STATE OF WISCONSIN

Senate Journal

Eighty-Ninth Regular Session

10:00 A.M.

TUESDAY, January 31, 1989

The senate met.

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

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

Senators Adelman, Andrea, Buettner, Burke, Chilsen, Chvala, Cowles, Czarnezki, Davis, Ellis, Feingold, George, Helbach, Jauch, Kincaid, Kreul, Lasee, Lee, Leean, Lorman, Moen, Plewa, Risser, Roshell, Rude, Shoemaker, Stitt, Strohl, Te Winkle, Ulichny, Van Sistine and Weeden — 32.

Absent - Senator Engeleiter - 1.

Absent with leave -- None.

The senate stood for a moment of silent prayer.

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

LEAVE OF ABSENCE

Senator Rude, with unanimous consent, asked that Senator Engeleiter be granted a leave of absence for the balance of today's session.

The Chair appointed Senators George and Davis to await upon the Governor.

Senator Strohl, with unanimous consent, asked that the senate recessed until 11:30 A.M.

10:00 A.M.

RECESS

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

IN ASSEMBLY CHAMBER

IN JOINT CONVENTION

The President of the Senate in the chair.

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

Introduction

Lieutenant Governor McCallum, constitutional officers, Speaker Loftus, President Risser, members of the senate, members of the assembly, members of the cabinet, distinguished guests, and fellow citizens of Wisconsin.

Six days ago, I shared with you a report of historic wellness regarding the State of our State ...

Over the last two years, as co-authors, we have written a chapter in Wisconsin's heritage that will be remembered as a period of great recovery, optimism, and success.

Job by job, we have built the foundation of our economy to its greatest strength since World War II.

And today, from upon this solid new plateau, we must stretch high and reach far, to all our people, by making important new investments in:

Families ... minorities ... our children ... the disabled ... the elderly ... our veterans ... those living and working in our cities, and our rural areas.

Ladies and gentlemen, I meant what I said six days ago, when I shared my desire to see us work together in accomplishing these important goals.

Before I raise the curtain to reveal the specifics of how these investments should be made, I want to tell you that responsible, common-sense spending principles will continue to be the trademark of this administration.

We will continue to run a tight ship.

My first budget message, in January of 1987, confronted the challenge of making our economy more competitive by slowing the growth of state spending.

At that time, Wisconsin's spending level was 18 percent higher than states with which we compete. Today, two years later, our spending level has dropped 9 percentage points, and my new budget will move us even closer to the spending levels of the other states.

This is promising news ... but the job is certainly not finished.

Today, with fewer resources from Washington, and an increasingly competitive world economy. Wisconsin must remain economically competitive ...

... and ... we must also develop effective programs to address emerging social needs here at home.

The budget I am presenting today is a very responsible budget. Spending is adequate to accomplish our goals with traditional Wisconsin excellence ... but spending is not excessive.

During the last several weeks, some have suggested hauling the roller coaster out of storage for a fast ride up the spending track.

But we all know that what goes up, must come down. And the down side of large increases in spending is the "t" word ... taxes.

Ladies and gentlemen, my budget will keep the roller coaster in cold storage ...

... and there will be no new taxes!

Wisconsin's future is bright.

Today, our economy is strong, and we have been very successful in our efforts to reduce taxes and slow the growth in state spending.

As a result, we will carry a modest positive cash balance into fiscal year 1990.

But let us not become careless, and rush off to the supermarket to fill our shopping carts with all kinds of expensive goodies.

Working together, we have succeeded by being penny wise. Now is not the time to become pound foolish!

We have a responsibility to the people of Wisconsin to keep state government fit, trim, and costefficient ...

... while at the same time keeping our economy strong and improving our quality of life.

The budget I am introducing today ensures our moving forward.

It contains spending recommendations for fiscal year 1990, and fiscal year 1991 ... as directed by the legislature.

I have included language that permits the introduction of legislation next year, to adjust and reconcile the proposed appropriation levels for fiscal year 1991. This will address the problem of forecasting revenues and expenditures 30 months into the future.

As I did two years ago, I am asking for the budget to be introduced in several bills, rather than in an omnibus budget bill. This will facilitate greater legislative and public understanding.

The proposed G.P.R. spending increases in this budget are 4.1 percent in fiscal year 1990, and 4.5 percent in fiscal year 1991.

I am pleased to report that these increases are well within the level of acceptability recommended by the Wisconsin expenditure commission in 1986. I am also pleased to report that with this budget, spending increases from fiscal year 1988 through fiscal year 1991 average 4.3 percent.

This is the smallest four-year increase in more than 25 years ... and it is less than half the 10 percent annual rate of increase since 1964.

I am recommending G.P.R. spending of \$5.8 billion the first year, and \$6.1 billion the second year.

As in the past, the lion's share of the budget, 56 percent, is returned to local governments.

The next biggest share, 20 percent, goes for assistance for individuals.

About 12 percent is spent on the University of Wisconsin system.

The remaining 12 percent is spent on the operations of all other state agencies.

And now ... on to the details:

Priority Area: Education

Education is vital to Wisconsin's future. My budget includes a strong commitment to continued excellence in education.

UNIVERSITY OF WISCONSIN

Throughout the University of Wisconsin system, we must make a special effort to keep our top faculty and academic staff in Wisconsin.

I recommend a 7.2% catch-up pay increase for faculty, phased in over two years, as well as increases for academic staff.

Our important university and business partnerships also have vital needs. And I have proposed investments of:

- \$5.5 million for a business school improvement fund to be allocated state-wide on a competitive basis ...

- and \$1.9 million in research funds for projects of benefit to the state, such as bio-technology, groundwater protection and manufacturing research.

I have also listened to our students ...

The budget also includes \$6 million in increased funds for libraries ...

... and an additional \$1.5 million for computer purchases over the next two years.

