

Eighty-Ninth Regular Session

WEDNESDAY, August 9, 1989

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

INTRODUCTION OF BILLS

Read first time and referred:

Senate Bill 256

Relating to prohibiting sheltering and concealing runaway children and providing a penalty.

By Senators Buettner, Andrea, Rude and Chilsen; cosponsored by Representatives Wincke, Lautenschlager, Underheim, Grobschmidt, Krusick, Linton, Rosenzweig, Panzer, Wood, Robson, Duff, Huber, Plache, Zien, Gard, Lewis, Lorge, Schmidt, Brandemuehl and Lepak.

To committee on Judiciary and Consumer Affairs.

Senate Bill 257

Relating to reimbursement of certain travel expenses incurred by individuals holding elective state offices.

By Senators Cowles, Lee, Ellis, Buettner, Lorman, Rude and Farrow; cosponsored by Representatives Barrett, Nelsen, Duff, Antaramian, Goetsch, Klusman, Underheim, Huelsman, Lorge and Lewis.

To committee on Housing, Government Operations and Cultural Affairs.

Senate Bill 258

Relating to authority of peace officers to close disaster areas and providing a penalty.

By Senator Adelman; cosponsored by Representative Fortis.

To committee on Judiciary and Consumer Affairs.

Senate Bill 259

Relating to property exempt from execution.

By Senators Adelman, Moen, Lorman, Buettner, Lee, Burke and Farrow; cosponsored by Representatives Barrett, Lautenschlager, Goetsch, Deininger Huelsman, Hamilton, Radtke, Bell, Schmidt, Vanderperren, Seery, Gruszynski, Van Dreel, Lorge, Holperin, Van Gorden, Moore, Huber, Bolle, Holschbach and Baldus.

To committee on Judiciary and Consumer Affairs.

enforcement of the clean indoor air law and providing a penalty.

By Senator Burke.

Read and referred to committee on Agriculture, Health and Human Services.

State of Wisconsin
Office of the Commissioner of Insurance

August 1, 1989

To the Honorable the Legislature:

Re: **Assembly Bill 116** relating to insurance coverage of mammograms to detect the presence of breast cancer.

This report is prepared pursuant to s. 601.423, Wis. Stat., to provide information to the Legislature on the social and financial impact of **Assembly Bill 116** if it is enacted into law.

Sincerely,

ROBERT D. HAASE

Commissioner

State of Wisconsin
Office of the Commissioner of Insurance

August 1, 1989

To the Honorable the Legislature:

Re: Health Insurance Social and Financial Impact Report

Required by s. 601.423, Wis. Stats.

Assembly Bill 164 Mandate contained in the bill: Adopted children to be covered under health insurance plans the same as other dependent children.

The bill contains no requirement that a particular type of health care treatment or service be covered. There for, the factors relating to treatment or services would not apply.

Sincerely,

ROBERT D. HAASE

Commissioner

PETITIONS AND COMMUNICATIONS

Senate Petition 11

A petition by 16 residents of the State of Wisconsin in opposition to Senate Bill 66, relating to the coverage and

State of Wisconsin
Office of Commissioner of Banking

July 21, 1989

To the Honorable the Legislature:

Re: 1988 Annual Report - Office of Commissioner of Banking

The 1988 Annual Report regarding the operations of the Office of Commissioner of Banking, the entities we regulate, and the statutes and administrative rules administered by this office is presented for your review.

Nineteen eighty-eight was a year of growth and change for Wisconsin state banks. The number of state bank charters was reduced, through consolidation, from 443 to 416. However, total assets grew from \$24.4 billion to \$25.6 billion, an increase of 4.9%. Assets had declined by 0.5% in 1987. The 1988 growth in assets is even more significant in light of the problems pervading financial institutions throughout the United States. Wisconsin state banks, as a whole, meet the statutory criteria for safety and soundness.

The past year also included the enactment of 1987 Wisconsin Act 252, an omnibus banking bill providing benefits both to the banking industry and this agency. The legislation clarified current laws, eliminated obsolete requirements and provided the agency with new powers, such as cease and desist authority.

The Consumer Credit Division's administration of the Wisconsin Consumer Act continued to display its sensitivity to consumer concerns, rights and responsibilities through examination of its licensees and complaint process resulting in refunds of \$303,570.10 to consumers from various creditors. Continued monitoring of consumer problems resulted in a variety of lawsuits filed with the Wisconsin Department of Justice to enforce consumer protection legislation.

The licensees of the Consumer Credit Division continue to operate in a manner consistent with state law. Their industries will be the subject of an omnibus consumer credit bill now being drafted for introduction during this legislative session.

This agency will continue to carry out its regulatory mission. Maintaining an effective dialog with industry representatives and concerned citizens is a key component used by this office to carry out this mission. Through the establishment and maintenance of such effective working relationships, we will all benefit.

Sincerely,
TOBY E. SHERRY
Commissioner
Commissioner

EXECUTIVE COMMUNICATIONS

State of Wisconsin
Office of the Governor

To the Honorable, the Senate:

I have approved **Senate Bill 31** as **1989 Wisconsin Act 31** and deposited it in the Office of the Secretary of State.

I was generally pleased with the budget passed by the Legislature and with the bipartisan process that was followed. Through the use of my veto power, a good budget has been improved.

This budget continues my commitment to keeping state spending under control. The average annual spending increase over the four years covered by this budget and my previous budgets is 4.5%, the smallest four-year increase in the last 25 years. Our sustained effort to keep spending increases under inflation and within the guidelines set by the Wisconsin Expenditure Commission is succeeding.

At the same time, this budget advances my goals of making Wisconsin more economically competitive and improving our excellent quality of life. The budget invests state resources wisely to build on the successes and momentum of the past several years. We can be proud of the legacies this budget will provide to the people of Wisconsin.

Economic Development

- * The highly successful Wisconsin Development fund is increased to \$29 million over a two-year period.
- * A rural development program is established, including components for agricultural diversification and sustainable agriculture.
- * A science and technology initiative is created to make Wisconsin a leader in developing and applying new technologies.
- * A Minority Business Fund is established to encourage business development and improve employment opportunities for minorities.
- * Tourism Promotion funding is increased by \$2 million per year.

Education

- * A new Academic Excellence Scholarship Program is created to recognize academic achievement, and increases are provided in other student grants and loans as well.
- * Alcohol and drug abuse education, prevention and intervention activities are funded in the Department of Public Instruction.

VTAE schools and the UW System, and drug-free zones are established.

- * A \$116 million annual increase in state aid is provided to support local schools, the largest dollar increase in the budget.
- * State funding for the arts is increased by 45%.
- * University of Wisconsin faculty salaries are increased to attract and retain the best university faculty.

Environment

- * A \$250 million Stewardship Fund for land acquisition is established to ensure the preservation of natural areas and parklands for future generations.
- * The Lower Wisconsin Riverway is created, balancing environmental preservation with the interests of private landowners.
- * The Great Lakes Protection Fund is jointly created with other states to provide an endowment for water quality.
- * The Clean Water Fund is capitalized with \$243 million in bonding to continue the construction of water pollution abatement facilities.
- * Increased funding is provided for the Environmental Repair Fund and the Petroleum Environmental Cleanup Fund.

Tax Reform and Property Tax Relief

- * A new Earned Income Tax Credit is created to target \$18 million annually to the working poor most in need of tax relief.
- * Eligibility for the Homestead Property Tax Relief Program is expanded, with a factor added to the program to increase benefits as the number of dependents increase.
- * A one-time \$178 million property tax credit is provided to return temporary surplus funds to taxpayers for property tax relief.
- * A new permanent Farmland Tax Credit is created to help farmers, the group most affected by high property taxes.
- * The School Property Tax/Rent Credit is permanently increased

from 8.5% to 10% to benefit residential taxpayers.

Human Services

- * A separate Department of Corrections is created to provide a better structure for managing correctional facilities and programs.
- * Over \$450,000 is provided to increase research, testing and public education on Lyme Disease.
- * Funds are provided to purchase drugs for AIDS patients and make grants to organizations that provide life support services to AIDS patients.
- * Community Aids funding is increased by 6% annually, Youth Aids by 5% and 6% and County Income Maintenance Aids by 4% annually.
- * Over \$18.5 million is provided to protect a spouse's monthly income and resources when the other spouse needs nursing home care under the Medical Assistance Program.

I believe this is an especially good budget for local governments, the basic service providers to state residents. Increases in shared revenues, forestry aids, highway aids, state payments for municipal services, community aids, youth aids and income maintenance administration aids, along with state assumption of district attorney salaries, will ensure that local government is financially stable. To avoid imposing new costs and requirements on local governments, unfunded local government and school district mandates were vetoed.

I used my partial veto power a total of 208 times in this budget bill. This is more than I would have liked, but less than I contemplated.

I genuinely wanted to limit the number of vetoes in the bill. However, I am equally sincere in believing that far too many items in the bill did not have adequate public hearings, were hurriedly drafted or simply did not belong in a budget bill. In many cases, I followed the practice from my previous two budgets and vetoed such items. In some cases, I used partial vetoes to make necessary technical corrections.

In several cases I vetoed items that should have been approved through established procedures, such as building projects which should be approved by the Building Commission. Some items, like the renaming of state parks, were vetoed because a better process should be developed than simply using the budget bill because it is convenient to do so.

I recognize the reasons that amendments are added to the budget bill. It is often the quickest and easiest way to

get legislation passed. Too often committee chairs keep bills bottled up until the budget bill becomes the only way to get something enacted. The Legislature needs to reform its own process to remove the incentives to pack items into the budget bill.

In some cases, I reluctantly approved items even though I had misgivings about them. In at least six instances in this budget the Legislature requested the Legislative Council, a service agency that is run entirely by the Legislature, to study a particular matter. These requests do not need to be in an already complex budget bill. However, since these studies are generally worthy and will need Legislative Council approval anyway, they were not vetoed.

I am particularly concerned about stating new programs that require more state spending or borrowing. I vetoed many such programs. Although I reluctantly approved new bonding for dam maintenance and repairs, I want to go on record as recommending that these expenditures be one-time only.

It should not come as a surprise that I vetoed with an eye toward reducing spending and improving the bottom line. The budget passed by the Legislature left a projected general fund balance of \$71 million at the end of fiscal year 1991, just \$10 million above the 1% balance required by law.

My vetoes increase the ending balance by nearly \$40 million. We should not spend every dollar we think we might get over the next two years. The vetoes help limit our spending increases and represent a more responsible approach to budgeting.

Finally, I was disappointed that several important items were not included in the budget. The Legislature did not approve the merger of tourism and arts that I had proposed. There was debate but little substance on the issue of parents' choice in education, which would have especially benefited low-income families in Milwaukee by giving them the power to select from a wide range of schools in choosing how to educate their children. Mediation/arbitration changes that are so necessary to limit property tax increases were dropped by the Legislature.

Overall, the budget had strong, bipartisan legislative support. The budget process is improving and the product is a good one. Wisconsin is a state on the move and this budget will help us continue to move forward.

Respectfully,
TOMMY THOMPSON
 Governor

**ITEM VETO
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A. EDUCATION

1. Reduced Kindergarten Class Size
Sections 195 [as it relates to s. 20.255 (2) (br)], 317r, 2322s and 3044 (7g)

These provisions create an aid program for school districts to add staff to reduce kindergarten class size. In addition, the State Superintendent of Public Instruction is required to do a study of class size. I am vetoing the provisions related to the aid program because the payments reward those districts which have the highest pupil/teacher ratios while providing no funding for districts which already meet the target ratio. I am also vetoing the aid program because the need for an additional \$2.6 million expenditure has not been demonstrated.

Furthermore, the importance of class size varies by district and is influenced by such local factors as teacher experience and student needs. In those districts where the incidence of low-income and low-achieving pupils is the greatest, the statewide expansion of the Grants for Preschool to Grade 5 Program included in this budget will provide incentives to reduce classroom ratios. In general, however, determining appropriate pupil/teacher ratios should be left to local school boards.

Finally, I am vetoing section 3044 (7g) because, as worded, it would not provide an objective analysis of the impact of class size on the quality of education. If the State Superintendent chooses to study the impact of class size on the quality of education, the study can be undertaken without this narrow directive. I am requesting the Department of Administration Secretary to place the \$15,300 allocated for this study in appropriation s. 20.255 (1) (a) into unallotted reserve in fiscal year 1989-90 to lapse to the general fund.

2. School District Mandates

Sections 2271p, 2271s, 2277e, 2277m, 2277s and 2318m

These provisions establish new school district mandates. I am vetoing these provisions because they are either unfunded mandates or appear to duplicate existing provisions.

Sections 2271p, 2271s, 2277e, 2277m and 2277s require local school district staff to recommend to their school boards alternative programs and to prepare annual written reports for pupils who have been evaluated and found not eligible for special education services. These provisions create additional paperwork for school districts with no apparent benefit. Under current law, parents and guardians have the right to request alternative programs and curriculum modifications for their children and to appeal school district placement decisions.

Section 2318m extends a data reporting provision affecting only Milwaukee public schools to the rest of the state. The provision is unnecessary because, under current law, the State Superintendent has the authority to collect any data the Department of Public Instruction requires. I would support efforts to improve the quality and uniformity of school district data and data collection techniques, especially if such action reduces duplicative paperwork for local school districts. These objectives can be achieved under existing law.

3. Foreign Language Requirement

Sections 2319r and 2322e

These sections require school districts to develop foreign language curriculum plans for grades 9 to 12 and implement foreign language instruction for grades 7 and 8 by 1991-92, and to develop curriculum plans for grades 5 to 8 and implement foreign language instruction in grades 5 and 6 by 1994-95. I am vetoing provisions in

these sections to limit the foreign language requirement to grades 7 and 8, beginning in the 1994-95 school year.

A strong argument can be made that foreign language literacy will become increasingly important for the United States to maintain and improve its competitive position in world markets. By delaying implementation of the foreign language requirement for grades 7 and 8 until the 1994-95 school year, school districts will have sufficient time to prepare to implement this initiative and state funding can be included in a subsequent budget.

4. Competitive and Incentive Grant Programs

Sections 86g, 195 [as it relates to s. 20.255 (1) (cm) and (cp)] and (2) (ch) and (ck)], 308g, 308k, 318g, 318m, 709n, 2258m, 2267m and 2287m

These provisions create new grant programs for local school districts and nonprofit agencies. I am vetoing these provisions because these grant programs increase state expenditures while, in large part, duplicating existing programs.

Sections 86g, 195 [as it relates to s. 20.255 (1) (cm) and s. 20.255 (1) (cp)], 308g, 308k, 709n and 2267m create an Environmental Education Coordinating Council and Environmental Education Grant Program. An environmental education council would increase the size of the bureaucracy while essentially duplicating services already available in existing state agencies. The Department of Public Instruction employs a full-time environmental education consultant to provide curriculum planning assistance to local school districts and has published an environmental education curriculum planning guide. The Department of Natural Resources currently provides leadership in environmental education through Project Wild and Project Learning Tree.

The need for a new grant program in environmental education is also difficult to justify. Existing DPI standards require pupils to be instructed in the conservation of natural resources and require local school districts to have curriculum plans in environmental education. Furthermore, the state equalization aid program shares in the cost of all school district environmental education programs.

Sections 195 [as it relates to s. 20.255 (2) (ch)], 318g and 2287m create a new at-risk grant program for pupils in grades 7 to 12 who are two or more years behind their age group in credits attained or in basic skill levels and meet the existing definition of children at risk. The grant program could support services for no more than 250 pupils, 150 of whom could be in Milwaukee public schools. These pupils are currently eligible to receive aid supplements under the existing Children at Risk Program. Furthermore, 60% of the funds could go to Milwaukee public schools which will receive substantial increases in aid through the Preschool to Grade 5 Grants Program and the Aid to Milwaukee Public Schools

appropriation, both of which focus their resources on preventing children from becoming at risk.

Sections 195 [as it relates to 20.255 (2) (ck)], 318m and 2258m create an incentive grant program for school districts to implement breakfast programs. However, it is doubtful that the size of the incentive (\$.05 per breakfast for one year only) will be adequate to persuade many districts to initiate a breakfast program. Furthermore, the school breakfast program would duplicate the existing Wisconsin Morning Milk and the Federal School Breakfast programs.

5. Learning Assistance Grants

Section 2266s

This section provides competitive grants to school districts to design and implement programs to assist pupils experiencing learning difficulties, to reduce class size, to provide parent and staff training, to coordinate human services and educational programs, to integrate early childhood education and day care, to improve gifted and talented education and to assist pupils from Indo-Chinese language groups. I am vetoing parts of this section to limit the grants to early childhood/day care, gifted and talented and Indo-Chinese assistance programs.

The \$1.4 million appropriated is not adequate to provide meaningful grants for the range of programs included in the language. Furthermore, grants for reducing class size and encouraging parental involvement duplicate elements of the Preschool to Grade 5 Grants Program. My veto will retain grant programs I included in my budget recommendation for a school improvement fund and add the provision designed to assist Indo-Chinese pupils. The State Superintendent will be able to target funds to gifted and talented programs, limited-English programs for Indo-Chinese pupils and programs which integrate early childhood education and day care.

