

STATE OF WISCONSIN  
**Assembly Journal**  
Eighty-Ninth Regular Session

THURSDAY, July 6, 1989

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

AMENDMENTS OFFERED

Assembly amendment 1 to **Assembly Bill 321** offered by Representative Van Dreel.

MESSAGE FROM THE SENATE

By Donald J. Schneider, chief clerk.

Mr. Speaker:

I am directed to inform you that the senate has concurred in committee of conference report on **Senate Bill 31**.

COMMUNICATIONS

State of Wisconsin  
Department of State  
Madison

To Whom It May Concern:

Acts, joint resolutions and resolutions, deposited in this office, have been numbered and published as follows:

Bill or Res. No.	Act No.	Publication date
<b>Assembly Bill 94</b> .....	17 .....	July 3, 1989

Sincerely,  
DOUGLAS La FOLLETTE  
Secretary of State

The chief clerk reports the following proposals correctly enrolled:

**Assembly Bill 60**  
**Assembly Bill 62**  
**Assembly Bill 84**  
**Assembly Bill 91**  
**Assembly Bill 133**  
**Assembly Bill 134**  
**Assembly Bill 188**  
**Assembly Bill 217**  
**Assembly Bill 231**  
**Assembly Bill 233**  
**Assembly Bill 265**  
**Assembly Bill 327**

**Assembly Bill 430**  
**Assembly Bill 439**

Sincerely,  
THOMAS T. MELVIN  
Assembly Chief Clerk

July 1, 1989

Honorable Donald J. Schneider  
Honorable Thomas T. Melvin

Dear Chief Clerks:

The following rules have been published:

Clearinghouse Rule 87-39 effective 7-1-89  
Clearinghouse Rule 87-132 effective 7-1-89  
Clearinghouse Rule 87-137 effective 7-1-89  
Clearinghouse Rule 88-8 effective 7-1-89  
Clearinghouse Rule 88-93 effective 7-1-89  
Clearinghouse Rule 88-105 effective 7-1-89  
Clearinghouse Rule 88-109 effective 7-1-89  
Clearinghouse Rule 88-120 effective 7-1-89  
Clearinghouse Rule 88-146 effective 7-1-89  
Clearinghouse Rule 88-150 effective 7-1-89  
Clearinghouse Rule 88-173 effective 7-1-89  
Clearinghouse Rule 88-196 effective 7-1-89  
Clearinghouse Rule 88-205 effective 7-1-89  
Clearinghouse Rule 88-216 effective 7-1-89  
Clearinghouse Rule 88-218 effective 7-1-89  
Clearinghouse Rule 88-219 effective 7-1-89  
Clearinghouse Rule 89-5 effective 7-1-89  
Clearinghouse Rule 89-15 effective 7-1-89  
Clearinghouse Rule 89-20 effective 7-1-89  
Clearinghouse Rule 89-32 effective 7-1-89

Sincerely,  
GARY POULSON  
Assistant Revisor

GOVERNOR'S VETO MESSAGE

June 30, 1989

To the Honorable Members of the Assembly:

I am vetoing **Assembly Bill 1** in its entirety. This bill does not provide for a probationary period, which I believe is imperative.

Unfortunately, my Administration's efforts to reform the minimum wage in Wisconsin have been met with partisan rancor rather than cooperation. Over the past two and one-half years, the Legislature has passed and sent four minimum wage measures to me. Each time I

have vetoed these bills because the approach in each has been detrimental to job creation and job retention in our state. AB 1 is the latest effort along this troubling path, and it is equally unacceptable.

I have taken a constructive and flexible approach to the minimum wage. On September 1, 1987, the Department of Industry, Labor and Human Relations increased the minimum wage by administrative rule, from \$3.25 to \$3.35. This was the first increase in over 5 years. At my direction, DILHR will again increase the wage to \$3.45 per hour on July 1, 1989 for new employees during a probationary period of four months. Following this probationary period, the employees minimum wage will rise to \$3.65 per hour. This approach balances the concerns of employers for reliable and competent employees with the desire of employees for a wage increase.

By contrast, AB 1 increases the state minimum wage from \$3.35 per hour to \$3.65 effective July 1, 1989 and then to \$3.95 on June 1, 1990. From the beginning of the debate on this issue this year, I have made very clear that I would not accept an increase that did not also provide for a probationary period. The bill that has been sent to me lacks this important reform.

At the beginning of the current legislative session I expressed my intention to reform the minimum wage by establishing a probationary wage period. The probationary wage serves to help remove higher costs as a disincentive for small businesses with narrow profit margins when they seek to hire new employees. This concept, furthermore, is not an alien one to the vast majority of employers and employees in this state; a probationary period is widely used to establish a new employee's reliability, good character, sound work habits, and work capabilities, before he or she receives the full range of wages or benefits provided by the employer. Probations are the norm throughout the work force, and are written into union contracts, for example, in both the public and private sectors. The state of Wisconsin utilizes a six month probationary period. Opposition to this policy cannot therefore be based on

the grounds that a probation wage is unfair, disruptive, or arbitrary. Rather, this concept has been proven by its widespread acceptance in the private and public sectors.

Furthermore, the minimum wage is intended to be a floor below which the employer may not go. The only real effects of increasing the minimum wage above and beyond what the market can bear, however, are negative ones: higher inflation, a decline in the hiring of our youths, the unskilled and first-time employees and the erosion of small business's role in our economy.

Far better ways are being proposed to alleviate the burdens on the poor. Among these is a provision in the budget, the earned income credit. With this provision the state will no longer tax low income workers in Wisconsin. This imposes no economic or administrative burdens on small businesses - and some owners may in fact benefit from it. But it does lower taxes - a far more positive event both for lower income wage-earners and for economic development.

In January of this year, Republican leaders from both houses and I entered into negotiations with the majority party to attempt to reach an agreement on a minimum wage bill. Raising the wage by statute would have been an unprecedented event in the state's history; every previous wage increase has been accomplished by administrative rule. At the same time I authorized the department to promulgate the rules to establish a probationary period while increasing the minimum wage. I did this as a contingency to save our goal from falling prey to partisan rhetoric. We wanted to guarantee that reforms in the minimum wage - and an increase - would take place this summer regardless of the result of these negotiations.

Despite many sincere efforts on our part, an agreement was not reached. AB 1 is the unfortunate by-product of partisan politics. The bill is misdirected public policy and, consequently, I am compelled to veto it.

Sincerely,  
TOMMY G. THOMPSON  
Governor