- even with these new initiatives, tuition increases are one-third less than what the regents had proposed.

- in addition, financial aids for students will be increased 11% and 8% in the next two years. We will give every student with need improved access to a university education. At the same time, the proposed new Governor's Scholarship Program will recognize academic excellence, and the College Savings Bond Program will help families save for the education of their children.

For all our students, the UW-System will continue to be an extraordinary bargain.

VTAE:

This budget will strengthen the state and local partnership that has made our vocational, technical and adult education system a national leader.

l am proposing adding \$20 million two-years for general and categorical aids.

- our vocational campuses play a critical role in battling adult illiteracy in Wisconsin. therefore, I am proposing a 68% increase, or \$1.5 million more for basic skills instruction in our V.T.A.E. districts.

I will also be supporting an additional investment of \$500,000 to establish literacy instruction at job training sites.

Far too many of our adult citizens are either totally or functionally illiterate. These measures are absolutely essential in helping to overcome this serious problem.

K-12 SCHOOLS:

- the budget recommends increasing state aids to local schools by \$111 million the first year, and \$115 million in the second year. This includes \$60 million for the largest two-year increase ever in handicapped aids, bringing state support from 57% to 59%.

- in addition, I join Superintendent Bert Grover in proposing the school improvement fund.

This will provide \$7.5 million for school districts to try innovative projects such as early childhood education, gifted and talented programs, merit pay for teachers, and special telecommunications programs in rural districts.

Within the classroom, teachers hold the keys to unlock our children's greatest potential. I am proposing an award program that recognizes Wisconsin's truly excellent teachers.

Every year, one outstanding teacher will be selected from each of the nine congressional districts. Each winner will receive a cash award of \$1,000 ... with an additional award of \$4,000 presented to each of the schools represented.

One of the nine teachers will then be selected as Wisconsin teacher of the year and become the spokesperson for excellent teaching in Wisconsin.

- I am proposing an effective followup to the third grade reading test program.

When students fail, schools will be required to take constructive action.

In addition, 1 am proposing a testing program for eighth graders in the basic skills of reading and math. Such testing will gauge accountability of school instruction, as well as help students catch up and prepare for high school.

- school building safety is a growing concern. I have directed the Department of Industry, Labor and Human Relations to accelerate their inspection of our public schools.

As of January 1st all schools 60 years and older have been inspected. and as we await DILHR's final report, I have proposed to raising the debt limit on school borrowing to facilitate school safety-related improvements...

... as well as giving schools priority access in borrowing from the public lands trust fund.

MILWAUKEE SCHOOLS:

Ladies and gentlemen, the Milwaukee Public School District is a district with special needs and concerns.

This budget makes a strong commitment to the continuation of principles set forth in the 1987 desegregation settlement.

Specifically, as prescribed by the settlement, aid to Milwaukee public schools will increase to \$5 million in fiscal year 1990, and \$7 million in fiscal year 1991.

These dollars will provide continued funds for early childhood education ... as well as the creation of a parent-information center and minority teacher and administrator programs.

Additional support will be provided to site-based management ... and continuation of the successful oneon-one mentor program.

In addition, I am supporting the agreement between Superintendent Peterkin and Mayor Norquist that allows promissory note borrowing authority of \$27.5 million for additional classroom construction.

Priority Area: Minority Programs

As Wisconsin's economy expands, we want to make sure that all our citizens have the opportunity to share in our prosperity.

- to enhance economic opportunities for minorities, the budget recommends creation of a business fund to provide \$500,000 annually for grants and loans to finance business start-ups and expansions.

The fund also provides for the inclusion of a minority business representative on the development

finance board, and \$500,000 in funding for the Milwaukee Enterprise Center, a business incubator.

OTHER PROPOSALS INCLUDE:

- increased funding for minority pre-college scholarships.

- a 28% increase in the talent incentive program for minority and disadvantaged students in their first two years at a university or vocational campus.

- and, increases in minority student retention grant funding.

But that's not all!

- cligibility for the loan forgiveness program for minority graduates who teach in the Milwaukee Public School System is also expanded.

- funding for the minority set-aside in the arts challenge initiative program is increased from 5% to 10%.

- civil service reforms are proposed to allow easier entry into the system.

Also, we will continue state funding of the Job Ride Program to assist Milwaukee central city workers in getting to jobs in suburban areas not served by mass transit.

Priority Area: Urban Issues

Our urban areas provide unique resources to the state, and at the same time have unique problems.

- to help provide cities with adequate resources, I propose to increase shared revenues by \$28 million, or 3.5% in fiscal year 1991.

- I also propose to assist cities in their own economic development efforts by extending tax incremental finance districts from 20 to 25 years.

I also propose the elimination of tax penalities suffered by school districts when TIF districts are created.

- providing adequate housing is a major urban concern. I have proposed a far-reaching initiative that will increase state funding of homeless shelters.

My proposed division of housing and community development will coordinate state efforts to ensure the availability of decent, affordable housing.

My housing initiative also recommends three additional items:

One ... providing state grants to community organizations in the amount of \$400,000 per year.

Two ... assisting low-income renters with a \$1 million per year rental coupon program.

Three ... establishing a one-time funding of \$1 million mortgage assistance program to help first-time home buyers.

Priority Area: Human Services

A comprehensive set of initiatives will help us address the human service needs of Wisconsin's people.

INVESTING IN OUR CHILDREN:

The budget contains measures to enhance the availability and affordability of child care.

- child care funding has increased in Wisconsin at a rate greater than all other states during the last two years. And I am recommending additional increases.

My plan provides \$12 million annually to initiate a child care credit on the state income tax return.

It also provides funds to increase licensing of child care providers, and expand child care resource and referral centers.

Additionally, I am proposing to establish one new child care center each year for state employees ...

And, I am recommending continued support for the kids play center in Madison ...