6. Special Transfer Aid

Section 2338t

This section creates a hold harmless provision in the Special Transfer (Chapter 220) Aid Program that would allow Madison to continue to receive at least the same amount of Chapter 220 aid that it received in 1988-89 independent of what the special transfer aid formula generates. I am vetoing this section because it applies only to Madison though other districts receiving this aid (Beloit, Milwaukee and Racine) might also experience decreases. Since Chapter 220 aid is funded out of the general equalization aid appropriation, this veto will make more general equalization aid available to other school districts in those years where Madison's Chapter 220 aid falls below its 1988-89 amount.

7. Self-Insurance for School Districts and Counties

Sections 1716m, 2317g, 2317h, 2317i, 2317j, 2740m and 2740n

These provisions limit the ability of school districts and counties to establish self-insurance plans for health care

benefits. They include provisions raising the minimum number of employees, requiring self-insurance plans to meet the regulations governing employee welfare benefits and requiring multi-county or school district plans to provide identical coverage to all employees in participating districts. I am vetoing these provisions because there has been virtually no public discussion of their merits, costs and benefits have not been analyzed, the provisions may be overly restrictive and it is unclear what concern they are attempting to address. In addition, it is possible that these provisions would increase costs for many school districts and counties.

8. In-Service Training Days

Section 2249x

This provision permits school districts to count in-service training days related to state educational standards among the five in-clement weather/parent conference days (out of 180) a school can be closed without a required make-up day. I am vetoing this provision because the need to provide sufficient school days to educate our children is more important than providing additional days off from school. According to DPI, only 19 of Wisconsin's 430 school districts provided as few as the minimum 175 required instructional days in the 1987-88 school year. If retained, this provision could substantially increase the number of school districts moving closer to the 175 minimum. Furthermore, the provision does not limit the number of days which could be used for in-service training.

9. Milwaukee Public Schools Contracts with Private Agencies

Sections 2283, 2284 and 2285

These sections limit, to grades 9 to 12, the authority of Milwaukee public schools to contract with private, nonprofit agencies to provide programs for children at risk and require that private agency programs are capable of meeting the needs of children at risk. I am vetoing the provisions restricting Milwaukee public schools from contracting to allow for the renewal of existing contracts for middle school pupils and restricting the possible expansion of services to the elementary grades where the school district deems it appropriate.

10. Aid to Milwaukee Public Schools

Sections 195 [as it relates to s. 20.255 (2) (cc)], 319, 2309m and 2316m

Section 2309m permits Milwaukee Public Schools to allocate up to \$385,000 of the aid received under the Aid to Milwaukee Public Schools appropriation to extended day educational programs for 3-year-olds to 6-year-olds. I am vetoing section 2309m to increase the funding available to expand the number of full-day kindergarten programs in Milwaukee.

The Aid to Milwaukee Public Schools appropriation was created to improve the quality of education in Milwaukee. These funds should be used for expanding

educational opportunity and not to provide additional day care services.

Sections 319 and 2316m require the 1990-91 spending plan for this appropriation to receive the approval of the State Superintendent, Governor and Joint Committee on Finance. I am vetoing the provisions in sections 319 and 2316m which require that the Milwaukee Public Schools spending plan be approved by the Joint Committee on Finance and reviewed by the appropriate legislative standing committees. No other school aid appropriation is required to have Joint Committee on Finance approval of a spending plan before funds can be expended.

Finally, provisions in sections 195 [as it relates to s. 20.255 (2) (cc)] and 319 change the appropriation from an annual to a continuing appropriation. I am vetoing these provisions because annual appropriations provide a level of executive and administrative oversight which I believe is generally necessary to maintain program effectiveness and accountability. I am retaining the provision for a one-time carryover of fiscal year 1988-89 unexpended funds in this appropriation, recognizing that fiscal year 1988-89 was the first year of this program.

11. Administrator Assessment Center

Section 2251e

This section requires the State Superintendent to spend at least \$96,800 of federal discretionary funds received under 20 USC 3851 (the education block grant) to maintain the Administrative Assessment Center, which provides personnel evaluation services to prospective administrators. I am vetoing this section because these funds are allocated to states to be used to fund special projects at the discretion of the State Superintendent. While I support the continuation of the Administrative Assessment Center, it is important that the State Superintendent have sufficient discretion to apply these federal funds where the need is greatest.

12. Morning Milk Program

Sections 2258p, 2258q, 2258r and 2258s

Sections 2258p, 2258q and 2258r change the reimbursement of school district costs in the morning milk program from a prior year basis to a current year basis beginning in the 1991-92 school year, and provide for payment of both prior and current year costs in 1991-92. I am vetoing these sections to retain prior year reimbursement. All other school aid programs, excluding competitive grant programs, reimburse districts on a prior year basis. Furthermore, a double payment in 1991-92 would increase state spending by at least \$300,000 with no increase in participation.

Section 2258s requires the State Superintendent to report to the Legislature by May 1 each year on the level of participation. I am vetoing this section because no rationale has been provided for why an annual report needs to be mandated for the Morning Milk Program. I encourage the State Superintendent to maintain program

data and to make that data available to interested parties.

13. Preschool to Grade 5 (P-5) Grants

Section 2270c and 2270g

These sections replace the requirement that pupils attending schools receiving P-5 grants be tested annually in basic subject areas with an evaluation developed by the local school board and approved by the State Superintendent. I am vetoing these sections because the state needs to maintain a strong testing component in this program. The P-5 grant program is designed to help overcome the effect that poverty can have on pupil learning. To ensure that P-5 program continues to achieve that goal and that the most effective components are identified and expanded, a comprehensive testing program is essential. Furthermore, provisions which I am retaining to expand the program statewide make it important that a uniform testing program be implemented in all districts aided under this provision.

14. Alcohol and Other Drug Abuse Grant Programs

Section 2266m

This section establishes criteria for school districts to receive grants for alcohol and other drug abuse prevention and intervention programs funded under s. 20.255 (2) (fi) and (w). I am vetoing the provision which requires school districts to have a designated alcohol and other drug abuse prevention and intervention program coordinator because this requirement will pose a particular hardship for smaller school districts and could result in a substantial portion of the grant going to pay the coordinator's salary rather than to provide services to pupils.

15. Special Hearings and Studies

Sections 3044 (3g) and (5g)

Section 3044 (3g) requires the Department of Public Instruction to hold hearings to review administrative rules on classifying children as learning disabled. I am vetoing this section because the State Superintendent currently has the authority to hold hearings and to review and request modification of these rules if it is believed that such action is necessary.

Section 3044 (5g) requires DPI to study the issue of suspected child abuse by teachers and other persons licensed by DPI. I am vetoing this section because, under current law, the Department does not have the authority to receive information on suspected incidents of child abuse as reported to county departments of social services. The lack of data would severely limit this study.

16. Minimum Aids

Sections 2333s and 2333v

Section 2333s increases the minimum aid guarantee to \$400 per pupil for districts with property tax levies greater than 107% of the state average. I am vetoing provisions which limit the increase to districts serving only grades kindergarten to grade 12 which meet certain

enrollment and income restrictions. These additional criteria are unrelated to a district's need for the additional aid. The intent of this veto is to apply the 107% average property tax levy criterion uniformly to districts operating the same grades.

Section 2333v provides a \$100 per pupil minimum aid guarantee to all districts that do not qualify under other minimum aid eligibility criteria. I am vetoing the provision in this section which limits this guarantee to the 1989-91 biennium. None of the other minimum aid increases included in Senate Bill 31 are restricted in this way.

17. Graduate Assistant Salary Adjustments

Section 3055 (2g)

This section would allocate \$208,700 GPR and \$91,300 student fee revenues in fiscal year 1989-90 and in fiscal year 1990-91 for special supplemental salary increases for program, project and teaching assistants in the University of Wisconsin system. I am vetoing the section because this group of employees is in a bargaining unit and compensation issues affecting them should be resolved at the bargaining table. To allocate supplemental salary increases over and above the agreed upon settlement would circumvent the bargaining process. I am requesting the Department of Administration Secretary to hold in unallotted reserve in s. 20.285 (1) (a), \$208,700 in fiscal years 1989-90 and 1990-91 to lapse to the general fund. I am also requesting the Department of Administration Secretary to hold in unallotted reserve in s. 20.285 (1) (im), \$91,300 in fiscal years 1989-90 and 1990-91.

18. UW-Madison Athletic Department

Sections 712m and 3008 (17s)

Section 712m specifies that the Dean of the UW-Madison School of Business and the President of the University of Wisconsin Foundation will be members of the UW-Madison Athletic Board. I am vetoing the section because the Board currently has sufficient representation from the business community. It is unnecessary to specify the constitution of the UW-Madison Athletic Board in the statutes.

Section 3008 (17s) directs the State Building Commission to allocate \$200,000 in fiscal year 1989-90 to conduct a site selection study for an indoor sports facility to be constructed on the UW-Madison campus. I am vetoing the section because a similar study was completed in February 1989 at a cost of \$84,000. An additional study would be duplicative and a needless expense.

19. Student Tuition Adjustments

Sections 709p, 709r and 709t

Section 709r requires the Board of Regents of the University of Wisconsin to establish, beginning in the fall semester of 1990, a per-credit tuition structure for undergraduate students. I am vetoing the section and partially vetoing section 709p to reflect that veto because I believe the Board of Regents should make this type of

policy decision for the operation of the University system. However, I encourage the Board of Regents to consider the per-credit fee structure, to recognize the circumstances of part-time students.

Section 709t extends the nonresident tuition exemption to full-time public employes, their spouses and dependents who are new residents of Wisconsin. I am vetoing this section because 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.

20. Reimbursement of Graduate Student Travel Expenses

Section 704g

This section allows the Board of Regents to reimburse travel expenses incurred by potential applicants who are being recruited for admission to any UW graduate school. I am vetoing the section because I believe it is not necessary to reimburse travel expenses in order to attract high-quality graduate students to the University.

21. Child Support Supplement Program Evaluation

Section 3055 (6p)

This section requires the University of Wisconsin-Madison Institute for Research on Poverty to evaluate the Child Support Supplement Program which is under section 46.257 of the statutes. I am vetoing this section because the Department of Health and Social Services, under current law [s. 46.257 (6) (d)], is directed to evaluate the impact of the program and report to the Governor and each house of the Legislature by January 1, 1989. The Department of Health and Social Services has not undertaken the evaluation because the Child Support Supplement Program has not been implemented yet. However, correspondence between the Department and the Co-Chairs of the Joint Committee on Finance confirms the Department's intent to comply with the requirement once the program has been implemented. I am requesting the Department of Administration Secretary to hold in unallotted reserve in s. 20.285 (1) (a), \$125,000 GPR in fiscal year 1989-90 and \$35,000 in fiscal year 1990-91 to lapse to the general fund the funds provided for this evaluation.

22. Physician Loan Forgiveness Program

Sections 95h, 195 [as it relates to s. 20.285 (1) (fb) and (js)], 327p, 329r, 713cm and 3055 (6g)

These provisions establish a new Physician Loan Forgiveness Program to be administered by the Board of Regents of the University of Wisconsin, and create a Council on Physician Loans. The program would repay up to \$50,000 in medical school loans on behalf of physicians who agree to practice in medical shortage areas.

I am vetoing these provisions because the budget includes additional funding for an existing program, the Community Physician Recruitment Program, which also has the goal of increasing physician service in rural areas.

I prefer to expand the existing program rather than create a new program with additional staffing and administrative costs.

I am requesting the Department of Administration Secretary to hold in unallotted reserve in s. 20.285 (1) (a), \$26,900 GPR and the associated 1.0 new position in fiscal year 1989-90 and in fiscal year 1990-91, to lapse to the general fund.

23. Solid Waste Experiment Centers

Section 705g

This section establishes a research program to develop and demonstrate alternatives to solid waste disposal, including recycling and disposal of household hazardous wastes. A nine-member Solid Waste Research Council would be created to set research priorities. I am vetoing the creation of this council. While the Solid Waste Experiment Program is worthwhile, it is unnecessary to create a large research council for a small program. The Board of Regents should set the research priorities. However, I am not vetoing the Solid Waste Experiment Centers Program.

24. Distinguished Professorships

Section 3055 (5j) (a) (2)

This provision directs the Board of Regents to allocate from the appropriation under s. 20.285 (1) (a), \$56,000 in fiscal year 1989-90 and \$75,000 in fiscal year 1990-91 for distinguished professorships. I am vetoing the provision because a separate appropriation, s. 20.285 (1) (am), has been established with adequate funds to support distinguished professorships.

25. Incentive Grants Biennial Appropriation

Sections 195 [as it relates to s. 20.292 (1) (dc)], 333m and 3057 (3d)

These sections change the Vocational Technical and Adult Education Incentive Grants appropriation from a continuing appropriation to a biennial appropriation. I am vetoing these sections to provide the State VTAE Board with sufficient flexibility to administer the program.

26. VTAE Construction by Counties or Cities

Section 1775g

This section permits a county or city (other than a city of the first class) to issue revenue bonds to construct a vocational school within its jurisdiction if the project has been approved by the local VTAE board and the State VTAE Board. I am vetoing this section to ensure that approval of all VTAE building projects exceeding \$500,000 is subject to a local referendum.

27. Burial Site Preservation

Sections 2414b, 2417m and 3202 (26)

These sections create provisions modifying the Burial Site Preservation Program. Section 2414b defines "sufficient contiguous land" to mean land that is within at least 25 feet of a burial mound. I am vetoing this

provision to reduce the definition of contiguous land to five feet. The five feet contiguous land requirement should be enough to maintain the integrity of the site yet not place undue restrictions on the use of land near a burial mound.

Sections 2417m and 3202 (26) provide the Director of the State Historical Society with the authority to order the removal of a structure that is disturbing a catalogued burial site. I am vetoing this section because it is inappropriate for the SHS to have the ability to order the removal of a structure. I am not vetoing the significant increase in fines for disturbing a catalogued burial mound. This increase in fines should be sufficient to deter inappropriate development.

28. Preservation of Homes Designated National Historic Landmarks

Section 3026 (1d) (b) and (c)

This subsection outlines the state's involvement in preserving homes designated as national landmarks. I am vetoing provisions of this subsection to remove the requirement for legislative participation on the board of any governing body and the approval of public officials by the legislature. These requirements are unnecessary to ensure accountability of state funding of this preservation project.

29. Minority Teacher Loan Program

Sections 297m and 777m

Section 297m requires that the appropriation amount for the newly created Minority Teacher Loan Program for private school students be equal to the amount lapsed in a similar program for University of Wisconsin students.

I am partially vetoing this section because it is inappropriate to tie the availability of funding for the private school program to the amount expended under the UW program. I believe that the objective of increasing the number of minority teachers in certain school districts is worthwhile and that private school students should have access to the loans regardless of the number of students participating in the UW program.

Section 777m creates the program guidelines. I am vetoing the provision that loans be forgiven during the four years following licensure as a teacher. This is unduly restrictive and does not allow for periods of unemployment due to military service, pregnancy or temporary disability. The Higher Educational Aids Board (HEAB) should designate a time period in administrative rules that is similar to other loan forgiveness programs.

30. Academic Excellence Higher Education Scholarships

Section 777p

Section 777p creates a program that awards a higher education scholarship to the 12th grade pupil who has the highest grade point average in each high school. Among the provisions is one which would direct the

State Superintendent of Public Instruction to promulgate rules to implement and administer the section.

I am partially vetoing this provision so that the responsibility for rule-making is consistent with program administration responsibility. The program is created in s. 39.41 under the authority of the Higher Educational Aids Board (HEAB). Therefore, HEAB should be responsible for promulgating rules to administer this section. The State Superintendent is involved only in the selection of the ten eligible students from schools with enrollments of less than 80 students. This veto will bring rule-making authority for the scholarship program in line with statutory responsibilities.

31. Capitation Set Aside for Minority Students

Sections 298 and 307m

These provisions require the Medical College of Wisconsin (MCW) and the Marquette University School of Dentistry (MUSOD) to set aside 5% of their capitation payments for resident minority students. If resident minority enrollment is below 5%, unused capitation payments would lapse.

I am partially vetoing these sections because they could cause resident nonminority students to be denied capitation payments if either school is unable to enroll the required number of minority students. This would cause an undue financial hardship on affected students.

Increasing the number of minority students choosing a medical career is a worthy goal which I fully support. Therefore, I am not vetoing sections 785m and 774r of this bill, which require both schools, to the extent possible, to enroll at least 5% minority students.

32. Curator of Public Arts

Sections 292m, 293, 859f, 860c, 873b and 873d

These provisions designate a position in the Arts Board as the State Curator of Public Art and assign responsibilities to the Arts Board for cataloging and preserving state works of art. The curator position is created by converting the administrative position for the Percent-for-Art Program from PR-S to GPR. I am vetoing sections 292m, 293 and 873b to control GPR expenditures and to maintain the current administration and funding of the Percent-for-Art Program. Further, I am directing the Arts Board to submit a request under s. 16.515 for expenditure authority to enable the Board to continue the administration of the Percent-for-Art Program.

