efforts toward this end are continuing. In order that continuity of care be maintained for the residents of this facility, it is important that the state maintain its share of funding beyond April 16th.

I am also partially vetoing this provision in order to ensure that state payments are not made unless first authorized by the DHSS, and I am directing the Secretary of DHSS to periodically inform me of progress being made toward regaining MA certification for this nursing home.

In making the latter veto, it was necessary to veto the requirement that state payments be prorated between the individual who owned the facility on January 1, 1988 and the lessee or purchaser of the facility from that owner. Despite this, I am directing the Secretary of DHSS to prorate payments between these parties in proportion to the number of patient days of skilled nursing care services each provided at the facility since January 16, 1988.

11. Access to Public Hospital Evaluations
Section 403bh

This provision allows the Department of Health and Social Services access to hospital evaluations. This provision is applicable to facilities that are owned or operated either by the state or by local units of government. I am vetoing this provision, as I did in 1987 Wisconsin Act 27, because under current law, the department has access to these hospitals' evaluations. There is no reason to specify hospital type or ownership in the statutes.

12. Study of Managed Care System for Emotionally Disturbed Children
Section 3024 (7g)

This provision requires the Department of Health and Social Services to study expanding medical assistance (MA) coverage to include day treatment and in-home treatment services for severely emotionally disturbed (SED) children within a managed care system. By September 1, 1988, the department is required to submit a plan to the Joint Committee on Finance for an MA managed care system for SED children, including day treatment services and in-home treatment.

I am vetoing this provision because I feel that this issue need not be addressed statutorily. Therefore, I would direct the department to consider studying any important issues relating to expanding MA coverage of

managed care services targeting severely emotionally disturbed children. Further, the department is currently seeking a home- and community-based services waiver under section 1915 (c) of the Social Security Act to provide home- and community-based services to SED children and adolescents and adolescents who need alcohol and other drug abuse services. It would be prudent for the department to monitor the results of services provided under the waiver and, based on those results, submit a plan similar to the one addressed in this section.

13. Psych/AODA Bed Moratorium
Section 403m

This provision prohibits any person, by or on behalf of a hospital, from adding psychiatric or chemical dependency beds by new construction or by conversion of existing beds on or after March 1, 1988. Further, this provision establishes fines for persons who violate this bed moratorium.

I am vetoing this language because these provisions run counter to legislation enacted in 1987 which was aimed at deregulating the health care industry. Because little time has elapsed since deregulation occurred, it is premature to reestablish regulation on this or any other sector of the industry. More experience is needed with deregulation before any informed judgments can be made regarding its effects on cost and availability of health care.

The University of Wisconsin has also expressed opposition to this moratorium. The University of Wisconsin believes, as I do, that this veto will help assure companies that Wisconsin will continue to compete with other states for economic development.

14. Office of Health Care Information
Sections 403mhg and 3024 (16m)

Section 403mhg contains provisions relating to the Office of Health Care Information created by this bill, including the collection and dissemination of health care and related information, reports to be issued by the office and procedures for data verification and review. Further, the section has provisions for protection of patient confidentiality, assessments and user fees to fund operations of the Office and Board on Health Care Information, rule making, civil liability, and penalties.

My 1987-88 budget proposed creation of the Office of Health Care Information, and I continue to support its concept. I am, however, vetoing several provisions, the majority of which relate to specific requirements which would be better left to the rule-making process.

I am partially vetoing provisions relating to requiring hospitals to report revenue changes from the previous fiscal year that are budgeted or projected in the current fiscal year. This information is proprietary in nature, is beyond the scope of what the office needs to carry on its work, and could prove onerous for hospitals to report, with little or no benefit gained from this information.

I am partially vetoing some of the provisions that specify what is to be reported in a hospital's final audited financial statement. My intent is to allow the office flexibility in obtaining the information necessary to carry on its function while not imposing reporting requirements which prove to be costly and administratively burdensome to hospitals, especially rural hospitals. As vetoed, hospitals shall include information on annual revenues, in categories specified by rule, and information on annual total expenditures. By specifying that this be resolved through the rule-making process, the office may better hear and address the diverse and complex issues that this reporting requirement may present to hospitals.