This budget will also expand the clearinghouse in the Lieutenant Governor's office ... a service that encourages businesses to provide child care for their employees.

- several programs that assist children-at-risk will be started or expanded. One example is the new success in school program that will fund local efforts to address social problems that interfere with school performance.

We will also bolster our effort to curb family violence, providing increased funds for a variety of programs.

I am recommending creation of a program to train counties in using a successful new system that identifies children in need of protection due to abuse or neglect.

The Katie Beckett program, and the family support program, which serve severely disabled children, are also expanded.

NURSING HOMES:

Wisconsin's tradition of providing high-quality nursing home care for our elderly and disabled citizens will continue.

I am proposing a two-year investment of \$51 million to assist nursing homes in attracting qualified staff ... to keep pace with rising costs ... and to provide increased levels of staff training and quality care.

INVESTMENT IN OUR ELDERLY AND DISABLED:

Several other measures are proposed to enhance long-term care for the elderly and disabled.

- I am recommending a 21 percent increase in the community options program. This investment will provide 975 new placements for our elderly and disabled who prefer community-based alternatives to nursing home care.

- also, I am directing the commissioner of insurance to study the feasibility of using tax credits to encourage the purchase of long-term care insurance.

- I want to expand Wisconsin's commitment to the developmentally disabled by providing increased funding for high-cost clients entering the community integration program.

Additional staff is recommended for monitoring community placement of the developmentally disabled.

WELFARE REFORM:

Our welfare reform efforts will continue, with a two-year, \$5 million investment to help expand the work experience job training program to additional counties, and to provide increased support services for recipients seeking to get off welfare.

- anti-fraud efforts are improved by creating an Office of Inspector General for welfare fraud.

We will expand an existing eligibility verification program, and expand efforts to recoup benefits that have been overpaid.

I am also proposing increased penalties for welfare fraud.

And, because welfare migration must be curtailed, I propose requesting a federal waiver to allow us to test a two-tier benefit system.

ALCHOHOL AND OTHER DRUG ABUSE:

My budget will also step up efforts to address the alcohol and other drug abuse problem in Wisconsin.

- 1 propose that the \$5 million in state revenues generated from racing activity in Wisconsin in fiscal year 1991 be targeted to drug and alcohol abuse prevention activities.

These revenues should be dedicated as a separate and continuing funding source, and as revenues grow, our prevention and treatment efforts can expand as well.

Funding for alcohol and drug prevention programs in our public schools will continue, with a new commitment for the creation of drug-free school zones.

STATE/COUNTY PARTNERSHIP IN COMMUNITY SERVICE PROGRAMS: The state will continue to be a good partner with counties when it comes to providing community services.

- I am asking for a 3 percent increase in community aids funding, along with equity increases to ensure all counties 80% of the community aids formula in 1990, and 85% in 1991.

- youth aids will be increased by 3% annually.

- increased institutional costs will be recognized by providing funds for rate increases.

- fiscal pressures on counties will be relieved by transferring to the state the costs of certain violent juvenile offenders placed in correctional institutions, including those committing murder, armed robbery, and first-degree sexual assault.

- with regard to health insurance for the uninsured, my budget fully funds the state health insurance program pilots authorized last session.

These pilots will be implemented starting this year. While other means to provide insurance for the uninsured should continue to be explored, I believe the S.H.I.P. pilots represent a reasonable approach to identifying a solution to this problem, and should remain the principal focus of our efforts at this time.

Priority Area: Veterans

We intend to maintain Wisconsin's strong commitment to veterans assistance programs by allowing more veterans to participate in state programs, and by revising income eligibility standards and grant limits.

- I have also proposed establishing new types of grants to serve new purposes.

Specifically, we will provide for an expansion of the Home Loan Program, including an increase in the income eligibility limits.

I am including funds to expand the veterans trust fund programs, as well as expanded borrowing limits for the Economic Assistance Loan Program.

Also, 1 am proposing the creation of a broader business loan program for small business start-ups, and funding for a retraining grant program for unemployed veterans.

And finally, funds to increase the County Veterans Service Officer Grant.

Priority Area: Justice and Corrections

CORRECTIONS:

I am advocating a separate Department of Corrections to improve the management of our state correctional system. We will be opening five new, or expanded correctional facilities in the next two years, to increase prison capacity by 785 beds.

The correctional system will be more efficient and accountable if it is run by a separate department.

In addition, 1 am proposing a new measure that provides mutual aid funding to cover local law enforcement costs for matters of statewide concern.

JUVENILE JUSTICE:

I am proposing a number of the recommendations made by the Juvenile Justice Task Force, including:

- short-term detention for up to 30 days as an original disposition ... requiring families to participate in counseling and treatment of juveniles ... making additional serious crimes subject to extended court jurisdiction ... requiring notice to local agencies when juveniles are released from institutions ... and beefing up restitution provisions.

DISTRICT ATTORNEYS:

Our criminal justice system can be strengthened by improving our prosecutorial efforts.

- I am proposing that district attorneys and assistant district attorneys become state employees.

Priority Area: The Environment

The budget contains a comprehensive set of initiatives to clean-up and protect our environment, and to conserve our natural resources.

CLEANUP:

Over the last two years, we have increased funding for the environmental repair fund by 106 percent.

This budget proposes to further expand our efforts, with a two-year increase of more than \$8 million.

The funds will provide priority spending to clean up toxic contamination, improve follow-up at spill sites, and respond to ground water contamination at landfill sites.

PREVENTION:

- the budget proposes new policies to make owners and operators of future solid- and hazardouswaste disposal facilities take financial responsibility for the protection of public health and the environment.

To reduce the need to construct and monitor waste disposal sites in the future, expanded state assistance for solid waste recycling will be provided.

A comprehensive market analysis for Wisconsin's recyclables, along with a technical guide to local

recycling and technical assistance and grants for businesses, are important parts of this package.