I am also vetoing sections 859f, 860c and 873d to delete the additional responsibilities for the Arts Board because it is unnecessary to assign this additional responsibility in the statutes. If the cataloging and preservation of state artwork is deemed to be needed, the affected state agencies should use existing resources to perform the function. I am also requesting the Department of Administration Secretary to place \$10,000 GPR into unallotted reserve in fiscal years 1989-90 and 1990-91 in

appropriation s. 20.215 (1) (a) to be lapsed to the general fund.

B. GENERAL GOVERNMENT

1. Procurement System Reporting

Sections 127m, 2708r, 3001 (11n), 3058 (3h) and 3202 (58) (eg)

These sections require businesses which contract with the state to report whether they are women's business enterprises and also require state agencies to report to the Department of Administration on state procurements from women's business enterprises. DOA in turn is required to provide an annual summary of state agency contracts and orders with women's businesses. Further, section 3001 (11n) requires that DOA procurement data processing expenditures be reported to and approved by the Joint Committee on Finance.

I support collecting statistics regarding women's businesses. However DOA is currently not able to process this information through its automated procurement system. I am vetoing this provision and requesting DOA to implement a system of annual reporting on state agency contracts and orders with women's businesses as improvements in the Department's automated procurement system make such reporting possible.

In addition, I am vetoing the provision which requires DOA to submit to the Joint Committee on Finance a report on a consultant's study concerning improvements to the state procurement data processing system. Funding for these improvements could not be expended until the Committee approves the expenditure. This provision is unnecessary because an adequate review process already exists within DOA for data processing expenditure approvals.

2. Oil Overcharge Funding for Ethanol Plant

Sections 195 [as it relates to s. 20.505 (1) (md)], 503d and 3001 (12x)

These sections provide a \$1,000,000 operational subsidy from oil overcharge funds to the Cloverbelt-Grudem ethanol plant near Jim Falls, Wisconsin, in fiscal year 1989-90. I am vetoing these provisions because this ethanol project may not meet a federal requirement for the use of oil overcharge funds—that projects provide a broad distribution of benefits to Wisconsin citizens who were overcharged for petroleum products purchased between 1970 and 1980.

Also, this proposed use of oil overcharge funds deviates from the procedure prescribed in current law (s. 14.065) for expenditure of oil overcharge funds. This procedure requires that the Governor formulate plans for expenditure of such funds and that the plans be reviewed by the appropriate standing committees responsible for legislation related to state energy issues. Following this review, the Joint Committee on Finance is required to approve expenditure of oil overcharge funds at a meeting scheduled under s. 13.10.

3. Gifts and Grants to State Agencies

Section 121e

This section requires the Department of Administration to promulgate rules regulating the acceptance of gifts and grants from nongovernmental sources by state agencies.

I am vetoing this provision because I believe individual state agencies are at present best able to judge the appropriateness of particular gifts and grants. Agencies which receive large numbers of gifts should have written guidelines or procedures. I do not believe DOA should promulgate general rules regulating all agencies in this area.

4. Prompt Payment for Federal Funds Contracts

Sections 121g and 121h

These sections extend the state's current prompt payment requirement to any state contract paid with federal funds. A late payment charge would be assessed on any unpaid balance due from the tenth day after the agency receives the federal funds.

While I am requesting the Department of Administration to make every effort to ensure that state contracts paid with federal funds are paid promptly, I am vetoing these sections because federal regulations require uniform treatment of federal and state funds. These sections would provide for treatment of federal funds in a manner that substantially differs from the state's current treatment of its own funds and could lead to difficulty in obtaining reimbursement from federal agencies.

In addition, because late payment charges are not an allowable expense of federal funds, any interest charges made under this provision would have to be paid from state general purpose revenue. This provision appropriates no funds for this purpose.

5. Census Education Grants

Sections 150n and 3001 (14b), (c) and (14d)

These sections stipulate expenditure guidelines for the Census Education Grant Program created by this act. The program is designed to ensure a complete and accurate count of Wisconsin's population for the 1990 census.

I am partially vetoing these sections to remove language which stipulates that no census education funds appropriated by this act be used for political purposes or for any communications that include a picture, depiction or name of an elected public official because this language is unnecessary. It is not my intention that these census education funds be used for political purposes; rather, the U.S. Census Bureau encourages the use of endorsements from and pictures of prominent political figures as a means of promoting citizen awareness and acceptance of the 1990 census.

In addition, I am vetoing language which requires Joint Committee on Finance approval of all census education funds before expenditure. This program, which will fund planning for and promotion of the 1990 census, includes

strict deadlines which would be hampered by an additional step requiring approval of all spending by the Committee. I believe the program guidelines adopted by the Legislature are sufficiently stringent to ensure appropriate expenditure of these funds.

6. Land Information Board

Sections 156m [as it relates to s. 16.967 (4) and (5)] and 3001 (14n)

These sections relate to the Land Information Board created under this bill. The Board is empowered to coordinate Wisconsin's efforts to modernize its land records.

I am vetoing the provision which would require the Department of Administration's participation in a study to identify possible revenue sources for the operations of the Board. The Board will have access to a full-time staff person for this activity and it is not appropriate for the Department to formally participate in this process. The Department will participate indirectly by virtue of its Secretary holding a seat on the Board. I am asking the Board to work with counties, realtors and other interested parties in identifying revenue sources for the Board's activities.

I am also vetoing the requirement that the Department and the Board submit to the Joint Committee on Finance by December 15, 1989 recommendations on funding sources for the Board's operation and authorizing the Board to submit legislation. This deadline leaves the 13-member Board very little time to study the issue and the reporting requirement and authorization to submit legislation are unnecessary. Further, I am vetoing the provision giving the Board authority to promulgate rules because I prefer that this Board function in an advisory rather than regulatory capacity.

Finally, I am vetoing the provision which requires that provisional appointments to the Board be confirmed by the Senate. Board members have an important task ahead of them and any interruption of provisional member appointments should be avoided to minimize disruption of the first and most important phase of the Board's work.

7. Master Lease Program Reporting

Section 128m

This section creates a master lease program which authorizes the Department of Administration to enter into master leases on behalf of one or more state agencies. I am partially vetoing this section to eliminate the requirement that the Department report annually by September 30 the number of master leases entered into during the prior fiscal year and the value of the goods leased under those agreements. While I am requesting that the Department make this information available, such a formal reporting requirement is unnecessary.

8. Statutory Constructive Trust

Sections 2487s and 3203 (6)

These sections stipulate that funds deposited with an entity which is not a financial institution are constructive trust property. Funds deposited in this manner with such an entity are not authorized by state banking law. A constructive trust is a court-made remedy used to make someone holding another individual's property the trustee of that property. It is the belief of some individuals that provision for a statutory constructive trust might protect a depositor's funds in the event of bankruptcy.

I am vetoing these provisions because I am reluctant to make a change of this magnitude to the banking laws when it is not clear what, if any, benefits will accrue to the general public and because of the potential of legitimizing otherwise illegal banking operations.

9. Circuit Court Automation Project

Sections 195 [as it relates to s. 20.680 (2) (j)], 548, 2806j, 2810b, 3052 (1d) and 3203 (10) (ag)

These sections provide funding and authorization for the development and implementation of the Circuit Court Automation Project (CCAP). The legislature failed to provide the increased revenues necessary to match the amount of expenditure authority appropriated for implementation of the CCAP system.

Section 195, as it relates to s. 20.680 (2) (j), and Section 548 establish a program revenue appropriation for the project. I am partially vetoing these sections to change it from an annual appropriation to a continuing appropriation. This change will give the court system flexibility to adjust the available expenditure authority to match available revenues within the 1989-91 biennium.

Section 2806j provides a temporary fee increase for small claims court cases. My partial veto of this fee will increase the revenues available for CCAP. Even with this partial veto the project will receive an estimated \$400,000 PRO less than is authorized during the biennium. Further, I have vetoed Section 2810b and Section 3203 (10) (ag) which would repeal the current one dollar court automation fee. This veto will make up some of the funding lost to the state's general fund caused by the partial veto of Section 2806j.

Section 3052 (1d) authorizes specific funding amounts of expenditures for CCAP in small, medium and large counties and requires that the Supreme Court receive the approval of the Joint Committee on Finance before making expenditures on the system. I am partially vetoing this section to eliminate the designation of specific expenditures for small, medium and large counties in order to provide the courts flexibility in adjusting the needed funding for various counties.

10. Court Costs Technical Correction

Section 2810h

This section is in the bill due to an enrolling error. I am vetoing this provision to remove the inconsistency it creates with current law, given enactment of 1989 Wisconsin Act 22.

11. Expanded Certification

Sections 2503f, 2533m and 2537m

These sections modify current civil service statutes which enable agencies to expand the lists of persons certified for jobs if minorities and women are underrepresented in an applicant group. Section 2533m modifies current law allowing internal agency promotions.

I am vetoing the section which would change the standard for approval of expanded certification from the percentage of minorities or women in the "appropriate labor market" to the percentage of minorities or women in the "state population" because such a change is not allowed under current federal law. Federal case law states that the proper comparison in this instance is between the racial/gender composition of those persons in the jobs at issue and the composition of the labor market population qualified to hold the jobs.

I am also vetoing the provision requiring agencies to report promptly to the Department of Employment Relations regarding the reasons for failure to make an affirmative action appointment under expanded certification. Agencies are currently required to formulate affirmative action plans which are reviewed and closely monitored by the Department. I do not believe an additional reporting requirement will ensure better compliance with affirmative action goals.

Further, I am partially vetoing the provision allowing internal agency promotions if the resulting applicant group would be representative of the relevant labor pool for the entire state. My veto removes the word "entire" from this provision and allows the department to continue its current practice of using regional labor pools in such comparisons.

12. State Day Care Services for Nonstate Employees

Section 2494, 2496g and 2502

These sections permit children of low income nonstate employees to be enrolled in state-subsidized day care centers. I am vetoing these provisions because it is not appropriate for the state to provide subsidized day care services to nonstate employees and compete directly with private day care providers.

13. Retirement Benefit Improvements

Sections 788g, 806m and 3202 (18) (bn)

Current law provides that executive participating employees who wish to purchase Wisconsin retirement system credit for service earned after age 62 and before May 3, 1988 must purchase all of this prior service credit. Section 788g modifies the statutes to allow these individuals to purchase a portion of this service credit.

Sections 806m and 3202 (18) (bn) provide that, when a participating employe reaches the maximum retirement benefit level (65% of final average salary for general employes; 85% for protective employes), future employe and employer contributions would be credited to an employe additional contribution account to accrue

benefits for the employe. Under current law, these contributions would be retained by the retirement system.

I have vetoed all of these provisions to retain current law. These provisions represent an improvement in retirement benefits and Section 806m would measurably increase costs to the Wisconsin retirement system. The Legislature recently approved, and I signed into law, 1989 Wisconsin Act 13 making major changes to the Wisconsin retirement system. These provisions should have been discussed within the context of 1989 Wisconsin Act 13 and reviewed by the Legislature's Joint Committee on Retirement Systems and Retirement Research Committee.

14. UW Accumulated Sick Leave

Sections 811e, 811m and 811s

These provisions remove restrictions on the conversion of accumulated sick leave to pay health insurance premiums by University of Wisconsin system personnel. I am vetoing provisions to retain current law.

The cost to the Wisconsin retirement system of removing these provisions was estimated by the Legislature as being between 0.1% and 0.2% of payroll, for a minimum \$5 million cost to local and state budgets. Given the cost of these provisions, the repeal of s. 40.05 (4) (bp) should have been discussed during legislative debate on 1989 Wisconsin Act 13 which enacted significant changes to the retirement system.

Further, the restrictions contained in s. 40.05 (4) (bp) were the result of a Legislative Audit Bureau report that highlighted the difference between the use of sick leave by UW system staff and by other state employes. The restrictions may be waived by the Department of Administration when the UW system sick leave accounting system is determined to be comparable to that used by other state agencies.

15. Dislocated Worker Rules

Section 2230ys

This section requires the Department of Industry, Labor and Human Relations to establish by rule any allocation formula used to distribute funds for dislocated workers.

I am vetoing this provision because the formula may change on an annual basis depending on the availability of data and decisions on how the factors of the formula should be weighted. The most appropriate distribution of the funds would be delayed if the formula had to be changed through the rulemaking process.

16. Worker's Compensation Expert Testimony

Sections 2231Led, 2231Lef, 2231Lch and 3202 (28) (ad)

These sections require that expert testimony in worker's compensation hearings held to determine the necessity for continuation of treatment be provided by an individual licensed to practice the same profession as the individual already providing treatment. The individual

testifying would also have to derive 50% of his or her income from care for private patients.

I am vetoing these provisions for several reasons. First, they were not approved by the Worker's Compensation Advisory Council (WCAC). I am concerned that these provisions would limit the availability of expert testimony, require multiple examinations and treatment where a claimant is receiving treatment from more than one specialist, and make processing of cases more costly and inefficient. The provision requiring 50% of income to be derived from private practice is specifically being vetoed because it could unduly limit the use of expert testimony and testimony based on research.

The problem of a potential conflict of interest in having the work of a health care professional in one field reviewed by a professional in another field should be reviewed. I am directing the Secretary of the Department of Industry, Labor and Human Relations to work with the WCAC to develop appropriate regulations or legislation to address this concern.

17. Prevailing Wage and Fringe Benefits Reporting
Sections 2189p, 2231Lct and 2231Lcv

These sections require contractors, subcontractors, or others with highway construction contracts to provide fringe benefit information under the prevailing wage rate laws. I am vetoing these sections because a statutory requirement for fringe benefit reporting for highway construction contracts could add to the expenses of construction, artificially increasing the costs of future contracts. Furthermore, the Department of Transportation, which administers the law for highway contractors, can already require fringe benefit reporting through an administrative change in its reporting requirements. A statutory requirement to do so is redundant and reduces the Department's flexibility.

18. Sale of Trust Fund Loans
Sections 654im and 3034 (1)

Sections 654im and 3034 provide the authority for the Board of Commissioners of Public Lands to sell state trust fund loans. I am partially vetoing Section 654im to delete the restriction that the sale of a trust fund loan may not be made for less than the face value of the loan. This veto will provide the Board with greater flexibility in packaging loans for sale and serves to improve the marketability of the loans.

In addition, I am partially vetoing to Sections 654im and 3034 (1) to delete the Board's authority to reloan the proceeds of the sale. Providing the authority for the reloan of the proceeds would allow for the creation of a large state-operated municipal bond bank to finance conventional municipal projects. Private sector lenders are effectively meeting the need for financing municipal projects and there is no persuasive evidence that an expanded state program is needed.

19. Domestic Abuse

Sections 195 [as it relates to s. 20.455 (5) (d)], 484v, 2839j, 2841g, 2841h, 2841i, 2841j, 2841k, 2841L, 2841m, 2841p, 2841q and 2841xm

These sections establish a support program through the Department of Justice for support services for the victims of domestic abuse and make several changes to the state mandatory arrest law for domestic abuse cases (1987 Wisconsin Act 346). I am vetoing these provisions because the new law went into effect in April 1989 and four months of experience is insufficient to warrant a new support program and substantive changes to the law. Also, any amendments to 1987 Wisconsin Act 346 should be considered as separate legislation to afford the opportunity for public hearings and legislative debate.

Further, the Legislature provided staff support for the Domestic Abuse Support Program in s. 20.455 (5) (a). Given my veto of the authorization of this program, I am requesting that the Secretary of Administration place \$16,200 GPR in fiscal year 1989-90 and \$20,400 GPR in fiscal year 1990-91 in appropriation s. 20.455 (5) (a) into unallotted reserve to lapse to the general fund.

20. Automated Fingerprint Identification System
Section 3034 (1h) and (1i)

Section 3034 (1h) provides for a consultant study to determine the best means of developing the Automated Fingerprint Identification System (AFIS). I am partially vetoing Section 3034 (1h) to delete the requirement that the consultant make cost estimates on the feasibility of combining the state system with a system developed by the City of Milwaukee or another state. This veto requires the consultant to examine the general feasibility of a combined system prior to making detailed cost estimates. I am partially vetoing this section because, as originally worded, this section may have delayed the consultant's report and increased the cost of the report.

Section 3034 (1i) requires Joint Committee on Finance approval of the expenditure of funds for the consultant study and any renovation of buildings to accommodate the system. I am vetoing Section 3034 (1i) in its entirety. The Joint Committee on Finance and the full Legislature have just completed their review of this system. To require the Department of Justice to seek approval of the funding would only delay this important project. It should be noted that the funding for the 1989-91 biennium is for the development of the system. Funding for acquisition and implementation of the hardware and software for AFIS will come in the 1991-93 budget and will receive thorough gubernatorial and legislative review.

21. Crime and Victim Witness Reimbursements to Counties
Section 2839g

This section would repeal the limit on state reimbursement to counties for the costs of providing services to crime victims and witnesses. Current law provides that the counties may receive reimbursement of

up to 90% of their costs. I am vetoing this section to retain current law because it is important for counties to fund a portion of the costs for this program in order to provide an incentive for counties to effectively manage services to crime victims and witnesses.

22. Transfer of Personnel Board Investigatory Powers

Sections 2503h, 2503j and 2503L

These sections transfer the Personnel Board's investigatory powers regarding civil service policies to the Personnel Commission. Separate provisions of this bill abolish the Personnel Board.