I am partially vetoing provisions relating to the requirement that hospitals publish a notice of rate increase, in order to delete the requirement that a hospital state how much the rate change will increase the hospital's annual revenue, the percentage rate change, and information on 25 charge elements. I am vetoing these provisions because the details about what information ought to be reported as part of a public notice should be addressed in administrative rules rather than specified in statute.

I am partially vetoing the provision relating to the office's conduct of public hearings. While I believe public hearings ought to be held, I think it ought to be left to the Board and the rule-making process to determine when and where these public hearings ought to occur.

Section 3024 (16m) contains nonstatutory provisions relating to the Office of Health Care Information and Board on Health Care Information. Section 3024 (16m) (b) 1. requires the department to submit administrative rules for implementing parts of the office's activities to the Legislative Council by October 1, 1988. I am vetoing this due date because it is unlikely that the department will be able to meet such a deadline. I am directing the department to submit the rules for implementing those sections specified in the provision to the Legislative Council by January 1, 1989. Section 3024 (16m) (d) specifies that hospitals shall include information for the hospital's 1987, 1988 and 1989 fiscal years as part of the information required for completion of reports by the office by April 1, 1990. I am partially vetoing the provision to delete the April 1 date because this may conflict, in certain cases, with another provision that specifies that final audited financial statements be submitted within four months of a hospital's fiscal year end. My veto resolves this potential conflict. Further, relating to the provision that hospitals submit 1987 fiscal year information, I trust that the Department of Health and Social Services will establish a reasonable format and due date for this information as part of the rule-making process.

Section 3024 (16m) (f) requires the office to submit a health care status report by March 1, 1989. To give the office greater flexibility during its first year, I am vetoing

the March 1, 1989, due date and I directing the office to submit the health care status report on the earliest practical date, as specified by the board. Further, I am vetoing the requirement that this report include information regarding changes in charge elements, revenues and expenditures. This information is statutorily required to be submitted beginning on October 1, 1989 in the annual report by the Office of Health Care Information to the Governor and the Legislature. There is no reason to duplicate this information in the same year.

15. MA: Community Support Programs
Sections 145m, 166m, 170t and 3037 (3r)

Sections 166m and 170t stipulate that the Department of Health and Social Services will provide the federal share for mental health services (including case management) provided by staff of a county community support program (CSP) certified as a medical assistance (MA) provider. Payment is made on the condition that counties provide the state share of CSP service costs and that federal approval of CSP services is provided.

During legislative debate on this subject, I took the position that adding new GPR-funded MA benefits was not appropriate at a time when the MA program needed a significant fiscal adjustment because of projected budget shortfalls. I did, however, agree to support the addition of this benefit if all Wisconsin counties agreed to provide the state share of funding and assume the risk of increased caseload.

The Wisconsin Counties Association did not agree to these conditions, so the proposal was changed to make county participation voluntary. Such an arrangement to provide MA entitlement benefits on a county-by-county voluntary basis requires the approval of the federal government. While I believe it is unlikely that the federal government will approve such a waiver request, I am nevertheless directing the Secretary of the Department of Health and Social Services to pursue such a waiver.

I am, however, vetoing the provisions which add CSP as an MA benefit in this bill because I believe it is inappropriate to establish the benefit in statute before a waiver request has been approved by the federal government. If waiver approval is received, I will consider adding the benefit at

a later date, if the voluntary nature of county participation is agreeable to the Wisconsin Counties Association.

Section 145m directs the department to allocate not more than \$217,300 GPR to assist community support programs in meeting MA certification standards. Since I am vetoing the provision relating to MA certification of community support programs, funding for these activities is not needed. I am, therefore, vetoing this section and requesting the Secretary of Administration to place \$217,300 GPR into unallotted reserve in 1988-89.

Section 3037 (3r) requires an audit of MA mental health coverage. I am partially vetoing portions of that subsection relating to MA CSP services because the study cannot be conducted without the addition of CSP to the MA program.

16. Alzheimer's Clearinghouses

Sections 148k and 148kg

These provisions create three regional clearinghouses which will provide training and technical assistance to the staff of county agencies and other providers of services to victims of Alzheimer's disease. These three clearinghouses would be in addition to the one which exists under current law.

I am vetoing these provisions because the intent in creating and funding the existing Alzheimer's clearinghouse was to assure that these services would be provided. If the funding available under current law is not sufficient to provide these services, increased funding should be considered in the context of the budget request by the Department of Health and Social Services for the 1989-90 budget. In preparing that request, the department should consider whether the most efficient use is being made of the current funding.