- to maintain our clean water, several measures are proposed.

New bonding authority of \$227 million is provided to capitalize the new clean water fund, and to begin making low-interest loans to communities for pollution abatement projects, and water quality compliance costs.

- also, I am asking the legislature to join me in committing \$12 million in bonding to fund Wisconsin's share of the Great Lakes Protection Fund.

The Great Lakes Governors propose to create a \$100 million trust fund, to combat water quality threats to the Great Lakes.

CONSERVATION:

- the Lower Wisconsin Riverway Initiative will preserve the scenic beauty of the Lower Wisconsin River, while allowing for responsible development and a strong local voice in managing the riverway area.

- our private/state partnership with the nature conservancy will be strengthened by setting aside \$1 million annually for state purchase of priority natural and scientific resource lands.

Priority Area: Rural Development

I am proposing a broad-based, comprehensive rural development initiative to meet emerging needs, ... including:

- creation of an Agricultural Diversification Program in the Department of Agriculture to provide technical assistance and grants to farmers, agribusinesses and research projects ...

- creation of an Agri-business Loan Fund to allow \$5 million in guaranteed loans to agricultural entrepreneurs ...

- a doubling of state aid to the World Dairy Expo, as a catalyst for growth, and to help Wisconsin attract the World Dairy Center to Madison as an even greater magnet for future development.

Agricultural research, rural outreach, and information delivery will be strengthened by:

- expanding the Dairy Profitability Center ... providing additional farm financial analysis services ... expanding the Center for Economic Development at UW-Superior ... establishing an institute for rural development at UW-River Falls ... and, expanding many other UW efforts focusing on rural Wisconsin.

Additional rural initiatives include:

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- a doubling of funding for rural arts programs ... increasing elderly and handicapped transit aids ... providing funds for a rural well testing program ... and, providing funds for repair of the Emergency Medical Services Communications System.

These additional measures will help our rural areas share in Wisconsin's promising future.

Priority Area: Department of Tourism, Arts and Promotion

Last week I proposed that we create a new cabinet-level Department of Tourism, Arts and Promotion.

This will raise the visibility of tourism and arts activities in Wisconsin. It will also increase the administrative and promotional support available for those activities, in a unified agency.

State Fair Park, the Mississippi Riverway Commission, and Badger State Games will also join the new department.

Last year, Wisconsin enjoyed its best tourism season ever, after we increased our promotional efforts.

- I propose that tourism promotion funding be increased in this budget to \$7 million annually, so we can compete with other states and continue our successes.

l also propose improvements at the Visitor Information Centers in Superior and Kenosha, a new center in Hurley, and the hiring of two new Tourism Development Consultants.

- arts funds will increase to nearly \$2 million annually under this budget. This represents a 66% increase over a four-year period. The budget doubles funding, to \$800,000 for the arts challenge initiative, increases funding for the competitive grants program, and provides one-time funding of \$150,000 for planning efforts to preserve Taliesin.

Priority Area: Economic Development

The funding provided for the Wisconsin development fund in the 1987 budget bill resulted in a remarkable series of economic success stories.

The fund has used \$20.9 million of state money to generate \$94.4 million in private investment, and nearly 13,000 new and re-trained jobs.

- I am recommending an increase in funding for the development fund, to the amount of \$16 million annually.

- we will also increase funding of our Transportation Economic Assistance Program to \$6 million annually. - in addition, I propose creating a Technology Development Center to facilitate the transfer of new technology to state businesses. It will serve as a liaison between businesses and the University of Wisconsin, and provide technical advice to businesses.

- bio-technology is a priority investment for Wisconsin, as well as a primary emerging growth area. To capitalize on our potential in this area, I propose to expand eligibility for Wisconsin development fund grants to include early-stage applied research in biotechnology.

- to ensure that our transportation network continues to be adequate to serve the state's businesses, farms and tourist destinations, the budget includes a \$23 million annual expansion of the Major Highways Program.

Our plan enumerates 16 new major highway projects, and accelerates the completion of four currently enumerated projects.

The transportation budget is funded within existing revenues sources ... and more than 35% of the transportation budget is returned to local governments to pay for local services; local streets and bridges; mass transit; elderly and handicapped transit; and airport, harbor and rail projects.

Priority Area: General Taxes

Taxes have dropped in Wisconsin in recent years, thanks to bi-partisan tax reduction and reform efforts. We are no longer in the top ten states in terms of total tax burden.

I want to continue to reduce taxes and simplify our tax structure.

This budget will result in the state taking in nearly \$45 million less in general tax revenue in the next two years than would be received under current law.

In other words, general taxes in Wisconsin will be \$45 million less during the next two years because of this tax law change!

In addition to the child- and dependent-care credit, I have proposed creating a single-parent exemption credit to assist single parents who work.

- also, our tax simplification efforts will continue.

To conform the state income tax system more nearly to the federal code, the budget will eliminate the \$1,200 cap on non-mortgage interest, conform state farm loss limits to the federal law, and remove the "Heifer Tax" that currently prohibits farmers from deducting expenses as they incur them.

We want the telecommunications industry to grow in Wisconsin, and we want to help hold down costs

for the increasing number of businesses that rely heavily on telecommunications.

Therefore, I propose to continue to reduce telecommunications gross receipts taxes by providing \$16 million in tax relief over the next two years.

Priority Area: Property Tax Relief

Property tax relief is a major issue all across Wisconsin. I want to work together with the legislature to pass meaningful and effective property tax relief legislation this session.

- a year ago, I proposed a comprehensive property tax reform plan that would have resulted in at least a 15 percent statewide reduction in property taxes.

While the legislature debates the merits of differing property tax relief proposals, including constitutional amendments, I hope we can move forward and agree on a specific proposal that will result in <u>immediate</u> property tax relief ... property tax relief this year.

I will continue to do everything I can to find ways to provide property tax relief.