I am partially vetoing the referenced sections which transfer the Personnel Board's powers to the Personnel Commission because such investigatory authority is incompatible with the Personnel Commission's neutral status as a quasi-judicial body. Other mechanisms exist within state agencies and the Wisconsin Employment Relations Commission to address complaints regarding personnel policies.

23. State Prosecutors Technical Corrections

Sections 2900 and 3058 (1f) (c)

Section 2900, as it relates to s. 978.05, provides the statutory authority for the duties of district attorneys as state employees. I am partially vetoing this section to delete an inadvertent reference to the Department of Justice and to conform s. 978.05 (9) with s. 978.11 relating to the Department of Administration submission of a biennial budget for the prosecution system.

Sections 3058 (1f) (c) provides for the determination of assistant district attorney salaries when converted to state employment. I am partially vetoing this section so that the provision does not conflict with s. 978.12 (2) as created in the bill, to allow seniority as a prosecutor to be the criterion for the determination of salary.

24. Statute Change Regarding Disqualification of Animals

Sections 2700w and 2706L

Section 2706L changes the requirements for the disqualification of a horse or dog from competing in a race at which pari-mutuel betting is conducted from disqualification of an animal which has been suspended from a race to disqualification of an animal which is currently under suspension or has ever been suspended for a major violation in this or any other state. Section 2700w requires the racing board to promulgate rules defining "major violation" for purposes of section 2706L.

I am vetoing these provisions because animals suspended from racing in other states should be suspended from racing in Wisconsin if the violation would have resulted in a suspension in Wisconsin. I am requesting that the racing board prepare a remedial bill which will meet this intent.

25. Expansion of the Practice of Optometry

Section 2418r and 2636m

Provisions in the budget bill expand the scope of the practice of optometry, allowing optometrists who have been certified by the Optometry Examining Board to remove superficial foreign bodies and prescribe therapeutic pharmaceutical agents for the treatment of eye disease.

My office worked extensively with the optometrists and ophthalmologists on this issue in an attempt to reach a compromise satisfactory to both parties. The major point of disagreement revolved around whether the Optometry or Medical Examining Board would prepare the examination which optometrists will be required to pass for certification under the new law. In practice, the Department of Regulation and Licensing, rather than the examining boards, prepares examinations. Provisions in section 2636m specifically authorize the Optometry Examining Board, in consultation with the Department, to prepare, approve or grade an examination, or to approve an examination prepared, conducted, and graded by the International Association of Boards of Examiners in Optometry or the National Board of Examiners in Optometry.

I am vetoing these provisions because they duplicate language in s. 440.07 and because they are unnecessarily restrictive. By vetoing these provisions, I am also addressing the concerns of the ophthalmologists and Medical Society about the adequacy of an examination prepared by the national or international optometry bodies, by clarifying that the choice of examinations need not be limited to one of these examinations.

Section 2418r limits the controlled substances which optometrists will be able to prescribe under the provision in this bill. As set forth in s. 449.18 (8), the specific controlled substances which can be prescribed will be determined under rules promulgated by the Secretary of the Department, in consultation with the Optometry, Medical, and Pharmacy Examining Boards. An apparent error was made in the provision in this section which refers to rules promulgated by the Optometry Examining Board. I am partially vetoing this section to allow the language in s. 449.18 (8) to prevail, which was the intent of the Legislature.

Finally, I am requesting that the optometrists and ophthalmologists continue to work together in the rulemaking process to address any remaining concerns of the ophthalmologists.

26. Acupuncturist Certification

Sections 57e, 86k, 2614m, 2638r, 3047 (2x) and 3203 (47) (ax)

These sections create an Acupuncture Examining Board to promulgate rules relating to the practice of acupuncture and to certify acupuncturists. In addition, these provisions set up requirements for certification, examinations, biennial training, reciprocity, infection control, and disciplinary actions.

I am vetoing the creation of the Acupuncture Examining Board, because a certifying board is unnecessary for such a small number of professionals. However, I believe oversight of acupuncturists is necessary, given the risk of infection with the use of needles, so I am leaving the provisions requiring certification, promulgation of rules relating to examinations and infection control and disciplinary actions. It is my intent that the Secretary of the Department of Regulation and Licensing be responsible for promulgation of rules and administering the acupuncturist certification program under the Department's general rulemaking authority. I am also vetoing the specific education, age, and biennial training requirements, as well as the years of previous experience required for a reciprocal certificate and the provision which specifically provides for entering into reciprocal agreements with other states. I believe these requirements are more appropriately defined by rule, after research by the Department into standards and practices in other states. Finally, I am requesting that the Department prepare a remedial bill to clarify its role in regulating acupuncturists.

C. BUDGET OPERATIONS

1. Number of Biennial Budget Bills

Sections 27e, 27f, 81m, 81n, 113e, 113f, 114g, 114h, 114m, 114n, 115am, 115an, 115b, 115c, 115m, 115n, 118e, 118f, 120g, 120h, 645m, 645n, 704b, 704bm, 2198hgc, 2198hgcm, 2198hgd, 2198hgdm, 2199c [as it relates to budget bills], 2199d and 3203 (58) (hp)

These provisions would require the Governor to transmit five separate biennial budget bills to the Legislature in 1991 and 1993, and in turn requires the Legislature to act on and send to the Governor these five separate bills. I am vetoing these provisions because currently the executive and legislative branches have the flexibility to submit and act upon more than one biennial budget bill. In fact, I initiated this reform two years ago when I submitted five separate budget bills.

Even with this language in the statutes, the Legislature would not pass separate bills if it chose to do otherwise. As the experience of the last three years has shown, legislative will to act upon separate budget bills has been lacking. The legislative leadership has quickly combined into one omnibus bill the separate bills I have introduced. Until such time as the Legislature acts to reform its own budget process, these types of statutory changes will be ineffectual and unnecessary.

2. Approval of State Leases for Space *Section 131r*

This provision would require that the Building Commission approve the lease or acquisition of office space for any agency in the executive or judicial branch of Wisconsin state government. Currently the Building Commission approves about 25 leases a year. Under this section, the Building Commission would have to consider an estimated 250 leases annually. I am vetoing

this provision because current review procedures by the Department of Administration and the Governor's Office are adequate.

3. Workplace Child Care Options

Section 3036 (1n) (a)

This provision would require that the Lieutenant Governor contract with the Center for Consumer Affairs, Division of Outreach and Continuing Education of the University of Wisconsin-Milwaukee, to direct the operation of a clearinghouse for workplace child care options that is funded in this budget. I am vetoing this because the Lieutenant Governor should have flexibility in staffing this program. My veto removes the contracting requirement and places the Lieutenant Governor in direct charge of the clearinghouse.

4. Audit-Related Contracts

Sections 32s, 125n and 125r

These provisions would require that the Department of Administration (DOA) refer all audit-related contracts to the Legislative Audit Bureau for approval prior to final execution of the contract. I am vetoing these provisions because DOA has statutory authority and administrative rules in place to assure that a contract provides for the economic use of state resources and that the requesting agency justifies why the service is needed and explains why it is not possible to have the services performed by another state agency.

5. Salaries of Constitutional Officers

Section 3058 (5w)

This subsection creates a five-member temporary commission to evaluate the current salary structure of the Governor, Lieutenant Governor, Attorney General, Superintendent of Public Instruction, Secretary of State and State Treasurer. The commission would be required to submit recommendations concerning the appropriate salary structure for these offices to the Legislature by October 1, 1989.

I am vetoing this provision because the Department of Employment Relations currently has the statutory responsibility to establish a consistent and equitable salary-setting mechanism for all elected officials and make recommendations for changes to the Joint Committee on Employment Relations.

6. Agency Lobbying Provision Repeal

Section 185m

I am vetoing this section which repeals the prohibition against an agency employe requesting appropriations from the Legislature that exceed the agency's most recent budget request. While I agree that some aspects of the current law are problematic, a total repeal of this law is untenable because it would remove all restrictions on lobbying by state employes. This could thoroughly disrupt an orderly budget process and it would also eliminate the ability of the Chief Executive of the State to

be accountable for the spending and taxing policies of state agencies.

I support efforts to revise this provision through separate legislation. In particular, I support the elimination of the criminal penalties that now apply to violations of the current law, and I would also support a provision that would clearly state that the lobbying prohibition would not apply to state employees who are lobbying on their own time and in their private capacity as a citizen.

7. Voter Registration Form Distribution

Sections 7m, 7n, 9e, 9r, 9s and 2575g

These sections require the Elections Board to provide voter registration materials to the Department of Transportation. DOT must include these with driver license renewal mailings every four years and distribute returned voter registrations to the appropriate municipalities. I am vetoing these sections because this program for voter outreach is unnecessary. Wisconsin now allows same-day, on-site voter registration. I am requesting the Department of Administration to place \$55,000 GPR into unallotted reserve in s. 20.510 (1) (a) to lapse to the general fund in fiscal year 1989-90 and in fiscal year 1990-91.

8. Increased Wisconsin Election Campaign Fund Checkoff

Sections 1894q and 3202 (48) (cr)

These sections increase the amount that tax return filers may designate for the Wisconsin Election Campaign Fund from \$1 to \$2. I am vetoing these sections because they would increase public financing of campaigns at the expense of general fund revenues. The current level of public campaign financing is sufficient.

9. Emergency Government Administrator Appointment

Section 58

I am partially vetoing the section which designates the Adjutant General as the appointing authority for the Administrator of the Division of Emergency Government. The effect of this veto will be to have the Governor remain the appointing authority. By retaining this direct reporting relationship, the state's ability to respond to public emergencies will be stronger.

10. SARA Program Changes

Sections 2464d, 2469m and 2470d

The budget bill changes implementation directives for the Superfund and Reauthorization Act (SARA) program. I am vetoing the sections which establish a five-year timetable for facility emergency response plan completion that Local Emergency Planning Committees (LEPC's) must meet in order to be eligible for emergency planning grants. I am also vetoing the sections that allow public agencies to prepare their own facility plans, required under SARA, in lieu of paying a planning fee to the LEPC. That practice may violate a specific responsibility of the LEPC under federal law. The effect

of these vetoes will be to maintain a strong coordinative role for the state Division of Emergency Government in organizing Wisconsin's response to SARA.

11. Employer Health Insurance Contributions

Sections 788q, 788r and 810m

Under these provisions, University of Wisconsin faculty and academic staff would be eligible for the employer's contribution toward health insurance immediately upon beginning employment and all other new state employees would be eligible for the employer's contribution after three months of employment. Currently, eligibility is attained at six months. I am vetoing these changes because employer costs of health insurance are rising dramatically and this type of change should be addressed in the collective bargaining process.

12. Building Commission Projects

Section 3008 (1) [as it relates to dollars in the schedule for 16 projects recommended for planning only by the Building Commission]

My capital budget proposal recommended various projects enumerated for construction in the 1989-91 biennium and early enumeration for planning only of 16 additional projects which would receive funding in 1991-93 and be constructed over the next four to six years. The GPR funds that I recommended for planning and design were removed by the Legislature, and instead the projects and an additional \$68.7 million in general fund supported borrowing were added to the 1989-91 authorized state building program for construction.

I object to this acceleration of my proposed building program and am vetoing the dollar amounts in the schedule under section 3008 (1) for the 16 projects that I originally recommended for enumerated planning only. I am not vetoing the enumeration of those projects—just the associated dollars. With this veto, the Building Commission will be able to proceed with advance planning for these projects as I had originally intended.

13. Limitations on Debt Financing

Sections 28m and 3008 (11p)

Section 28m requires that, effective July 1, 1990, the Building Commission limit the terms of debt issued to finance minimum maintenance projects to seven years or less. I am very concerned that debt used by the state is appropriate to the type of asset being financed. Although I agree fully that the state should not "use 20-year bonds for doorknobs," I do not concur that all maintenance projects necessarily have useful lives of only seven years. A large number of maintenance projects, such as roof, window and boiler replacements, have useful lives of 20 years or more. Imposing a seven-year limit across the board is overly restrictive and I am therefore using a partial veto to remove this provision. I am also exercising a technical veto of this section to delete the word "minimum," since these projects are properly referred to as the maintenance program.

Section 3008 (11p) prescribes six conditions which must be met to permit use of bond proceeds for major equipment replacement. I agree that capital equipment replacement projects should be subjected to thorough review before bonding is authorized; however, I find the criteria in the budget bill, taken in their entirety, to be overly restrictive. I am using my partial veto to modify the criteria by deleting the requirements that: (a) each equipment replacement must meet all of the listed conditions; (b) a capital equipment replacement be necessarily in conjunction with construction or remodeling, since this may encourage agencies to unnecessarily expand the scope of a simple replacement; and (c) the term of debt contracted to fund major equipment replacement be seven years or less. As stated previously, bonds with longer maturities should remain an option for capital equipment replacements with long-term useful lives.

While my veto has altered these provisions, I support the goals of all the criteria involved and will work toward their fulfillment in my capacity as Chair of the Commission.

14. Veterans Nursing Home Location Study

Section 3008 (17n)

I am vetoing this provision which requires a cost and benefit study of locating veterans nursing homes in northern and southern Wisconsin because veterans nursing home siting was studied extensively in the 1987-89 biennium. Further study at this time would be duplicative.

15. ECB Equipment Replacement

Section 3008 (11)

This subsection establishes television transmission equipment for two stations as priorities for the Educational Communications Board. The State Building Commission intended that replacement of both television and radio transmission equipment at the specified facilities be priorities. I am partially vetoing this subsection to correct the technical error.

16. Savings Impact of Debt Refunding Reporting

Section 27m

This section requires the Department of Administration to report savings estimates arising from refunding bond issues to the State Building Commission and to the Joint Committee on Finance prior to the meeting at which the Commission would adopt the bond authorizing resolution. The estimates are to be based on savings from (1) changes in interest rates, (2) changes in principal maturities, and (3) shifting of payment dates.

I am vetoing this section because it creates an impractical requirement that could impede the timeliness of a refunding transaction. It is also unnecessary because of other restrictions in current state and federal laws.

State law [s. 20.866 (2)] requires that interest rate savings exist before refunding bond authority can be used, and

federal tax law further limits refunding savings to those resulting from lower interest rates and specifically prohibits abusive refunding transactions.

17. State Projects Subject to Municipal Regulations

Sections 28g and i

Under current law, all state building projects are exempt from municipal ordinances or regulations other than zoning. Sections 28g and i of the budget bill, along with Section 28k, were intended to exempt state capitol building renovation from zoning ordinances. However, the language as drafted goes beyond that and subjects all projects other than capitol renovation to county and municipal zoning ordinances and regulations. I am striking these provisions because they go farther than I intended in my original budget. The effect of this partial veto will be to retain current law for all projects other than capitol building renovation.

18. La Follette Homestead

Section 3008 (14x)

This subsection allows the Building Commission to acquire the Robert M. La Follette, Sr. homestead contingent upon receipt of gifts, grants and other receipts sufficient to permit the acquisition by exchange, trade or purchase. I am partially vetoing the subsection to strictly limit the funding source of any acquisition to gifts received by the state, since I do not believe general purpose revenues should be used for this purpose.

19. Joint Finance Release of Investment Board Funds

Section 3030

This section specifies that the amounts allocated for employe compensation adjustments and the pricing of investment services may not be expended without prior approval from the Joint Committee on Finance. I am vetoing this section because it impinges upon executive branch authority to use appropriated moneys and excessively involves the Committee in the day-to-day administration of the Investment Board. The financial control and oversight provided by the Department of Administration, the Legislative Audit Bureau and the Legislative Fiscal Bureau is adequate to ensure the funds will be expended in a manner consistent with executive and legislative intent. An extra review by Joint Finance after the completion of the budget process is redundant.

D. HUMAN RESOURCES

1. MA: Nursing Home Payment Limitation and Wage Supplement

Section 3023 (18n) and (18r)

Section 3023 (18n) requires that, in each year of the biennium, a nursing home which receives full reimbursement for nonadministrative staff wages, fringe benefits or hours under the Medical Assistance (MA) nursing home payment formula increase such nonadministrative wages, fringe benefits or hours by the lesser of the statutory operating rate increases or the

annual formula inflation factors. Further, this subsection requires the Department of Health and Social Services (DHSS) to recover any payments not used for nonadministrative wage and fringe benefit increases. Finally, DHSS is permitted to waive facility payment recoveries in cases of nursing home financial hardship.

I am vetoing this subsection because it sets the bad precedent of requiring nursing homes to provide specific minimum nonadministrative wage and fringe benefit increases. The MA nursing home payment formula establishes rates prospectively and allows facilities considerable management flexibility for setting wage, fringe benefit and staffing levels. Individual nursing home operators must strike a balance between allocating resources at levels sufficient to meet the rigorous federal and state quality-of-care standards and containing their costs.

Section 3023 (18r) allows DHSS to supplement MA nursing home payments by up to \$1,500,000 GPR for nonadministrative staff wages and fringe benefits in 1989-90. Further, DHSS may allocate \$225,000 of the supplement to nursing homes that meet certain rate and cost criteria, may recover funds not paid in accordance with the provision and may adjust 1990-91 facility base rates to reflect the supplement.

I am partially vetoing this subsection because nursing home operations decisions about wages, fringe benefits and staffing should be made by nursing home operators, not state government. As vetoed, DHSS has authority both to distribute the supplement by a method of its choice and to adjust facility rates in fiscal year 1990-91 to reflect the supplement.