With this veto, I am requesting the Secretary of the Department of Administration to place \$120,000 GPR into unallotted reserve in the Alzheimer's Training Grants appropriation in 1988-89, for lapse to the general fund, as these funds will not be needed.

17. Community Options Program Studies

Section 3024 (12q) and (12qm)

Section 3024 (12q) directs the Department of Health and Social Services to study the relationship between the number of elderly in need of long term care and the percentage of elderly served in the Community Options Program (COP).

Section 3024 (12qm) directs the Department of Health and Social Services to study the cost of offering all applicants to nursing homes an assessment of their needs for medical and social long-term services, and options and cost for receiving such services in a community setting. The findings of both studies are to be reported to the Joint Committee on Finance by November 1, 1988.

I am vetoing both of these provision because the department can perform such studies without specific instruction from the Legislature.

With this veto, I am directing the department to determine the utility of either study to long-range planning for the Community Options Program, and to conduct either or both studies if deemed appropriate.

18. Mental Health Gatekeeper

Sections 146m and 147

These provisions increase funding available for distribution to the counties which were participating, in calendar year 1987, in the Medical Assistance waiver

called the Mental Health Gatekeeper Pilot Program. The funds are to be distributed in proportion to each county's expenditures for community-based mental health services under this program.

This waiver was revoked in May 1987. Recognizing the emergency which existed for those counties at that time, the Department of Health and Social Services provided emergency funds. I am vetoing section 146m and partially vetoing section 147 because the counties in question have now had almost a year to adjust local programs. By not providing these funds, these counties will be treated equally with the remaining counties in Wisconsin.

With this veto, I am requesting the Secretary of the Department of Administration to place in unallotted reserve \$400,000 GPR in 1988-89 from the Community Aids appropriation for lapse to the general fund, as these funds will not be needed.

19. Second Class City Long-Term Domestic Abuse Services

Section 3024 (16g)

This provision increases funding available for long-term housing and support services for victims of abuse when provided by a comprehensive program in a 2nd class city with a population of 175,000 or more.

I am vetoing this provision because the intent of this budget was to maintain current programs, with few new initiatives. An expansion of long-term domestic abuse services should be considered in the context of the budget request by the Department of Health and Social Services for the 1989-90 budget.

I am also concerned about an expansion which is limited to one specific area of the state. Funding for innovative approaches to domestic abuse services should be awarded, statewide, on a competitive basis.

To emphasize my position on expansion of these services, with this veto I am indicating my intent that the specific funding included in this bill, for long-term housing and support services for victims of abuse when provided by an agency which was providing these services on May 15, 1987, not be continued beyond 1988-89. With this veto, I am requesting the Secretary of the Department of Administration to place in unallotted reserve \$50,000 GPR in 1988-89 from the appropriation for domestic abuse grants, for lapse to the general fund.

20. Child Caring Institutions

Sections 148sq and 148sr

These provisions direct that consideration of economic impact and information on waiting lists be added to the criteria for determining expansion of child welfare agency (child caring institution) resources.

I am vetoing these provisions because, while establishing possible economic development as a criterion for expansion may not undermine current requirements that such expansions be based on need, it is not a relevant

criterion to consider when considering institutionalizing children. In addition, stipulation of such detail for licensing should be in the administrative rules, rather than in the statutes.

Under current administrative rule, waiting list data for Wisconsin children is considered as indicative of need. Out-of-state children on a waiting list are also considered in part. There is no justification for considering waiting lists for out-of-state children on a par with in-state children, as part of Wisconsin's support for community placement is based on the assumption that such placements will take place in the home community, rather than in another state.

21. Council on Physical Disabilities

Sections 5w, 13k, 147m, 3024 (17g) and 3204 (24) (ei)

These provisions define physical disability and create an 18-member Council on Physical Disabilities to perform several functions relating to ameliorating the problems faced by persons with physical disabilities, including developing a state plan, advising the Department of Health and Social Services, and reporting annually to the Legislature.

I am vetoing these provisions because I believe that the current structure of councils and committees is sufficient to address the needs of the physically disabled.