- in this budget, I offer a very substantial property tax relief proposal.

\$635 million in property tax relief is offered under my new proposal ... a plan that involves no new taxes!

- first, to provide increased property tax relief credits to <u>all</u> taxpayers, I propose expanding the school property tax credit by increasing the credit rate to 10%.

- second, to address the farm property tax problem - and to provide relief to <u>all</u> farmers - I propose to create a new farm tax relief credit to pay 10% of all property taxes on agricultural land.

- third, I also propose to expand the homestead credit to provide more property tax relief for lower income people.

Taken together, these three programs will provide additional direct property tax relief. 1.3 million homeowners, renters and farmers will benefit. Of the total relief provided, 96 percent will go to lower- and middle-income taxpayers ... 96 percent!

- the budget also proposes to increase state aids to school districts and local governments. School aids have increased substantially the last two years, and I propose two more years of substantial increases, adding \$111 million to the program in the first year, and \$115 million in the second year.

I also propose to increase shared revenue payments by 3.5%, or \$28 million, in fiscal year 1991.

- to provide an additional incentive to hold down local spending, I propose to create a Levy Restraint Program that would make bonus payments to municipalities and counties that keep their levy increases below 3%.

- the state will continue to be a good partner with local governments by providing increased assistance in a number of other important areas, including water pollution abatement aids, transportation aids, community aids, youth aids and payments for municipal services.

- in addition, the state will pick up certain costs now paid for by the property tax, including district attorney salaries, certain court automation and staff costs, and dam inspection fees.

- control of local government spending will be difficult without better control over the rate of increase of public employee wages. The state's existing mediation/arbitration law diminishes incentives to negotiate settlements, and does not give enough weight to taxpayer ability to pay for settlments.

- ladies and gentlemen, approximately 60 percent of the spending in this budget is devoted to property tax relief.

As with this proposal, i hope that any plan that emerges from the legislature will also contain: major increases in credits to individuals, significant increases in state aids and state pick up of costs currently supported by the property tax, and changes in the mediation/ arbitration law.

If our economy expands even faster than anticipated, generating additional state revenue, the additional funds should be used for additional tax reliefnot more spending.

EARLY RETIREMENT:

In another area of interest, I am proposing reforms to the Employee Pension System that treat employees fairly, while controlling taxpayer costs.

I expect additional recommendations will soon be forthcoming from the retirement study commission.

Conclusion/Challenge to the Legislature

Ladies and gentlemen ...

This budget represents my administration's firm commitment to getting the job done, with Wisconsin excellence, without excessive spending.

If we are to remain economically competitive, and socially responsible, then we must embrace the budgeting and spending principles that have helped Wisconsin regain her competitiveness and vitality these last two years.

We must be like soldiers on the night watch. Alert. Determined. And ever mindful of the people back home whose hope it is that we perform our duty responsibly, and with a firm commitment to justice for all.

I believe the road to continued economic prosperity, and improved opportunities for all our citizens, is the road that is paved with a bi-partisan, unified, effort.

Our work begins today, with the introduction of this budget to the legislature.

Join me, as a partner, in moving Wisconsin "Forward" with confidence, compassion, and continued success.

Together, we will succeed. and Wisconsin will become an even greater place to live and work and raise a family.

11:30 A.M.

The senate reconvened.

INTRODUCTION OF RESOLUTIONS

Senate Joint Resolution 12

Relating to declaring the English language to be this state's official language (first consideration).

By Senators Roshell, Kreul, Andrea, Van Sistine, Kincaid, Buettner, Lasee, Leean and Lorman; cosponsored by Representatives Hamilton, Robson, Prosser, Van Gorden, Tregoning, Farrow and Vergeront.

Read first time and referred to committee on Housing, Government Operations and Cultural Affairs.

Senate Joint Resolution 13

Relating to 4-year terms of office for certain county officers (first consideration).

By Senators Te Winkle, Risser, Helbach, Shoemaker, Lecan, Roshell, Andrea, Kincaid, Van Sistine, Czarnezki and Lasec; cosponsored by Representatives Krusick, Brancel, Duff, Deininger, Lautenschlager, Goetsch, Holschbach, Ladwig, Lorge, Thompson, Volk, Swoboda, Schultz, Musser, Loucks, Bolle, Turba, M. Coggs, Ourada, Zeuske, Radtke, Van Dreel, Stower, Prosser, Boyle and Vanderperren.

Read first time and referred to committee on Urban Affairs, Environmental Resources, Utilities and Elections.

INTRODUCTION OF BILLS

Read first time and referred:

Senate Bill 21

Relating to increasing the penalties for failure to render aid in a boating accident.

By Senators Davis, Lee, Stitt, Adelman and Chilsen; cosponsored by Representatives Panzer, Van Dreel, Farrow, Prosser, Huelsman, Schneiders, Goetsch and Tregoning.

To committee on Judiciary and Consumer Affairs.

Senate Bill 22

Relating to bait dealers and granting rule-making authority.

By Senator Helbach; cosponsored by Representative Gruszynski.

To committee on Transportation, Conservation and Mining.

Senate Bill 23

Relating to the residency requirement for ownership of a racetrack at which pari-mutuel betting is conducted.

By Senator Shoemaker; cosponsored by Representative Antaramian.

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

Senate Bill 24

Relating to required minimum underinsured motor vehicle liability coverage.

By Senators Chvala, Feingold, Ulichny and Davis; cosponsored by Representatives Fortis, Wimmer, Hauke and Tregoning.

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

Senate Bill 25

Relating to distribution of controlled substances to minors and providing a penalty.

By Senators Roshell, Van Sistine, Andrea, Kreul and Lasee; cosponsored by Representatives Volk, Hamilton, Vanderperren, Hasenohrl, Gronemus, Potter, Van Gorden, Musser and Panzer.

To committee on Judiciary and Consumer Affairs.