2. MA: Nursing Facility Grant Program
Sections 195 [as it relates to 20.435 (1) (r)], 356r, 681 and 1443r

These sections create a program in the Department of Health and Social Services (DHSS) to award grants to certain facilities which are Medical Assistance (MA) providers and owned and operated by a county, city or village. Funds for the grant program are appropriated from lottery revenues and federal MA matching funds. DHSS must establish grant procedures and criteria and award grants under specific criteria.

I am vetoing these provisions because I think the current facility operating deficit reduction program is adequate. The current program, as amended under 1989 Wisconsin Act 6 and maintained in this budget, permits county and municipal nursing facilities to offset deficits by claiming up to \$7.7 million in federal funds. Further, I am vetoing these provisions because such a program is an inappropriate use of lottery revenues. Article IV, section 24 (6) of the Wisconsin Constitution requires that net lottery revenues be used for property tax relief. I believe that such relief should be provided statewide and by a uniform methodology. Given the geographic distribution of eligible facilities and the wide variation in

facility deficits, the use of lottery funds for this program would not meet such criteria.

3. MA: Hospital Indirect Medical Education Payments
Section 1404m

This section repeals a provision specifying that indirect medical education and research costs are not allowable costs in establishing a hospital's Medical Assistance (MA) reimbursement or payment rate. Thus, this section makes it possible to increase MA payments for certain hospitals' indirect medical education costs.

I am vetoing this provision because payment for these services is not warranted at this time nor should such a major change in payment policy occur without broad public and legislative discussion. Moreover, a recent federal study concluded that Medicare payments for indirect medical education are too high and recommended that they be reduced. Since MA indirect medical education payments would be derived from the Medicare payment methods, amounts budgeted in MA for this purpose are too high. Therefore, I am requesting that the Department of Administration Secretary place \$223,800 GPR into unallotted reserve in fiscal years 1989-90 and 1990-91 in appropriations 20.435 (1) (b) to lapse to the general fund at the end of the biennium.

4. MA: Allocation of Hospital Rate Increases
Section 3023 (22r)

This subsection requires the Department of Health and Social Services (DHSS) to allocate any inflationary adjustments to hospitals for Medical Assistance (MA) inpatient and outpatient services by a flat percentage.

I am vetoing this subsection because it is necessary for DHSS to have maximum flexibility when it submits proposed inpatient and outpatient hospital payment plans to the federal government. Under federal Medicaid law, the state must pay the reasonable costs of economically and efficiently operated hospitals. DHSS may have difficulty gaining federal approval of its payment plans if hospital rate increases are allocated on a flat percentage basis. However, I am directing DHSS to propose a flat percentage increase in its September 1989 Medicaid state plan amendment and to deviate from this proposal only if necessary to gain federal approval.

5. MA: Emergency Medical Transportation Rates
Section 3023 (30r)

This subsection requires the Department of Health and Social Services (DHSS) to increase Medical Assistance (MA) emergency transportation service rates by 6% in each year of the biennium and to fund these increases through rate reductions for other noninstitutional providers.

I am vetoing this provision because it provides a disproportionate rate increase for emergency transportation services at the expense of other MA noninstitutional service providers. Moreover,

emergency transportation service providers have historically received increases comparable to other service providers. Finally, I am directing DHSS to provide a 3% rate increase for MA emergency transportation services in each year of the biennium.

6. MA: Eligibility Expansion for Healthy Start
Section 1463k

This section extends Medical Assistance (MA) medically needy coverage to children ages 1 to 3 in families with incomes up to 100% of the federal poverty level.

I favor expanding MA income eligibility to serve more pregnant women and their children. However, I am hesitant at this time, because of the expense, to expand the MA Healthy Start Program beyond children age 1. Such an expansion should be handled through separate legislation. Therefore, I am vetoing this provision and requesting that the Department of Administration Secretary place \$837,300 GPR in fiscal year 1989-90 and \$1,674,600 GPR in fiscal year 1990-91 into unallotted reserve in appropriation s. 20.435 (1) (b) to lapse to the general fund at the end of the biennium. After the veto, total MA Healthy Start Program spending will still increase substantially from \$3.1 million GPR in the 1987-89 biennium to \$14.6 million GPR in the 1989-91 biennium.

7. MA: OBRA-87 Nurse Aide Training Requirements

*Sections 2398m, 2405m, 2611m, 3023 (29r) and (31n),
3047 (2q) and 3057 (3z)*

Section 2398m specifies that, after July 1, 1990, Medical Assistance (MA) nurse assistant and home health aide training instructors must successfully complete a "train the trainer" program at a postsecondary educational institution. I am vetoing this provision because adequate "train-the-trainer" requirements will be included in administrative rules now being promulgated by the Department of Health and Social Services (DHSS).

Sections 2405m, 2611m and 3047 (2q) require DHSS to contract with the Department of Regulation and Licensing (DORL) for a nurse aide registry and direct DORL to promulgate rules associated with the registry. I am partially vetoing these provisions because I think the nurse aide registry and any related rule-making activities should be maintained in DHSS where they are currently performed. Further, I am directing DHSS to formulate rules defining "neglect," "abuse" and "misappropriation of property" as required for the nurse aide registry and to submit them to the Legislative Council staff for review no later than 60 days after publication of final federal regulations implementing the nurse aide registry.

Sections 3023 (29r) and 3057 (3z) require DHSS to transfer \$130,000 GPR in fiscal year 1989-90 from the MA benefits appropriation to the Vocational, Technical, and Adult Education (VTAE) district boards to develop

and distribute nurse aide training programs. I am vetoing these provisions because, by distributing these funds through the VTAE system, the state could not claim federal Medicaid matching funds and would forego \$189,300 in federal funds. Moreover, I am confident that, where necessary, individual nursing homes will work with their area VTAE district board to develop program materials for their various training needs. Direct state involvement is neither necessary nor appropriate.

Section 3023 (31n) directs DHSS to develop cost comparisons of nurse aide training programs and related issues and report to the Legislature by February 1, 1990. I am partially vetoing the report's due date because it is unlikely that any cost information will be available by that date. I am directing DHSS to submit the report when sufficient cost information is available.

8. MA: Study on Nursing Home Direct Care Productivity

Section 3023 (25s)

This subsection requires the Department of Health and Social Services (DHSS) to study nursing home direct care productivity and to develop proposals to reduce impediments to providing "hands-on" nursing care. I am vetoing this provision because systems that enhance nursing care productivity are already available in the private sector and many are already in use by nursing homes. Thus, it is questionable whether this study is necessary. Moreover, the study would require a significant increase in DHSS' workload, which DHSS should not be expected to handle in the absence of additional resources provided for this purpose.

9. Rural Hospital Loan Guarantee Program

Sections 195 [as it relates to 20.440 (2)], 478m, 2548g, 2548h and 2717n [as it relates to s. 600.01 (1) (b) 7]

These sections create a rural hospital loan guarantee program in the Wisconsin Health and Educational Facilities Authority (WHEFA) and appropriate \$150,000 GPR in fiscal year 1990-91 to fund loan defaults. WHEFA would be given authority to guarantee up to \$5 million in loans over the 1989-91 biennium for rural hospital physical plant improvement and equipment acquisition projects. Under these provisions, the state would recognize a moral obligation to make the hospital loan payments in the event of defaults.

I am vetoing these provisions because I do not favor increasing the state's moral obligation to support this program. This would necessitate exposing the state to additional financial risks which must, in turn, be disclosed in official statements and to the bond rating agencies. While I am sensitive to rural hospitals' needs for capital, I do not favor this approach at this time. Moreover, this program expands WHEFA's mission significantly from that of a bonding authority to that of a loan guaranteeing and administering entity. Such

expansion deserves further review and discussion and would be more appropriately handled through separate legislation.

10. Volunteer Health Care Provider Program

Sections 2410b, 2432am, 2432b, 2743d, 2743f, 2743j, 2816, 2818 and 3202 (29) (gn), (34) (a) and (b) and (58) (c)

These sections create a pilot program in Racine and Brown counties that extends state risk management liability coverage to certain volunteer health care providers who provide services to certain low-income persons free of charge through specific nonprofit agencies. Providers would submit applications through the Department of Administration.

The volunteers in this program would be acting on behalf of and under the control of nonprofit agencies in Racine and Brown counties—not the state. The risk management program has traditionally been restricted to persons employed by state government or its agents. "Agent" has historically been interpreted very restrictively to exclude those who are independent of state government and not accountable to elected representatives or their appointees. This program sets a bad precedent by extending risk management coverage to agents who are not ultimately accountable to state government. I am therefore vetoing this provision as an inappropriate extension of the state's responsibility for risk management beyond its own employees and agents.

11. Pharmacy Open Panel Expansion

Sections 2722m, 2722n, 2722nm, 2722p and 2723c

These sections require a limited service health organization (LSHO) and a preferred provider plan (PPP) to allow individual pharmacists to participate in the LSHO or PPP in cases where the LSHO's or PPP's own full-time staff do not provide all pharmaceutical services. Such a requirement is commonly referred to as an "open panel."

I am vetoing these provisions because they represent a major change in the policies which regulate LSHOs and PPPs. These should be handled through separate legislation.

12. Resource Allocation Program

Section 2412c

This section amends certain requirements regarding nursing home per diem rates under the Resource Allocation Program in the Department of Health and Social Services. These amendments were originally proposed to allow certain nursing homes to qualify for Medical Assistance funding enacted under 1989 Wisconsin Act 6. The homes have since been accommodated through amendments to Act 6 contained in sections 2909m and 3203 (23) (kr) of this bill. I am vetoing Section 2412c because it is duplicative and unnecessary.

13. Wisconsin

Sections 195 [as it relates to s. 20.435 (1) (fm)], 350m, 2410c and 2410g

These sections eliminate one of the Wisconsin eligibility provisions which requires a person to be unemployed or employed less than 25 hours per week. Further, the sections provide \$100,000 GPR biennially to supplement this program revenue-supported program. I am vetoing these provisions because an expansion of eligibility is unwise given that the current program need is not now being met. Further, the program is currently funded by program revenue generated by an assessment on hospitals, and I believe that GPR support for this program should only be considered in the context of the larger issue of providing health care to the uninsured and low income persons.

14. Continuation Coverage Premium Subsidies

Sections 195 [as it relates to s. 20.435 (1) (ak)], 345m, 2384g and 3023 (29q)

These sections establish a program under which \$300,000 GPR could be spent biennially by the Department of Health and Social Services on group insurance premiums for persons with AIDS who must curtail or terminate their employment due to their illness and who have no other resources available. I believe this solution has potential. By paying insurance premiums for these people, it might be possible to avoid higher state spending on other programs such as Medical Assistance which would otherwise provide health care coverage for these individuals. However, I am vetoing these provisions because I believe this proposal deserves more debate and consideration than was afforded in the budget deliberations, as this issue has complex impacts on social, health, and insurance concerns.

15. Lead Poisoning

Sections 349t, 2412t, 2412x, 2743m, 2744e, 3004 (6p), 3047 (1n) and 3202 (58) (fp)

These provisions establish a lead poisoning prevention program in the eight areas of Wisconsin with the highest number of houses with lead-based paint and the largest number of children under six years old. The program would: (1) provide \$124,200 GPR in fiscal year 1989-90 for two types of equipment which would allow local public health staff to measure the quantity of lead in children's blood and to test houses for the presence of lead-based paint; (2) provide \$110,000 GPR in fiscal year 1989-90 and \$220,000 GPR in fiscal year 1990-91 for local health agencies to hire staff to test houses for the presence of such paint; (3) create a cost-sharing program between the home owner and the Department of Health and Social Services at \$125,000 GPR in fiscal year 1989-90 and \$250,000 GPR in fiscal year 1990-91 to remove lead-based paint; and (4) require owners and landlords to disclose the presence of such paint when selling or renting homes.

I am partially vetoing these sections to delete language pertaining to: (1) hiring local staff to test homes for the presence of lead-based paint; (2) establishing the

costsharing paint removal program; and (3) requiring the disclosure of the presence of such paint. As a result, I am requesting that the Department of Administration Secretary place \$235,000 GPR in fiscal year 1989-90 and \$470,000 GPR in fiscal year 1990-91 into unallotted reserve in s. 20.435 (1) (ef) to lapse to the general fund.

While lead poisoning is certainly a health concern, I believe the decision to fund such activities should be a locally determined priority using the variety of funding sources available to localities. I believe that the current efforts to create a State Public Health Plan should be used to identify areas of greatest need and that lead poisoning issues should be considered as a part of that analysis. This plan can then guide our efforts in spending existing or new funds. Finally, I believe the disclosure requirements should be addressed as separate legislation.

16. Maternal and Child Health Block Grant

Sections 1102L, 2251t, 2369m, 2386mg and 2386mr

These sections place a 10% limit on the amounts which the Department of Health and Social Services (DHSS) and the Department of Public Instruction can use to fund administrative costs under the Maternal and Child Health Block Grant. These sections also prohibit the use of other federal program funds to support maternal and child health administrative positions. Further, the sections require that a competitive grant process be established for local agencies to obtain block grant funds. I am vetoing these provisions because it is not clear that the 10% limits on administrative spending as defined in this bill are appropriate. Also, the change from a formula distribution to a competitive grant process could result in smaller counties losing the funding which they now receive. However, I believe that limiting administrative costs is prudent, and I am therefore directing DHSS to determine an appropriate limit for such costs in this block grant as the spending plan is developed for the next federal fiscal year.

17. Cogg's and Johnston Health Centers Renovation

Sections 195 [as it relates to s. 20.435 (1) (eb)], 349s and 3023 (30x)

These sections provide \$250,000 GPR in fiscal year 1989-90 to renovate the Isaac Cogg's and the Johnston community health centers in Milwaukee. I am vetoing these sections because funds provided to localities are dedicated to the provision of services and program support and are not to be used for the physical preservation of facilities. Renovation of such facilities should be a local responsibility.

18. Adolescent Health Services

Sections 195 [as it relates to s. 20.435 (1) (eh)], 349v and 2386mw

These sections provide \$90,000 GPR biennially for school-linked health clinics in Milwaukee. I am vetoing these provisions because the same concerns I expressed about this program when I vetoed it two years ago

remain today. First, the program language does not specifically define the services to be provided, which is of particular concern in the area of pregnancy prevention services. Second, my Welfare Reform Commission did not support the concept of school-based clinics and instead recommended less controversial methods to reduce teen pregnancies. Finally, health care services can already be received from existing providers such as local public health agencies and family planning clinics.

19. Health Screening for Children

Sections 195 [as it relates to s. 20.435 (1) (fr)], 350r and 2410j

These sections provide \$20,000 GPR annually for health screening services for children in Polk County. I am vetoing these sections because funds are already available to this county for this service from the Maternal and Child Health Block Grant.

20. Regulatory Exemptions

Sections 1565m, 2369r and 2369s

These sections provide exemptions from permit requirements for two types of facilities. First, the definition of a restaurant currently exempts from the permit requirement churches, youth and other civic organizations which serve meals to the public only occasionally. Currently, Department of Health and Social Services rules specify occasionally as fewer than four times a year. Section 1565m amends the definition so that such an organization would be exempt if meals were served on fewer than 13 occasions per year. The other exemption from the permit requirement pertains to fairgrounds in counties with populations of less than 35,000 which allow temporary camping on the grounds. While both exemptions may in fact have minimal impact, I am vetoing these provisions because they are matters which should be addressed through administrative rules or separate legislation rather than through the budget process.

21. Interpreter Services

Sections 195 [as it relates to s. 20.435 (5) (f)], 463m, 1153c and 1153e

These sections establish a grant program to allow organizations to hire full-time interpreters for the hearing-impaired. Under one program, \$40,000 GPR annually would allow five entities such as vocational schools and independent living centers to receive \$8,000 grants to help support the cost of an interpreter position. Under the second program, \$30,000 would be available in fiscal year 1989-90 only to three hospitals which could receive \$10,000 grants to help support the costs of a full-time interpreter.

I am vetoing these sections for several reasons. The Division of Vocational Rehabilitation (DVR) has \$80,000 available annually to provide interpreter services for DVR clients in carrying out the training activities outlined in their case plans, and I do not believe the extra funding is required for this purpose. Other agencies,

such as hospitals, are required to pay for interpreter services for hearing impaired clients, and I do not feel that the state should depart from this broader principle to provide a few small grants for one year only to one type of service provider.

22. General Purpose Revenue Carryover
Section 463

This section allows the Department of Health and Social Services (DHSS), with the s. 13.10 approval of the Joint Committee on Finance (JCF), to carry over general purpose revenue which was not spent on vocational rehabilitation services by the end of the state fiscal year into the next quarter, which represents the last quarter of the federal fiscal year. Current law requires that the state funds lapse at the end of the state fiscal year; if federal funds become available during the next quarter, the state funds have lapsed and therefore federal funds are lost.

I am partially vetoing this section to remove the language requiring the approval of the JCF, because I believe the Department of Administration can exercise sufficient oversight in determining whether the funds should be carried forward. In addition, this approval would have to be requested at the June s. 13.10 meeting which would occur before DHSS would know whether funds would be available for transfer.