Specifically, it is the responsibility of the Governor's Committee for People with Disabilities to identify problems encountered by persons with all disabilities, to review legislation and to advise the Governor. The Independent Living Council was recently formed, in compliance with federal regulations, to perform several functions, including the development of a five-year plan to assist persons with severe disabilities to live and function more independently.

While I am aware of the concerns of persons with physical disabilities regarding what they consider a fractured service delivery system, I am equally concerned about adding to the existing bureaucratic structure. For this reason, I plan to make the Governor's Committee more responsive to the specific needs of persons with physical disabilities by restructuring it, and may include the creation of a subcommittee for this purpose. I believe that strengthening the responsiveness of the Governor's Committee to the problems of persons with physical disabilities in this way, rather than creating a new council, will result in more efficient government.

22. Earmarking of Funding for Runaways

Sections 149m and 3024 (15m)

These provisions earmark increased federal funding for runaways. The additional funds are to be spent to provide programs in seven counties where there are none, to maintain and increase current programs and to provide technical assistance.

I am vetoing these provisions because, if additional federal child welfare funds become available in 1988-89, I believe they should be dedicated to family-based services, as was provided in 1987 Wisconsin Act 27. The goals of these services are to strengthen families, prevent family dissolution, promote self-sufficiency and assure permanent, stable homes for children. These goals are important to this administration, and there is no evidence to suggest that the provisions of that Act should be changed.

23. Advisory Committees in the Division of Community Services
Section 3024 (7m)

This provision directs the Department of Health and Social Services to develop a policy to ensure equitable reimbursement of the expenses incurred by advisory committee members. It also directs the department to make no reductions in advisory committee expenditures.

The appropriation from which these expenditures are paid is reduced by \$20,000 in 1987 Assembly Bill 850. It was my intent that this reduction be made in advisory committee expenditures. Therefore, I am vetoing this subsection in part, to allow the department discretion to make this reduction in expenditures in whatever area it deems most appropriate.

24. Electronic Monitoring
Section 136m

This provision encourages the Department of Health and Social Services to consider any possible options involving intensive supervision or electronic monitoring, or both, as an alternative to seeking revocation of probation or parole.

I am vetoing this provision because the department currently has the authority to consider the proposed alternatives. I am concerned that explicit reference in the statutes may prompt increased appeals of revocation decisions where these alternatives are not formally considered. An increase in appeals will impede the process and increase administrative costs.

25. MA: Inpatient Psychiatric Review
Section 3024 (9h)

Section 3024 (9h) directs the Department of Health and Social Services to submit to the Joint Committee on Finance for its review and approval a plan for implementing the inpatient hospital psychiatric preadmission screening and utilization review under the medical assistance program by the committee's second quarterly meeting under 13.10 of the statutes in 1988. The provision also gives the department authority to promulgate emergency rules to implement the preadmission screening and review procedures.

I am partially vetoing language in section 3024 (9h) (a) relating to the due date for preadmission screening and review plan submission because it provides insufficient time for the department to prepare its implementation

plan. As a result of the veto, the plan shall be submitted in 1988 when it is practicable. Further, I am partially vetoing the provision that allows the Joint Committee on Finance to approve the plan because the Legislature, insofar as administrative rules are reviewed by the standing committees, can exercise this authority if it desires. The department must still submit the plan to the Joint Committee on Finance for its review.

26. Nursing Home Reimbursement Formula Study
Section 3037 (1r)

Section 3037 (1r) directs the Legislative Council to study the effects of the medical assistance nursing home reimbursement formula on county nursing homes and report its findings to the Legislature by June 30, 1989. I am partially vetoing this provision to delete "county" because I think it is important to study the effects of the nursing home formula on all of the state's nursing homes, not just county-operated nursing homes.

27. Agent Orange Exclusion
Sections 128m and 136d

These provisions would allow veterans to exclude any financial settlement from the Agent Orange suit as a source of income whenever they apply for any veteran's program which considers income as an eligibility factor. The exclusion defined in this language would apply to the primary mortgage, the second mortgage, part-time study grant and economic assistance programs.

This language concerns me, however, because the exclusion covers both the economic assistance loan program and the economic assistance grant program. Both programs are targeted toward lower-income veterans than are the two mortgage and study-grant programs. If the language is not vetoed, veterans who had received an Agent Orange financial settlement would be eligible to apply for these economic assistance programs even though those veterans would have settlement funds available to them for use. To ensure that economic assistance program funds are available for truly needy veterans without any financial resources, I am vetoing the provisions which would allow Agent Orange payments to be excluded in determining eligibility for these programs.