Senate Bill 26

Relating to the virus that causes acquired immunodeficiency syndrome and providing penalties.

By Senators Roshell, Andrea, Kreul, Lasee, Lecan, Weeden, Buettner and Lorman; cosponsored by Representatives Van Dreel, Wood, Hasenohrl, Van Gorden and Prosser.

To committee on Judiciary and Consumer Affairs.

Senate Bill 27

An act relating to reimbursement of attorneys and investigators for providing services under the state public defender program and making an appropriation.

By Senators Strohl, Ellis and Adelman; cosponsored by Representatives Hauke and Prosser.

To committee on Judiciary and Consumer Affairs.

COMMITTEE REPORTS

The joint committee on Finance reports and recommends:

Senate Bill 11

Relating to suspension, revocation or cancellation of a motor vehicle operator's license.

Introduction and adoption of Senate substitute amendment 1:

Ayes, 16 -- Senators George, Roshell, Helbach, Chvala, Andrea, Czarnezki, Davis and Leean and Representatives Kunicki, Travis, Coggs, Bell, Holperin, Hubler, Panzer and Nelsen;

Noes, 0 -- None.

Passage as amended:

Ayes, 15 -- Senators George, Roshell, Helbach, Chvala, Andrea, Czarnezki, Davis and Leean and Representatives Kunicki, Travis, Bell, Holperin, Hubler, Panzer and Nelsen;

Noes, 1 -- Senator Coggs.

GARY R. GEORGE Co-chair WALTER KUNICKI

Co-chair

The committee on Senate Organization reports and recommends:

Senate Resolution 3

Relating to miscellaneous changes in the senate rules. Adoption:

Ayes, 5 -- Senators Risser, Strohl, Helbach, Ellis and Rude;

Noes, 0 -- None.

FRED A. RISSER Chair

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

VANDEN BRANDEN, DON, of Green Bay, as a member of the Barbering and Cosmetology Examining Board, to serve for the term ending July 1, 1991.

Confirmation:

Ayes, 7 -- Senators Moen, Feingold, Te Winkle, Jauch, Shoemaker, Lorman and Weeden; Noes, 0 -- None.

DUWELL, L. MELODI, of Waupaca, as a member of the Dentistry Examining Board, to serve for the term ending July 1, 1992. Confirmation:

Ayes, 7 -- Senators Moen, Feingold, Te Winkle, Jauch, Shoemaker, Lorman and Weeden; Nocs, 0 -- None.

FAHEY, JOHN, of Madison, as a member of the Barbering and Cosmetology Examining Board, to serve for the term ending July 1, 1991. Confirmation:

Ayes, 7 -- Senators Moen, Feingold, Te Winkle, Jauch, Shoemaker, Lorman and Weeden; Noes, 0 -- None.

FLOWERS, JAMES, of Mequon, as a member of the Nursing Home Administrator's Examining Board, to serve for the remainder of the term ending July 1, 1989. Confirmation:

Ayes, 7 -- Senators Moen, Feingold, Te Winkle, Jauch, Shoemaker, Lorman and Weeden; Noes, 0 -- None.

GILL, NORMAN N., of Fox Point, as a member of the Funeral Directors Examining Board, to serve for the interim term ending July 1, 1989. Confirmation:

Ayes, 7 -- Senators Moen, Feingold, Tc Winkle, Jauch, Shoemaker, Lorman and Weeden; Noes, 0 -- None.

GOODRICH, PATRICIA A., of Madison, as Secretary of the Department of Health and Social Services, to serve for the term ending at the pleasure of the Governor.

Confirmation:

Ayes, 7 -- Senators Moen, Feingold, Te Winkle, Jauch, Shoemaker, Lorman and Weeden; Noes, 0 -- None.

MARTIN, M. E., of Boscobel, as a member of the Veterinary Examining Board, to serve for the term ending July 1, 1992.

Confirmation:

- Ayes, 7 -- Senators Moen, Feingold, Te Winkle, Jauch, Shoemaker, Lorman and Weeden; Noes, 0 -- None.
- MAXSON, PAMELA A., of Hartland, as a member of the Board of Nursing, to serve for the term ending July 1, 1992. Confirmation:

Commation:

Ayes, 7 -- Senators Moen, Feingold, Te Winkle, Jauch, Shoemaker, Lorman and Weeden; Noes, 0 -- None.

SCHELLINGER, JACQUELINE DAVIDS, of Elm Grove, as a member of the Council on Domestic Abuse, to serve an interim term ending July 1, 1989. Confirmation:

Ayes, 7 -- Senators Moen, Feingold, Te Winkle, Jauch, Shoemaker, Lorman and Weeden; Noes, 0 -- None

inone.

THOMAS, SANDRA F., of Milwaukee, as a member of the Medical Examining Board, to serve for the interim term ending July 1, 1992. Confirmation:

Ayes, 7 -- Senators Moen, Feingold, Te Winkle, Jauch, Shoemaker, Lorman and Weeden; Noes, 0 -- None.

TRAVIS, JANE A., of Onalaska, as a member of the Board of Nursing, to serve for the interim term ending July 1, 1990. Confirmation:

Ayes, 7 -- Senators Moen, Feingold, Tc Winkle, Jauch, Shoemaker, Lorman and Weeden; Noes, 0 -- None

54

WILLIAMS, J. T., of Mequon, as a member of the Psychology Examining Board, to serve for the term ending July 1, 1992.

Confirmation:

Ayes, 7 -- Senators Moen, Feingold, Te Winkle, Jauch, Shoemaker, Lorman and Weeden; Noes, 0 -- None.

Senate Bill 13

Relating to changes to the agricultural production drought assistance loan guarantee program.

Passage:

Ayes, 7 -- Senators Moen, Feingold, Te Winkle, Jauch, Shoemaker, Lorman and Weeden; Noes, 0 -- None.