23. Community Options Program Earmarking
Section 3023 (26r)

This subsection earmarks 50% of the new Community Options Program (COP) placements added in this budget for state fiscal years 1989-90 and 1990-91 for persons who are chronically mentally ill or developmentally disabled.

I am vetoing this subsection because elsewhere in this budget (in sections 1049p and 1049r) the Department of Health and Social Services (DHSS) is directed to determine what constitutes a significant number of persons in each COP target group for each county, based on county size and on the statewide proportion of persons from each group receiving medical assistance in a nursing home. DHSS is also directed to designate a portion of a county's allocation for increased service, in each calendar year that a county fails to meet the significant proportion requirement, to one or more of the target groups. These provisions assure that all target groups will be equitably represented on the COP caseload.

24. Community Options Program Administration
Sections 995m, 998k, 1049h, 1049f, 1049i, 1049L, 1049u, 1049x, 1049y, 1064m, 1065m and 1060k

These sections provide that, unless a county board of supervisors in a county which has not established a county department of Human Services under s. 46.23 specifies otherwise, the Community Options Program (COP) shall be administered by a county's department of Community Programs under s. 51.42 for services to the chronically mentally ill and chemically dependent, by a

county's department of Developmental Disabilities Services under s. 51.437 for services to the developmentally disabled, and by a county's department of Social Services for services to the elderly and physically disabled (except that a county and the state Department of Health and Social Services may agree that COP services to the elderly shall be administered by a county aging unit).

I am vetoing these sections because COP is already administered by a single agency in each county, designated by the county in accordance with s. 46.27 (3) (b). COP has been a statewide program since 1986, and there is no evidence that a change in administration would serve any purpose. I also believe that splintering the administration of the program to as many as four separate entities in a county could lead to both increased administrative cost and reduced accessibility.

25. Long-Term Support Pilot
Section 1061m

This section allocates \$150,000 in fiscal year 1989-90 and \$250,000 in fiscal year 1990-91 for long-term support pilot projects in the Community Options Program (COP) in the Department of Health and Social Services (DHSS) and describes the purposes for which that funding is to be used.

I am partially vetoing this section to reduce the funding to \$150,000 over the biennium and to delete the provision that permits use of the funds for assessment, case plans and services. I have done so because I believe that sufficient additional funding is provided to COP in this budget to pay these costs, and it is within the scope of responsibility of DHSS to allocate COP funds for this purpose.

With this veto I am requesting the Department of Administration Secretary to place \$100,000 GPR in fiscal year 1989-90 and \$150,000 GPR in fiscal year 1990-91 into unallotted reserve in appropriation 20.435 (7) (bd) to lapse to the general fund.

26. County as Employer
Section 2231Lcx

This section exempts from the definition of employer for the purposes of Unemployment Compensation a county that serves as a fiscal agent for a Community Options Program (COP) client, a service that is mandated under s. 46.27 (5) (i) as created in this bill. The exemption from the status of employer is solely for the purpose of providing this service.

I am partially vetoing this section to remove the limitation on the exemption because it is my intent that a county not be an employer for any reason when the county provides funds to a COP client for the client to purchase community support services. Having the county as employer for any reason in this circumstance would be counter to the intent of the COP program that the services are client-directed. This restriction on the county as an employer is intended only to apply in

relation to these particular cases within COP and does not apply to other instances in which a county is an employer.

27. Long-Term Care Plans

Sections 951m and 3023 (23n) and (26s)

These sections require the Department of Health and Social Services (DHSS) to develop plans relating to long term care needs.

I am vetoing these sections because these plans are for future budgeting purposes. It is the responsibility of the Executive to direct departments on the preparation of budgets and budgetary supporting documentation. With this veto I am directing DHSS to develop a method for determining future needs in the state for publicly funded long-term care services and to submit that methodology for my review by April 1, 1990.

28. Community Aids Maintenance of Effort

Section 1094e

This section prohibits counties from reducing the amount of county funds expended for Community Aids services below the amount expended by counties for those services in 1989 and requires the Department of Health and Social Services (DHSS) to monitor those expenditures and to reduce the amount allocated to a county by the same amount if a county reduces county expenditures.

I am vetoing this section because part of the intent of providing an increase for Community Aids is to recognize the increased burden on counties that has resulted from increased costs. By requiring the counties to continue the current level of expenditure, this language would ensure that the increased burden continues.

In addition, the language relating to DHSS monitoring would deal inequitably with counties. It would require counties that previously reported county overmatch on Community Aids (beyond the required 9.89% match) to continue that level, while allowing counties that did not report overmatch to reduce their expenditures.

29. Equity in Community Aids

Section 1077c

This section provides funds for equity increases for Community Aids in fiscal year 1990-91 and stipulates the conditions for receipt of those increases.

I am vetoing the language which stipulates the conditions, because I do not believe that county overmatch in prior years should be a criterion for receiving equity increases. Equity increases should be made to ensure that counties are treated equitably under the Community Aids formula, regardless of county expenditure history. I am also vetoing the stipulation that equity be determined on the 1987 base because it is my intent that equity increases in this program be made on the 1989 Community Aids base. The 1987 base includes the Youth Aids maintenance of effort. It

continues to be my intent that equity increases be made on Community Aids allocations as they are made now, not on a base which included other, now separate programs.

My commitment to equity increases remains strong, and I am disappointed that the Legislature has provided such a reduced funding level to correct an inequity of long standing. With this veto I am directing the Department of Health and Social Services to use the funds available toward the goal of my original budget, which was to provide equity at 85% of the formula, although I realize that the reduced funds available will not meet this goal.

30. Domestic Abuse Transitional Services

Section 3023 (23p) (a) 7

This provision continues earmarking for a domestic abuse transitional program in north central Wisconsin and exempts that program from the limit of 70% GPR funding for a domestic abuse program described in s. 46.95 (2) (d).

I am vetoing this provision because, as I indicated in my veto message for Wisconsin Act 399 concerning this program, it is still my intent that specific state funding for this program not be continued beyond 1988-89. Funding for specific programs should be determined by the Department of Health and Social Services in the context of statewide need and funding available for domestic abuse. I encourage this program to apply for federal funding under Title 4C (transitional housing funds from the Supportive Housing Demonstration Program) of the Stewart B. McKinney Act and for which I believe they would qualify.

I am also vetoing this provision because I believe that the 70% limit on GPR is appropriate. In a time of limited state resources, the costs of programs which meet a local need should have local support, and I do not believe that a 30% requirement is unreasonable.

31. Continuing Appropriation Changes

Sections 195 [as it relates to 20.435 (7) (cn) and 20.435 (7) (df)], 409b and 416

These sections convert continuing appropriations to biennial.

I am partially vetoing these sections relating to the appropriations for work programs for recipients of aid to families with dependent children (AFDC) and for child care for former AFDC recipients. It was my intent, as part of my Welfare Reform Initiative, that these funds be continuously available to assist AFDC recipients in developing employment skills and to assist those who succeed in becoming self-supporting with their child care needs. Converting the two continuing appropriations to biennial appropriations would cause these funds to lapse to the general fund, making them unavailable to AFDC families in the future. I am therefore partially vetoing these sections in part to preserve funding for these important programs.

32. Child Care Head Start Earmarking

Sections 469c [as it relates to Head Start earmarking], 1136c [as it relates to Head Start earmarking] and 3023 (7q)

These sections earmark a portion of the child care expansion and information and referral funds for allocation to head start agencies for children who need full-day child care because of a parent's work, family stress or other special needs as determined by the Department of Health and Social Services.

I am vetoing these sections because I intend that expansion funds be used to expand the pool of childcare providers, not to pay for childcare services. Additional child care providers are needed almost everywhere in the state, especially in rural areas.

33. Child Care Regulation

Section 1472

This section requires the Department of Health and Social Services (DHSS) to provide funds to pay child care costs of individuals who secure unsubsidized employment and lose eligibility for aid to families with dependent children (AFDC) because of earned income or number of hours worked and requires that the child care services be regulated as defined in s. 46.98 (1) (a). It also requires DHSS to establish a formula for assistance based on ability to pay and to promulgate rules for the disbursement of funds.

I am partially vetoing this section to make it possible for these AFDC families to utilize unregulated child care. Many of these families prefer to use family members as child care providers and have not been able to make full use of the child care funds currently available because of the regulation requirement. The budget which I submitted to the Legislature created a permanent exemption to regulation for providers who are family members. Because this exemption was removed, if regulation were required, it is possible that families who preferred to use family members as child care providers would be unable to reimburse them adequately because they would not be able to access the child care funding.

34. Child Care Resource Centers

Sections 469c [as it relates to allocation to counties] and 1136c [as it relates to allocation to counties]

These sections allocate funds for child care expansion. I am partially vetoing these sections to delete the requirement that funds be allocated to counties. By this veto I am indicating my intent that some of the funds for child care expansion shall be allocated by the Department of Health and Social Services for the expansion of Child Care Resource and Referral Centers (CCRRC's) and that these funds shall go directly to the CCRRC's. I believe this veto will also make the language consistent with the intent of the authors of this legislation.

35. Use of OBRA Relocation Funds

Section 1049

This section describes the individuals who are eligible for community services funding from the funds provided in the budget for nursing home residents with mental illness.

This funding was provided for nursing home residents who are required to relocate to the community under the 1988 federal Omnibus Budget Reconciliation Act (OBRA) provisions. I am vetoing the provisions which extend eligibility to residents who are not required to relocate and to persons in facilities determined to be at risk of being found to be institutions for mental disease (IMD). Current law provides separate funding for residents of at-risk IMDs.

In addition, the budget which I submitted to the Legislature provided a new source of funds, in the Grants to Communities appropriation, for residents affected by the OBRA provisions. While I have agreed to move this funding to the Medical Assistance appropriation to allow funding flexibility, I am concerned that the funds available are only sufficient for those persons who must be relocated. Expanding eligibility to include those persons who prefer to relocate would result in insufficient resources for those who are required to do so.

36. Child Abuse and Neglect Investigations

Section 1319i

This section limits to one county the authority to contract with a licensed child welfare agency for child abuse and neglect investigations.

I am partially vetoing this section to enable other counties that wish to do so to contract for these services. I believe that this authority to contract, when made available, should be available statewide.

37. Child Abuse Reporting Exception

Sections 1319f and 1319h

Current law excepts certain service providers, when providing specific services, from reporting as sexual abuse sexual intercourse or sexual contact involving a child unless certain enumerated circumstances are present. These sections extend the exception to include persons who provide reproductive health care services, persons who provide pupil services, and persons who refer a child to a health care provider or pupil services provider.

The objections which generated my vetoes of this language when it was part of Wisconsin 1987 Act 27, and again when it came before me as Assembly Bill 864, still pertain. I am concerned about the possible connection between reproductive health services and abortion-related services and the connection between pupil services and school-linked or school-based clinics.

I also continue to be concerned about the breadth of the provision excepting persons who refer children to health or pupil services providers because this could except from reporting any child who is sexually active.

38. Adolescent Pregnancy Prevention Services

Sections 195 [as it relates to s. 20.435 (7) (er)], 470m and 3023 (22c)

These provisions allocate funds to a number of adolescent pregnancy prevention programs: \$500,000 GPR for an adolescent pregnancy prevention resource center in Milwaukee, \$200,000 GPR for minority organizations in Milwaukee, \$180,000 GPR for program operations to a coalition in Milwaukee, \$108,000 GPR for grants for coalition building elsewhere in the state, and \$54,000 GPR for grants to an organization in a city meeting specific criteria.

I am vetoing the last three provisions listed above. I am vetoing the funds for the Milwaukee coalition program operations because the money would be used to support staff and office equipment—functions that I believe should be funded by the coalition members themselves. I am vetoing the other two provisions because funding for programs such as these is available through the Adolescent Pregnancy Prevention Services Board (APPSB). APPSB grants are awarded competitively on a statewide basis, and I encourage these programs to apply for funding through that source. With these vetoes, I am requesting the Department of Administration Secretary to place \$171,000 GPR into unallotted reserve in fiscal years 1989-90 and 1990-91 in s. 20.435 (7) (er) to lapse to the general fund.

I have approved the \$700,000 earmarked for Milwaukee service programs in view of the serious adolescent pregnancy problem there. However, I am partially vetoing certain provisions that I do not believe the state should fund in adolescentcentered programs, as they are more appropriately provided in contexts requiring parental involvement. I am approving the overall funding for these programs because I believe that, within the restrictions of the language as vetoed, the educational, recreational, health, job training, social service, and cultural components of these programs can help teens improve the quality of their lives.

I am providing this funding to demonstrate my continued commitment to the principle that the state should work to provide options to members of low-income families to help them break the cycle of early pregnancies and welfare dependency. At the same time, I feel strongly that state policies in support of this goal must also strengthen family bonds and the role of parents, particularly in such a sensitive area as family planning.

39. Early Intervention Program

Sections 195 [as it relates to 20.435 (7) (eh)], 470L, 1042m and 3023 (31p)

These provisions provide \$450,000 GPR over the biennium to create a new program for youth.

I am vetoing these provisions because I believe that, if such a new program were to be created, it should be part of a Department of Health and Social Services budget

request. As such it would be subject to further scrutiny, and both the intent of the program and the services to be provided would be more fully described than they are in this language. In addition, the population that would be addressed in this program can currently be served within Youth Aids, which has received a significant funding increase in this budget.

40. Youth Center

Section 1099

This section contains several provisions, including the allocation of funding in each fiscal year for a youth center in a third class city that meets certain criteria.

I am partially vetoing this section to eliminate this provision, because local youth centers are currently funded by local funds. I believe such centers should continue to be funded from local sources and that new programs should be part of a Department of Health and Social Services budget request with funds awarded competitively on a statewide basis.

With this veto I am requesting the Department of Administration Secretary to place \$9,000 GPR into unallotted reserve in fiscal years 1989-90 and 1990-91 in appropriation 20.435 (7) (bc) to lapse to the general fund.

41. Work Experience and Job Training

Sections 1473g and 1486j

These provisions limit Department of Health and Social Services (DHSS) efforts to implement the Work Experience and Job Training program by placing unnecessary restrictions on the program. Specifically, these provisions require DHSS to give priority status for work programs to all members of targeted groups and to ensure that wage and employment records are collected at six and twelve months after the initial job placement. Statutory requirements for the collection of employment and wage information already exist, and the state is only required by federal law to give priority status to volunteers from targeted groups. I have vetoed these provisions to maintain current law, thereby preserving job program flexibility.

42. Income Maintenance Aids Administration

Sections 415, 1498 and 1499

These provisions limit the ability of the Department of Health and Social Services (DHSS) to allocate income maintenance funds. These provisions require DHSS to obtain Joint Committee on Finance approval to transfer funds between calendar years and do not provide for distribution of inflation funds for Learnfare and work programs. I am vetoing these provisions to preserve DHSS' flexibility in allocating income maintenance administration funds.

43. Child Support Incentive Payments

Section 1019k

The provisions in this section restrict the ability of the Department of Health and Social Services (DHSS) to effectively administer the child support incentive

payment program by specifying funding levels for the payments and placing DHSS criteria for county eligibility for the incentive payments in the statutes. The specified funding levels are based on estimates that are subject to change depending on how well counties improve their child support collections. I am therefore partially vetoing this section to preserve DHSS flexibility to allocate funds appropriately.

44. Child Support and Paternity Issues

Sections 1009g, 1776t, 2747m, 2754c, 2754d, 2754g, 2754n, 2754r, 2754z, 2756h, 2756j, 2756L, 2756m, 2756n, 2756s, 2756sa, 2759L, 2759m, 2759r, 2767m, 2798m, 2803m, 2803p, 2803r, 2813m, 2836x, 3202 (10) (gb), (nx) and (ny)

These sections make substantial changes in the determination of child support orders, paternity judgments, revisions of such orders and judgments and the collection of fees associated with these actions. The full impact of these changes has not been adequately considered. These changes would result in a substantial loss of program revenue for the counties and for the Department of Health and Social Services. It is also unclear what effect these changes would have on child support collections. Therefore, I am vetoing these provisions because they involve complex issues that merit fuller discussion and should be considered in separate legislation. I intend to address some of these issues in the welfare reform initiative that I will introduce in the fall legislative session.

45. Learnfare

Section 1476g

This section requires the county department responsible for administering aid to families with dependent children (AFDC) programs to contact the AFDC recipient and the recipient's school to determine school attendance prior to imposing Learnfare sanctions. I am vetoing this section because adequate procedures already exist for determining school attendance and this new requirement would create an unnecessary administrative burden on counties.

46. Hunger Prevention

Section 1103p

This section provides funding for local food distribution agencies to distribute federal commodities under the Soup Kitchen/Food Bank Program. It contains an incorrect reference to federal law that would prevent the Department of Health and Social Services from allocating the funds in accord with legislative intent. I am therefore partially vetoing this provision to remove the incorrect reference.

47. Health Benefits Counseling Program

Sections 195 [as it relates to s. 20.435 (1) (fg)], 350g and 2410h

These sections provide funding for the administration and provision of family health benefits counseling in selected counties by private providers. These functions

have previously been provided in several of these counties through a variety of community resources. In addition, some counseling is available through county medical assistance caseworkers, Department of Health and Social Services hotline telephone services and the Healthy Start program for prenatal care. I am therefore vetoing these provisions, as there is no compelling state interest in funding this service in only a few counties and there may be some duplication of current state/local efforts.