REFERENCE BUREAU CORRECTIONS

Assembly Bill 850

In enrolling, the following corrections were made:

Engrossed Assembly Bill 850

1. Page 36, line 5: move lines 5 to 14 after line 22; and substitute "SECTION 78m." for "SECTION 76.".

NOTE: "20.866 (2) (tq)" was changed to "20.866 (2) (tw)" by Item 71 of Conference Amendment 1, necessitating this correction in numerical sequence.

2. Page 127, line 22: substitute " " for " " ; and strike through the quotation mark after "project".

3. Page 196, line 28: substitute "SECTION 295pm." for "SECTION 295m.".

4. Page 285, line 8: substitute "SECTION 390gm." for "SECTION 309gm.".

5. Page 400, line 19: move that line before line 6; and substitute "481c." for "485c.".

6. Page 413, line 9: substitute "paragraph" for "par.".

7. Page 521, line 24: substitute "(ag)" for "(1g)".

Conference Amendment 1 to Assembly Bill 850

1. Page 7, line 2: substitute "SECTION 1cog." for "SECTION 1e.".

2. Page 159, line 38: substitute "SECTION 118p." for "SECTION 118t.".

3. Page 163, line 1: underscore "(16)" and "(15)".

4. Page 174, line 6: substitute "SECTION 200 mag." for "SECTION 200 dmag.".

5. Page 174, line 36: substitute "fire fighters" for "firefighters".

6. The material beginning with page 179, line 27, and ending with page 180, line 2, is deleted from Conference Amendment 1. In addition, on page 325, lines 20 and 21, ", (b) 2" is deleted. The changes made by that material in s. 71.09 (11) (b) 2 are incorporated, instead, in Item 7 of Conference Amendment 3.

7. Page 202, line 34: substitute "fire fighting" for "firefighting".

8. Page 210, line 10: delete the first period.

9. Page 299, line 34: substitute "SECTION 476mac." for "SECTION 476g.".

10. Page 300, line 15: substitute "SECTION 476mag." for "SECTION 476ma.".

11. Page 300, line 21: substitute "Fire fighter" for "Firefighter".

12. Page 300, line 30: substitute "SECTION 494u." for "SECTION 494s.".

13. Page 318, line 23: substitute "paragraph" for "subsection".

14. Page 320, line 9: substitute "subsection (1e)" for "SECTION 3057 (1e) of this act".

15. Page 321, line 3: on lines 3 and 4, delete "the date of introduction of 1987 senate amendment (LRBb3571) (this amendment)" and substitute "April 20, 1988".

16. The changes made by Items 484 and 485 of Conference Amendment 1 are made in the material inserted by Item 483, rather than in the material deleted by Item 483, to give effect to Items 484 and 485.

17. Page 328, line 4: substitute "70.111" for "70.11".

18. Page 327, line 36: substitute "take" for "takes".

19. Page 330, line 4: delete "(57) OTHER.".

Conference Amendment 2 to Assembly Bill 850

1. Page 91, line 5: substitute "SECTION 472zka." for "SECTION 472zkc.".

2. Page 91, line 17: delete "(46) REGULATION AND LICENSING.".

3. Page 91, line 26: delete "(57) OTHER.".

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Conference Amendment 3 to Assembly Bill 850

1. The changes made by the amendment to s. 71.09 (11) (b) 2 in Item 175 of Conference Amendment 1 are made in the treatment of s. 71.09 (11) (b) 2 in Item 7 of Conference Amendment 3, rather than in Conference Amendment 1, in order to give effect to both provisions.

2. Page 4, line 37: substitute "SECTION 246g." for "SECTION 248b."

Conference Amendment 4 to Assembly Bill 850

1. Page 2, line 9: substitute "SECTION 403miam." for "SECTION 403mhy."

Senate Amendment 9 to Assembly Bill 850

1. Page 188, line 33: on lines 33 and 39, delete "(52) TRANSPORTATION."

2. Page 189, line 11: delete "(52) TRANSPORTATION."

3. Page 190, line 6: delete "(57) OTHER."