> RODNEY C. MOEN Chair

> > January 30, 1989

PETITIONS AND COMMUNICATIONS State of Wisconsin Legislative Audit Bureau

To the Honorable the Legislature

At the request of the Joint Legislative Audit Committee, we have completed a review of the circuit court automation project proposed by the Supreme Court. The project would spend up to \$24.7 million over the next four years to provide automated court recordkeeping, case processing, and other management assistance to the circuit courts in each county.

Some county officials, pointing to problems with other state-developed systems, have expressed concern that the project will not meet county needs or be most cost-effective. Our review, however, indicates the basic plan does recognize the diversity among counties and has considered the most cost-effective approaches to developing or acquiring the needed systems.

On the other hand, since county cooperation will be crucial to the success of the project, better communication between the Director of State Courts and the counties should have been initiated earlier and will need to be maintained throughout the remainder of the project. Steps must also be taken promptly to coordinate the purchase of equipment for the clerks of court with the equipment proposed for the Child Support Data System being developed by the Department of Health and Social Services.

Finally, there appear to be a number of areas where the Supreme Court's 1989-91 budget request for \$13 million could be reduced.

We appreciate the courtesy and cooperation extended to us by staff in the Director of State Courts' Office and in the various counties we contacted. The Director of State Courts' response is the Appendix.

> Sincerely, DALE CATTANACH State Auditor

State of Wisconsin Legislative Audit Bureau

January 26, 1989

To the Honorable the Legislature

We have completed an evaluation of computer systems development at the Department of Health and Social Services in response to concerns raised by county staff and discussed in our reports on Child Support Enforcement in Milwaukee County (88-44) and Income Maintenance Program Administration (89-3). We reviewed the development of two systems: the Child Support Data System and the Computer Reporting Network.

Substantial sums have been expended by the Department in developing these two systems. However, extended delays in the development have had detrimental effects on the programs the systems were meant to improve. The principal cause of delays in both development projects was the lack of senior management direction.

The redesign of the Computor Reporting Network has cost \$3.5 million since 1982, with limited results. The Department has recently decided to end its efforts to develop the system in-house and purchase an existing system in use in another state at a possible cost of \$14 million. To avoid the problems experienced by other agencies in contracting for systems development (see our recent audit, 89-2, on contracting for Systems Development), the Department will need to work closely with the Department of Administration to ensure the project is well planned and the contract is carefully written and enforced.

The Child Support Data System is expected to have cost \$18.5 million by 1990. Because of recent improvements in management's oversight, that project is meeting its latest deadlines. Its eventual success will depend not only on the Department's management, but the counties' cooperation in the effort. To monitor the Department's progress, we have included a recommendation that the Department report quarterly to the Joint Legislative Audit Committee.

We appreciate the courtesy and cooperation extended to us by the staff of the Department of Health and Social Services and various county agencies. The Departments's response to the evaluation is the Appendix.

> Sincerely, DALE CATTANACH State Auditor

State of Wisconsin Department of Natural Resources

January 25, 1989

To the Honorable the Legislature

We are pleased to submit to you the attached report on waste reduction and economic reindustrialization. This report was requested in the fiscal year 1987-89 budget (1987 Wisconsin Act 27 (Senate Bill 100) Sec. 3040(6x)).

This is a landmark report because it clearly establishes waste reduction, or pollution prevention, as a mechanism by which Wisconsin industries can grow and prosper while simultaneously protecting the health of the environment, workers, consumers, and the general public.

Waste reduction should be the management method of choice in our state. We propose a multifaceted program designed to remove impediments to pollution prevention. Key elements of this program are:

a technical assistance program at the University of Wisconsin-Extension. This program would provide consultation, upon request. to businesses and other waste generators to identify potential waste reduction options.

a new position of waste reduction coordinator within the DNR's Division for Environmental Quality and reporting to the division administrator. This person will initiate and coordinate waste reduction activities and will apply for any available federal funds to augment the state's program.

a waste reduction matching grants program to develop waste reduction opportunities. This grants program would be administered by the Wisconsin Department of Development.

a comprehensive information and education strategy for the state. This strategy would strive to educated Wisconsin waste generators on prevention options and the state's waste reduction program, to link into national information clearinghouses and databanks, and to provide waste reduction training for staff and for the regulated community. This information and education effort would be implemented by both the DNR and the UW-Extension.

a review, by the DNR, of proposed and existing DNR regulations to identify roadblocks to waste reduction and recycling.

a unique approach to funding via a public-private partnership, starting with four years of state funding and phasing into private sector funding after that time.

This report was prepared as a cooperative effort of staff members from our two departments with the recommendations and support of the Wisconsin Committee for Waste Reduction and Recycling. We would like to thank them for their work and commend them for the fine job they have done preparing a consensus recommendations representing such a wide range of interests.

While the statute called for submittal of this report by January 1, 1989, we did take the prerogative of using the

advice of the Wisconsin Committee for Waste Reduction and Recycling in developing this report. Their last meeting was held on December 15, 1988. Accordingly, report writing, editing, printing, and distribution have, of necessity, delayed our submittal.

We hope you will endorse this report and act upon the recommendations. If we can be of further assistance or can provide more information in your further considerations of this important topic, please call on us.

> Sincerely, C. D. BESADNY Secretary

Senate Petition 1

A petition by 546 residents of the State of Wisconsin in opposition to Senate Bill 7, relating to making permanent the requirement that certain motor vehicle operators and passengers use safety belts.

By Senator Lorman.

To committee on Judiciary and Consumer Affairs.

EXECUTIVE COMMUNICATIONS

State of Wisconsin Office of the Governor

January 26, 1989

To the Honorable, the Senate:

I am pleased to nominate and with the advice and consent of the Senate, do appoint COLLINS H. FERRIS of Madison, as a member of the Natural Resources Board pursuant to the statute governing, to serve for the interim term ending May 1, 1989.