48. Parole Commission

Section 3023 (2h) (c)

This section requires the Department of Health and Social Services (DHSS) to submit legislation on Corrections to the Joint Committee on Finance by September 1, 1989, to place the Parole Commission in the Department of Corrections with the Secretary of Corrections having the appointing authority for the commissioners. I am partially vetoing the provision that directs the DHSS Secretary to submit legislation designating the Secretary of Corrections as the appointing authority for the commissioners because I believe that it is important that the chairperson of the Parole Commission be appointed by and serve at the pleasure of the Governor.

49. Prison Capacity Limits and Special Action Release

Sections 968r and 2572

These provisions establish prison population limits, require that weekly population reports be made at 12:01 a.m. each Friday, direct the Department of Corrections (DOC) to use its parole authority and community residential confinement to reduce populations when limits are exceeded, allow DOC to exceed the population limits upon notification to the Governor and the Legislature, require notification and submission of a report and planned action every 90 days when limits are exceeded and exempt DOC from special action release (SAR) administrative rules when certain criteria are met. I am partially vetoing these provisions to remove the specific time of the Friday population report and the requirement to use parole authority and community residential confinement to reduce prison population when limits are exceeded. I am also partially vetoing the requirement that DOC make repeated reports every 90 days when the population limits are exceeded. Finally, I am partially vetoing the provision that exempts DOC from SAR release rules when inmate population exceeds 130%. By deleting 130%, DOC will be exempt from SAR rules whenever the population exceeds the population limits. I am vetoing these provisions because I believe the Department of Corrections needs the flexibility to respond appropriately to prison overcrowding to ensure public safety and should not be constrained by excessive limitations on its authority to do so.

50. Personnel Adjustment Related to Corrections

Section 3123 (1) (o)

This provision transfers 21.0 FTE positions and funding to the Department of Corrections from the Bureau of Personnel and Employment Relations in the Division of Management Services in the Department of Health and Social Services. I am partially vetoing this provision to allow the Department of Health and Social Services and the Department of Corrections more flexibility to identify the positions to be transferred to the Department of Corrections.

51. Division of Youth Corrections Administrator
Sections 2504tm and 3203 (23) (a) [as it relates to s. 230.08 (2) (e) 5]

These provisions reduce the number of authorized unclassified positions in the Department of Health and Social Services from seven to six as a result of creating a separate Department of Corrections which eliminated the need for the unclassified Division of Corrections administrator. I am vetoing these provisions, which will result in restoring the number of unclassified positions to seven. I have done so because this additional unclassified position is needed to provide an unclassified division administrator for the new Division of Youth Corrections which was not otherwise provided for in the bill.

52. Separate Appropriation for Community Corrections
Sections 195 [as it relates to ss. 20.410 (1) (b) and 20.435 (3) (h)], 360m, 361, 364g and 364gc

These sections create a separate appropriation for community corrections operations as it relates to probation and parole and restrict the use of the corrections general program operation appropriation from spending on probation and parole. The appropriation language further provides that if a funding emergency situation exists, the Secretary of Health and Social Services or the Secretary of Corrections, as appropriate, shall notify the Joint Committee on Finance (JCF) and may propose the transfer of funds from the community corrections operations appropriation to the corrections general program operations appropriation. The secretary may proceed with the transfer if within 14 working days JCF does not schedule a meeting for the purpose of reviewing the secretary's proposed transfer.

I am partially vetoing these provisions to give the secretary more flexibility to expend funds from the community corrections operations appropriation for general program operations in corrections. I am also vetoing the provision revising the corrections general program operations appropriation so as to remove the restriction on spending for probation and parole.

53. Juvenile Restitution and Community Service
Sections 195 [as it relates to 20.435 (7) (cL)], 468x, 1042x

These provisions create an appropriation and require every county with a population of 13,000 or more to provide restitution and community service work projects for juveniles. They also allow two or more contiguous

counties to establish joint projects, allow counties with joint projects to provide services through county staff or to contract with public or private entities and require the Department of Health and Social Services to establish minimum performance standards to govern eligibility and state funding to restitution and community service projects.

I am vetoing these provisions because the requirement that certain counties provide restitution and community service work projects creates an underfunded mandate for these counties. I do support the concept that counties cooperate to establish joint restitution projects, but no new statutory language is required for these purposes, as they can be achieved through intergovernmental cooperation under s. 66.30 of the statutes.

54. Inmate Ambulance Charges
Sections 1656d and 1656m

These provisions require that counties reimburse any city, village or town for the full cost of ambulance or other transportation services provided by the city, village or town for the medical transportation of a prisoner, held in the county jail under state criminal laws or for contempt of court, to or from the jail for medical or hospital care. I am vetoing these provisions because they would subject counties to unfunded cost increases and would allow municipalities to charge rates higher than authorized under the medical assistance guidelines which are used to determine prisoner medical care reimbursement.

55. Use of Jail Assessment Fund
Sections 650xc, 650xd, 650xe, 650xf, 651, 651c, 651d, 651e, 651f, 651g, 651h, 651i, 651j, 651k, 651L, 651m, 651n, 651p, 651q, 651r, 651s, 651t, 651u, 652, 1197m, 1243m, 1670d, 1670g, 1670i, 1670m, 1670r, 1725m, 1726, 1729m, 1730, 1761m, 1762, 1762m, 1763, 1763m, 1764, 1764m, 1765, 1766, 1766m, 1767, 2593t, 2594, 2594m, 2595, 2595m, 2595p, 2596, 2596t, 2596w, 2597, 2597m, 2598, 2598m, 2599, 2599m, 2600, 2600m, 2601, 2601m, 2602, 2602m, 2603, 2603m, 2604, 2604p, 2604r, 2604s, 2605, 2605m, 2606, 2606m, 2774m, 2775, 2775m, 2776, 2776m, 2777, 2777m, 2778, 2778m, 2779, 2779m, 2780, 2780m, 2781, 2782c, 2782d, 2782e, 2782f, 2782g, 2782h, 2782i, 2782j, 2782k, 2782L, 2782Lc, 2782Ld, 2782Le, 2782Lf, 2782Lg, 2782Lh, 2782Li, 2782Lj, 2782Lk, 2782LL, 2791g, 2791m, 2791p, 2792, 2792m, 2793, 2793m, 2794, 2794m, 2795, 2795d, 2795h, 2796g, 2796r, 2797, 2801m, 2802, 2806ne, 2806nfg, 2867m, 2868, 2868m, 2868p, 2869m, and 3203 (23) (a) [as it relates to detention facilities]

These sections change the name of the Jail Assessment to the Jail and Detention Facility Assessment and expand the purposes of Jail Assessment funds to include programs designed to relieve jail crowding, construction and improvement of juvenile detention facilities, and programs designed to divert juveniles from detention facilities and jails. These provisions also require counties

to submit annual reports on the collection and uses of the funds to the Office of Justice Assistance. I am vetoing these provisions because the management of the Jail Assessment program needs further analysis. Additionally, these provisions expand the use of the Jail Assessment funds beyond the realistic limits of the funds available.

56. Deaf Treatment Center

Sections 1572m, 1607m and 1607r

These provisions direct the Department of Health and Social Services (DHSS) to provide specialized mental health services for hearing-impaired mentally ill residents at the Mendota Mental Health Institute (MMHI). Additionally, DHSS would be required to provide related outpatient services and technical assistance to county departments of community programs and to meet periodically with providers of services and concerned citizens representing the hearing-impaired mentally ill. I am partially vetoing the provisions referring to services at MMHI to give DHSS more flexibility in meeting the needs of the hearing-impaired mentally ill. I am also partially vetoing the provision referring to the "county" in s. 51.42 (7) (a) 6. b of the proposed language because the person may not be located physically in the county which may be responsible for providing services to the individual. Finally, I am partially vetoing the provision that requires DHSS to meet with providers of services and concerned citizens because it is inappropriate to place such language in the statutes. However, I am directing the Secretary of Health and Social Services to require the staff of the care and treatment facilities to meet periodically with representatives of providers and concerned citizens to foster better communications and consideration of their concerns.

57. Veterans Home Staffing

Section 3056 (7d)

This section requires the Department of Veterans Affairs to get approval from the Joint Committee on Finance (JCF) under section 13.10 (1) to release \$171,200 PR in fiscal year 1989-90 and \$217,200 PR in fiscal year 1990-91 to fund 8.0 nursing positions at the Veterans Home at King. JCF would only release the funds if the population and the skill mix of residents at the Home warranted filling the positions. I am vetoing this provision since the same oversight can be exercised by the Department of Administration (DOA). I am requesting the DOA Secretary to place \$171,200 PR in fiscal year 1989-90 and \$217,200 PR in fiscal year 1990-91 into unallotted reserve in appropriation s. 20.485 (1) (gk) and release the funds only after the Department of Veterans Affairs provides population and resident skill mix documentation that indicates the need for the positions.

58. Homeless Minority Veterans

Sections 195 [as it relates to s. 20.485 (2) (e)], 494r and 3056 (9g)

These sections provide \$50,000 GPR annually for a transitional housing program in Milwaukee County for

homeless minority veterans under which supportive services such as health care and job development would be provided. I am vetoing these provisions because the budget already includes a major program to assist homeless individuals with housing, emergency shelter, health care and mental health services. As a result, any homeless person, including a veteran, could receive assistance under the new program.

59. Veteran Representative—Small and Minority Business Opportunities Council

Sections 66j, 128g, 128i, 128k and 3001 (15g)

These sections specify that one member of the 13-member Council on Small and Minority Business Opportunities be an owner or employe of a veteran-owned business. In addition, the Council would be required to review and report on: (1) the state's role in promoting and assisting veteran-owned businesses and (2) the availability of data on veteran-owned small businesses. Also, the Council would be required to submit a report to the Legislature containing recommendations on private sector assistance and financing, procurement opportunities for veteran-owned small businesses, and actions to promote full participation of veterans in the economic mainstream.

I am vetoing these provisions because the Council by definition was created to represent the interests of minorities specifically and small businesses in general. The statutory definition of minorities does not include veterans.

The current composition of the Council provides the opportunity for veteran representation. I am requesting that the Department of Administration Secretary appoint a veteran later this year when the Council will have several vacancies and that the Council examine the problems of veteran-owned small businesses.

E. TAX POLICY

1. Individual Income Tax—Single Parent Sliding Scale Standard Deduction

Sections 1824, 1824m and 1825m

These sections would provide that the individual income tax standard deduction limits in 1989 and thereafter include a sliding scale standard deduction for single parents who meet the federal standard for heads of households. Such taxpayers would use the tax rates and brackets for single taxpayers. The intent of these provisions is to provide additional tax relief to single parents.

I have vetoed these sections for two reasons. First, the budget bill contains other provisions—changes to the Homestead Credit which recognize family size and the new Earned Income Credit—which more effectively target tax relief to low income individuals with dependents.

Second, the single parent sliding scale standard deduction is too expensive when added to the \$36.2

million cost of the new Earned Income Credit and the \$30.9 million cost of the modifications in the Homestead Credit formula. The single parent deduction would reduce the ending balance by another \$16.6 million in this biennium.

2. Individual Income Tax—Farmland Tax Relief Credit

Sections 195 [as it relates to 20.835 (2) (dp)], 555g, 557, 1864m, 1966m and 2046m

These sections relate to the funding source for the farmland tax relief credit and the administration of the credit. I am making two changes. First, I am changing the funding source for the one-time supplemental credit. Second, I am making some technical changes for administrative ease.

I am vetoing the sum sufficient GPR appropriation for the one-time supplemental credit of 4.2% for 1989 because the segregated lottery fund will have adequate funds to pay the 1989 supplement, as well as the ongoing 10% credit. I have partially vetoed section 557 so that the lottery funds will be used to fund the full amount of the credit.

I have also partially vetoed the language regarding the computation of the credit because of technical problems. This was necessary to ensure that the ongoing 10% credit applies to property taxes accrued in the taxable year to which the claim relates, beginning in 1989, and that the one-time supplemental credit applies to property taxes accrued in 1989.

The language concerning the maximum credit was also partially vetoed for technical reasons. I believe the Legislature intended to limit the 10% credit to a maximum of \$1,000 and the 4.2% credit to a maximum of \$420, for a total maximum credit of \$1,420 for 1989, and \$1,000 for 1990 and thereafter. However, the language as written could be interpreted to provide that 1989's \$1,420 cap applies equally to both the 10% base credit and the 4.2% supplemental credit. I have therefore partially vetoed the provision in order to limit the 10% credit to a maximum credit of \$1,000. The veto limits the 4.2% supplemental credit to a maximum credit of \$1,000, since it was not possible to limit it to the \$420 that the Legislature intended. This will be corrected by legislation that I will propose during the fall floor period.

3. Individual Income Tax—Homestead Tax Credit

Section 2070m

This section provides a change in the definition of "household income" that allows, for the purposes of calculating the homestead credit, household income to be reduced by \$250 for a claimant's spouse living with the claimant and by \$250 for each dependent living with the claimant. The intent of this provision is to consider household family size in computing the homestead credit.

I have partially vetoed this section to exclude a reduction for a claimant's spouse in order to reduce the cost of the provision. The provision is estimated to cost between \$5 and \$10 million over the biennium. The partial veto will reduce this cost by approximately 45%. I have chosen to exclude the reduction for the claimant's spouse because I believe this will target the funds to families with dependents, whether they are headed by two parents or by a single parent. Housing needs and costs are determined primarily by the number of dependents a claimant has rather than by marital status.

Overall, the modifications made to the homestead credit program, including the increases in maximum eligible property tax/rent equivalent, threshold income and maximum income and the new provision for family size, will provide an increase of 16% over current law.

4. Property Tax—Farm Machinery and Equipment Exemption

Sections 1780 and 2159g

These sections relate to the exemption from property taxes and sales tax for farm machinery and equipment. I am partially vetoing these sections to provide that silo unloaders, regardless of type, retain their character as tangible personal property and are exempt from property taxes and sales tax. This will make the statutes concerning property and sales tax consistent with respect to silo unloaders.

The language I proposed in my budget bill tightened up many of the definitions regarding the M&E exemptions in order to prevent further expansion of the exemptions. I am disappointed that the Legislature adopted so few of the changes I proposed.

5. Property Tax—Bradley Center Exemption

Sections 1778e and 3202 (48) (mg)

These sections eliminate the exemption from property taxes for the Bradley Center in Milwaukee if the state does not receive the property before July 1, 1990. I have vetoed these sections because discussions I have had with officials from the Bradley Center and the City of Milwaukee indicate that the transfer of ownership of the Center may be made later than July 1, 1990 due to the need to resolve pending litigation before the transfer is made.

6. Property Tax—Manufacturing Property Assessments

Sections 1795g, 1795m and 3202 (48) (kd) and (ke)

These sections relate to requirements for the Department of Revenue (DOR) concerning assessments of manufacturing property. The provisions require DOR to consider the following information in addition to the factors under ss. 70.32 and 70.34: information provided by the municipal assessor, replacement cost, fire insurance data, building inspection reports and building permits. The provisions also require DOR to assess

manufacturing property in Milwaukee County every two years.

I am vetoing these sections for several reasons. The additional information required to be considered may conflict with the requirements under ss. 70.32 and 70.34. In addition, DOR is not currently prohibited from looking at these factors in cases where the factors under ss. 70.32 and 70.34, are unavailable. DOR's assessment manual adequately outlines this. I am vetoing the requirement that DOR assess manufacturing property in Milwaukee County every two years because it is inequitable. Instead, DOR has agreed to increase the frequency of assessments of manufacturing property statewide. DOR will assess all manufacturing property at least once every four years, instead of the current practice of assessing the property once every five years.

7. Property Tax - Marketing Research Computer Exemption

Section 1780em

This section exempts computers and computer storage devices from personal property taxes if they meet certain specifications with regard to size, date placed in service and use. I am partially vetoing this section to remove the requirements about the type of data that must be received, processed and stored by the computers and about the origin of the data that is received by the computers. I am making this modification so that the proposed exemption will apply to those computers for which the exemption is intended.

8. Property Tax—Municipally Leased Property

Sections 1776tm, 1776tp, 1778h, 3048 (4g) and 3203 (48) (qg) and (qh)

These sections remove the tax-exempt status of certain local government property. Property owned by a unit of local government of which the local government is not the beneficial owner would not be exempt from property taxes, except in the following cases: property owned by a unit of local government and leased to an entity that would otherwise be exempt from property taxes if it had title to the property would retain its tax-exempt status if the leasehold income was used entirely for maintenance and/or construction debt retirement of the leased property; and property owned by a municipality or county leased to a holder of a professional sports franchise would retain its tax-exempt status. The provision also requires the Department of Revenue to define "beneficial ownership."

This language is intended to remove the tax-exempt status of municipal property that is leased to private country clubs. I do not object to this intent. In fact, I would be willing to sign legislation to limit potential misuse of public property provided it has received adequate public scrutiny, is prospective in application and is reasonably limited in scope. However, I am vetoing the language because of the implications the language has for other types of municipally leased property.