Respectfully, TOMMY THOMPSON Governor

Read and referred to committee on Urban Affairs, Environmental Resources, Utilities and Elections.

> State of Wisconsin Office of the Governor

> > January 26, 1989

To the Honorable, the Senate:

I am pleased to nominate and with the advice and consent of the Senate, do appoint JENNIFER Y. HURTGEN of Sparta, as a member of the Board on Aging and Long Term Care pursuant to the statute governing, to serve for the term ending May 1, 1994.

Respectfully,

TOMMY THOMPSON

Governor

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

SENATE CLEARINGHOUSE ORDERS

State of Wisconsin Revisor of Statutes Bureau

February 1, 1989

Donald J. Schneider

Senate Chief Clerk

Dear Mr. Schneider:

The following rules have been published and are effective:

Clearinghouse Rule 86-210 effective February 1, 1989.

Clearinghouse Rule 87- 51 effective February 1, 1989.

Clearinghouse Rule 87-52 effective February 1, 1989.

Clearinghouse Rule 88- 27 effective February 1, 1989.

Clearinghouse Rule 88-51 effective February 1, 1989.

Clearinghouse Rule 88- 52 effective February 1, 1989.

Clearinghouse Rule 88- 54 effective February 1, 1989.

Clearinghouse Rule 88- 78 effective July 1, 1989.

Clearinghouse Rule 88- 85 effective February 1, 1989.

Clearinghouse Rule 88-86 effective February 1, 1989.

Clearinghouse Rule 88-94 effective February 1, 1989.

Clearinghouse Rule 88-99 effective February 1, 1989.

Clearinghouse Rule 88-101 effective February 1, 1989.

Clearinghouse Rule 88-108 effective February 1, 1989.

Clearinghouse Rule 88-123 effective February 1, 1989.

Clearinghouse Rule 88-140 effective February 1, 1989.

Clearinghouse Rule 88-141 effective February 1, 1989.

Clearinghouse Rule 88-142 effective February 1, 1989.

Clearinghouse Rule 88-161 effective February 1, 1989.

Sincerely, GARY L. POULSON Assistant Revisor

Senate Clearinghouse Rule 88-3

Relating to the designation of additional highways upon which combination vehicles greater than 60 feet in overall length will be allowed to operate.

Submitted by Department of Transportation.

Report received from agency, January 26, 1989.

Referred to committee on Transportation, Conservation and Mining, January 31, 1989.

Senate Clearinghouse Rule 88-120

Relating to recodifying the rules of the commissioner of savings and loan.

Submitted by Office of the Commissioner of Savings and Loan.

Report received from agency, January 30, 1989.

Referred to committee on Education, Economic Development, Financial Institutions and Fiscal Policies, January 31, 1989.

Senate Clearinghouse Rule 88-135

Relating to waiver of the slow-no-wake speed restriction on Lake Tombeau, Walworth County. Submitted by Department of Natural Resources.

Withdrawn by agency, January 27, 1989.

Senate Clearinghouse Rule 88-160

Relating to addition of a substance to the schedules of the Uniform Controlled Substances Act.

Submitted by Department of Health and Social Services.

Report received from agency, January 30, 1989.

Referred to committee on Agriculture, Health and Human Services, January 31, 1989.

Senate Clearinghouse Rule 88-182

Relating to motor vehicle salvage pools and establishing a program to identify participants with buyer identification numbers and cards.

Submitted by Department of Transportation.

Report received from agency, January 26, 1989.

Referred to committee on Transportation, Conservation and Mining, January 31, 1989.

The committee on Aging, Banking, Commercial Credit and Taxation reports and recommends:

Senate Clearinghouse Rule 88-52

Relating to recertification of assessors and assessment personnel, fair market value on real and personal property tax bills and waste treatment facilities for manufacturers.

No action taken.

RUSSELL D. FEINGOLD Chair

CALENDAR OF JANUARY 31, 1989

Senate Bill 3

Relating to compensation for sheriffs.

Read a second time.

Ordered to a third reading.

Senator Helbach, with unanimous consent, asked that the bill be considered for final action at this time.

Senate Bill 3

Read a third time and passed.

Senator Strohl, with unanimous consent, asked that the senate recess until 11:54 A.M..

11:41 A.M.

RECESS

11:54 A.M.

The senate reconvened.

Senator Strohl, with unanimous consent, asked that the rules be suspended and the senate take up the supplemental calendar.

Senator Davis objected.

Scnator Strohl, with unanimous consent, asked that the rules be suspended and Senate Bill 13 be taken up.

Senate Bill 13

Relating to changes to the agricultural production drought assistance loan guarantee program.

Read a second time.

Senate amendment 1 to Senate Bill 13 offered by Senators Moen and Lasee.

The question was: Adoption of senate amendment 1? Adopted.

Ordered to a third reading.

Senator Strohl, with unanimous consent, asked that the bill be considered for final action at this time.

Read a third time.

Ξ.

By request of Senator George, with unanimous

consent, Senate Bill 13 was referred the joint committee on Finance. By request of Senator George, with unanimous consent, Senate Bill 13 was withdrawn from the joint committee on Finance and considered for action at this time.

Senate Bill 13

Senator Strohl, with unanimous consent, asked that the rules be suspended and Senate Bill 11 be taken up.

Senator Davis objected.

Senator Strohl, with unanimous consent, asked that Senate Bill 13 be laid on the table.

Upon motion of Senator Strohl the senate adjourned until 10:00 A.M. Thursday, February 2.

12:07 P.M.

AMENDMENTS OFFERED

Senate amendment 1 to Senate substitute amendment 1 to Senate Bill 11 by Senator Adelman.

Senate amendment 2 to Senate substitute amendment I to Senate BH 11 by Senator Adelman.

Senate amendment 1 to Senate Bill 6 by Senator Feingold.