Municipalities, school districts and counties have entered into a variety of leasing arrangements that would be affected by this provision. These include such diverse activities as sludge treatment, waterfront redevelopment and potentially even municipally-owned parking garages.

My principal concern is the adverse effect on economic development. Municipalities throughout the state have entered into leasing arrangements to foster economic development projects. Examples include the waterfront revitalization projects in Oshkosh and La Crosse, industrial parks in De Pere and Jefferson, medical centers in Strum and Belleville and airport facilities in Wausau and Wautoma. Leasing municipal property is used as a long-term development tool that will strengthen the overall economy and the local tax base.

9. Local Finance - Municipal Sports or Entertainment Event Tax

Sections 1775r and 2191mr

These sections allow a city to impose a tax on the gross receipts from the sale of tickets to a for-profit sports or entertainment event held in facilities owned by the city or by a nonprofit nonstock corporation and operated by the city or by a nonprofit nonstock corporation. I am vetoing these sections for several reasons. First, the provision is unnecessary for city-owned facilities since cities negotiate the revenues they will receive through the terms of lease/rental payments with the sponsors of events held in these facilities. Second, such a tax would be inequitable. Entertainment events at nonprofit facilities would be taxed while such events at for-profit facilities would not. Finally, I am vetoing this provision, as I have in my two previous budgets, because of its implications for the Bradley Center.

10. Local Finance—Municipal Charges to Counties for Fire Protection

Section 1769e

This section allows a city, village or town to charge the county for costs for fire protection to county property located within the city, village or town. The charges must be made according to a written schedule, after deducting any revenue received by the city, village or town as a result of the county property being located there. I am vetoing this provision because it is intended to solve a specific problem in one town, which should be resolved at the local level. In addition, towns already have the statutory authority under s. 60.55 to charge property owners for fire protection provided to their property. Finally, one of the purposes for state shared revenue is to compensate municipalities for the costs associated with having nontaxable government property within their districts. This budget provides increases in shared revenue of \$16 million for 1989 payments and an additional \$28 million for 1990 payments.

11. Local Finance—TIF Filing Requirements

Section 1771m

This section requires cities and villages to send a copy of Tax Incremental Financing District annual reports to the Department of Revenue and the overlying taxation districts. If the city does not submit copies of the report by May 1 annually, transportation aids to the city are reduced. I am partially vetoing this provision to remove the filing requirement with DOR, since it has no authority to review these reports. I am also removing the penalty of reduced highway aids for late filing of the report. The penalty is excessive and unnecessary. I am leaving the requirement that each overlying tax district receive a copy of the report, since it is the taxpayers of these districts that are directly affected by TIF districts.

12. Local Finance—Shared Revenue Calculation
Sections 2185m, 2191r and 3202 (48) (vp)

These sections require shared revenue payments for municipalities located in more than one county to be calculated using data that treats the municipality as a whole. I have vetoed these sections because they will cause shifts in payments among municipalities. These shifts do not relate to any changes in local tax base or financial conditions, but only relate to the method used to calculate payments. There does not appear to be any good rationale for causing such shifts.

13. Local Finance—Municipal Services Fee
Sections 1780g, 1780r, 2191mc, 3202 (48) (vv) and 3203 (48) (ee)

These sections allow municipalities to impose service fees on certain categories of tax-exempt property. The fees are optional and are limited to the value of certain services provided to the exempt property. I do not oppose the intent of the legislation which is to recover the costs of providing municipal services to property located in a municipality. However, I am vetoing these sections for the following reasons: (1) the provision is unworkable in its current form; (2) the provision is inequitable; and (3) legislation such as this should be afforded full legislative review, including public hearing.

The provision is unworkable as currently written because it requires fees to be based on the value of services provided. The value of a service does not necessarily reflect its cost, and I foresee many problems in defining value, as well as in assessing such a fee.

The provision is inequitable since the fee could only be applied to certain categories of tax-exempt property, and not to others, with no clear rationale given. For example, the Lions Foundation camps for the visually handicapped and camps for the physically handicapped are excepted, but camps for mentally or physically disabled persons are not. A county owned nonprofit hospital would be excepted, but a religious nonprofit hospital would not. Manufacturers would be subject to municipal service fees for machinery and equipment when they already pay property taxes on land and improvements to municipalities as well as to overlying tax districts.

This type of legislation has the potential to affect every town, village and city in the state, as well as the nature of our property tax system. Because of these far reaching implications, public input must be allowed. I am directing the Department of Revenue to study this issue and to make recommendations to me.

14. Sales Tax—Exemption for Nonprofit Organizations
Section 2167

This section defines which occasional sales are exempt from the sales tax. I am partially vetoing the language which exempts funds raised by an event involving professional entertainment by a nonprofit service club on one occasion annually for charitable, philanthropic or community service purposes because this particular extension of the occasional sales exemption is vague and could permit abuse by promoters and professional entertainers. The partial veto restores my original proposal that still broadens the exemption for charitable events to include those where the payment for entertainment is under \$300 or where access can be obtained without a direct or indirect admission fee.

I am also partially vetoing language to make a technical correction. If a nonprofit organization holds events on more than 20 days in a year, the intent of the new language was to tax it if the gross receipts exceeded \$15,000. However, several words were mistakenly omitted so that those organizations with proceeds under \$15,000 would be taxed. I am partially vetoing this section to restore the original intent.

15. Utility Taxes—Surcharge from Telecommunications Gross Receipts Tax
Sections 2139g, 3001 (1rg) and 3034 (1bb)

These sections would: (1) require all rate-regulated longdistance companies that wish to pay the proposed lower top rate for the gross receipts tax to petition the Federal Communications Commission for a new tariff that would reduce the surcharge by at least 3.5 percentage points; (2) condition other long-distance companies' reduction of the top rate gross receipts tax on reductions in their surcharges by at least 3.5 percentage points; (3) request the Attorney General to join the suit of the Citizens Utility Board against the American Telephone and Telegraph Company; (4) direct the Department of Administration to review whether bidding requirements in state telecommunications service contracts with long-distance carriers can be conditioned on whether they provide interstate toll services and de-average any operational expense that is recovered from customers of the state other than through nationally averaged rates; and (5) request DOA to review voiding the current contract with ATT.

I am partially vetoing section 2139g to remove the requirement that these companies reduce, or request the FCC to allow them to reduce, their surcharges by an amount or percentage listed in the statute. This requirement is unnecessary. The surcharge has been

lowered because the state reduced its gross receipts tax. Indeed, a reduction in the FCC approved surcharge follows directly from its computation. Further, the Legislature has stated elsewhere in the bill its intent that telephone and telecommunications companies pass on to their customers, in the form of rate and surcharge reductions, the gross receipts tax reductions in this budget.

I am vetoing section 3034 (1bb) requesting the Attorney General to join the CUB suit against ATT because this is a policy matter that does not belong in the budget. If the Legislature believes the State of Wisconsin should petition the FCC for relief from the surcharge, it may request the Attorney General to do so without adding to the budget.

Section 3001 (1rg) requests DOA to review voiding the current contract with ATT. I am vetoing this section because it presupposes an illegality before one is found. Further, even if there were such a finding, it would be accompanied by a corrective order from the FCC or the courts. For the latter reason, the question of voiding or bidding a new contract is irrelevant. Finally, I believe that DOA has sufficient statutory authority and expertise to administer these contracts in the state's best interests.

16. Department of Revenue Technical Corrections
Sections 1792b, 2158, 2328b and 3048 (3n)

Sections 1792b and 2328b contain references to s. 70.114, a nonexistent section of the statutes. I am vetoing these sections because they do not belong in the bill. They relate to changes made to the bill during the legislative process that were not adopted in the enrolled bill.

Section 2158 contains a cross-reference to the property tax exemption for farm M&E for the purposes of defining tangible personal property for the sales tax exemption. However, section 2159g also contains a list of tangible personal property that is eligible for the sales tax exemption. I am partially vetoing section 2158 to drop the language referring back to the exemption under the property tax. This clarifies the organization of the statutes and eliminates the redundant language.

Section 3048 (3n) relates to the one-time supplemental property tax credit to be distributed in 1990. I have partially vetoed the provision to make the statutory crossreference cited clearly refer to the school property tax/rent credit statute.

F. ENVIRONMENTAL AND COMMERCIAL RESOURCES

1. Stray Voltage Assistance Grants

Sections 195 [as it relates to s. 20.115 (8) (d)] and 2221d

These sections provide \$50,000 GPR in each year of the 1989-91 biennium for a new stray voltage assistance grant program to help farmers correct stray voltage problems. I am vetoing the funding and partially vetoing

the language for this program pending further analysis of stray voltage problems in Wisconsin.

A Stray Voltage Program administered jointly by the Department of Agriculture, Trade and Consumer Protection (DATCP) and the Public Service Commission (PSC) was created in 1987 Wisconsin Act 399. That program was intended to provide on-site technical assistance to farmers, to investigate the causes of stray voltage on individual farms, to recommend solutions to identified problems and to assess the effectiveness of the on-site technical assistance. In addition, DATCP has established a Stray Voltage Advisory Council to advise DATCP on the direction of the Stray Voltage Program. Since the program was only recently implemented, there is not enough information or experience available to design a new grant program.

My vetoes will keep the stray voltage assistance grant appropriation and DATCP authority to award grants to farmers to assist in implementing stray voltage abatement programs. However, the appropriation dollar amount is reduced to zero. I am requesting DATCP, PSC and the Stray Voltage Advisory Council to monitor the findings of the on-site stray voltage assessment team and to develop recommendations for a stray voltage assistance grant program based on their analysis. The recommendations should include an analysis of the need for a stray voltage assistance program and, if a program is recommended, a proposal relating to the structure, scope and eligibility criteria of the program. In addition, I expect the recommendations to consider supporting the program through activity-based fees and other nontax revenue sources.

2. Earmark of Lyme Disease Research Funds
Section 3004 (8g)

This provision requires the Animal Health and Disease Research Board attached to the Department of Agriculture, Trade and Consumer Protection to award \$2,000 to applicants for research on Lyme Disease in the St. Croix County dairy herd. The Board is also directed to monitor the fiscal status of the research projects that are funded.

I am vetoing this provision because Lyme Disease research proposals should be reviewed by the Animal Health and Disease Research Board and awarded on a competitive basis to ensure maximum benefits from the Lyme Disease research funding.

3. Ginseng Research

Sections 195 [as it relates to s. 20.115 (4) (cm)], 212m and 3004 (8n)

These provisions require the Department of Agriculture, Trade and Consumer Protection to allocate \$30,000 GPR during the 1989-91 biennium to the Ginseng Research Institute of America for research on the health benefits of ginseng.

I am vetoing these provisions because the Ginseng Marketing Board is charged with the responsibility for

ginseng research and market development and is the appropriate mechanism to provide funding for this project. I recognize the economic benefits to Wisconsin of ginseng exports and the benefits derived from further development of a domestic market. However, the Ginseng Marketing Board should be the entity to fund these kinds of projects. I have vetoed the funding and the appropriation related to this provision.

4. Repeal of the Statutory Definition of "Contagious or Infectious Disease"

Section 2227qs

This section repeals s. 95.16, which defines and specifies livestock diseases which are subject to Department of Agriculture, Trade and Consumer Protection regulations. Repeal of this section would allow the department to define and specify contagious or infectious diseases through the administrative rule process.

I am vetoing this section to maintain current law. Diseases specified under s. 95.16 warrant careful and serious consideration since changes in the specified listing will impact on the movement of diseased animals and potentially the spread of diseases among livestock. Wisconsin's agricultural economy and reputation is dependent upon healthy animals and I do not believe this provision received adequate opportunity for full public hearing and debate to consider the implications of this change.

5. Wisconsin Development Fund

Sections 75e, 235g, 235h, 2685, 2685h, 3015 (2q), 3203 (15) (bq)

These provisions: (1) reserve at least 20% of the Wisconsin Development Fund, grants and loans appropriation (s. 20.143 (1) (c)) in each fiscal year for projects entered into by businesses that are controlled and actively managed by women and at least 51% owned by women; (2) require the Department of Development to make a grant of \$50,000 from the Wisconsin Development Fund, major grants and loans appropriation (s. 20.143 (1) (d)) to a business incubator in a fourth class city; (3) limit the total dollar amount of grants that may be awarded under ss. 560.61 and 560.665 for applied research to \$400,000 in any fiscal year; and (4) increase membership of the Development Finance Board by four members to include one majority party and one minority party senator and one majority party and one minority party assembly representative. The additional members are to be appointed as are the members of standing committees.

I am vetoing the provision that reserves 20% of the Wisconsin Development Fund for projects entered into by businesses that are controlled and actively managed by women and at least 51% owned by women because it would reduce the needed flexibility within the fund to respond to changing business development needs. While I strongly support the intent of this provision and have included or retained other programs in the budget directed at providing assistance to women-owned

businesses, set-asides in the development fund are not appropriate since all projects should be reviewed and grants and loans awarded on a competitive basis to ensure maximum job creation and retention opportunities in Wisconsin.

I am vetoing the provision requiring DOD to make a grant of \$50,000 from the Wisconsin Development Fund for a business incubator in a fourth class city because the incubator has adequate funding opportunities through competition in the Wisconsin Development Fund or the new community-based economic development programs created in this budget. Enumeration of projects when existing programs are in place circumvents the criteria and procedures established in those programs and could result in less worthy projects being funded.

Section 2685 authorizes grants for applied research in technology from the Wisconsin Development Fund. I am partially vetoing this section to eliminate the \$400,000 annual cap on the total amount of funds that may be used for these grants since it is unnecessary and limits the flexibility needed within the fund to ensure that all projects are evaluated and funded on a competitive basis.

I have vetoed the section which authorizes four legislative appointments to the Development Finance Board. The current membership of the board includes representatives of the scientific, technical, labor, small business and financial communities in Wisconsin. Further, I recommended and the Legislature approved the addition of a minority business representative to the board in this budget. I have vetoed the addition of legislative members because I believe the Development Finance Board is best served by persons with economic development expertise. Given the purpose of the Wisconsin Development Fund, I do not believe elected officials should be members of the board.

6. Rural Economic Development Program

Section 2664v

This section creates a new rural economic development program in the Department of Development under the oversight of a nine-member Rural Economic Development Board. I am partially vetoing this section to eliminate unnecessary statutory requirements on DOD and the board and to provide the board with adequate flexibility to negotiate contracts on a case-by-case basis. My vetoes: (1) eliminate the provision that prohibits the board from requiring any repayment of principal before the business receiving the loan actually begins business operations; (2) eliminate the provision that requires the board to establish an interest rate for a loan at a fixed percentage below what the board determines is the market rate; (3) eliminate the provision that prohibits the board from charging fees in connection with any loan or grant under this program; and (4) eliminate the provision requiring the board to promulgate rules to establish criteria for determining whether to award a grant instead of a loan to a business.

I am partially vetoing this section because the Department of Development has been successful in negotiating contracts for other grant and loan programs that are beneficial and responsive to the needs of the recipient while at the same time ensuring that Wisconsin taxpayers get a good return for their economic development dollars. Where necessary to interpret the statutes, administrative rules will be written and reviewed by the Legislature through the normal administrative rule process.

7. Community-Based Economic Development Programs

Section 2664p

This section contains several provisions regarding community-based economic development programs.

First, the section creates a community-based organization grant program in the Department of Development to promote the development of small businesses at the local level and to provide assistance to businesses and entrepreneurs in distressed areas, if DOD determines that the entrepreneur or business will provide jobs to minority group members or persons with lower incomes. The department is limited to expending not more than \$380,600 for this program in fiscal year 1989-90 and not more than \$382,800 in any fiscal year thereafter.

Second, the section authorizes DOD to award grants to a community-based organization or a municipality to fund the administrative, operating and technical assistance costs associated with the operations of an existing business incubator or the start-up of a business incubator. The business incubator grants may not exceed \$330,600 in fiscal year 1989-90 and \$432,800 in each fiscal year thereafter.

Finally, this section authorizes DOD to award a grant not exceeding \$70,000 in fiscal year 1990-91 to a community-based organization to employ or contract with individuals to survey and identify businesses with financial difficulties and work with state officials to promote the merger or purchases of those businesses by other businesses or individuals.

In addition, community-based organizations under these programs are limited to certain nonstock, nonprofit corporations and nonprofit cooperatives involved in providing assistance to those persons who are underemployed or have low incomes.

I am partially vetoing this section to eliminate the restrictions on the use of funds by community-based organizations in the community-based organization grant program. This will provide the department with the flexibility to award grants for local development costs other than the specified administrative and operating costs of the organization. I am also partially vetoing this section to eliminate the minimum grant amount available under the community-based organization grant program since it is unnecessary and could create a situation in

which worthy projects are not funded or a situation in which only a limited number of organizations receive funding.

In addition, my vetoes will: (1) eliminate the requirement that only certain nonstock, nonprofit corporations and nonprofit cooperatives and federally recognized American Indian tribes or bands are eligible for funding under these programs; (2) eliminate the annual funding caps for each program; (3) eliminate the provision which targets the programs to organizations and business incubators that provide assistance and employment opportunities to low-income persons and minority group members; and (4) eliminate the requirement that preference be given to business incubators that have or will have connections with an institution of higher learning, a community-based organization with experience in employment and training of persons with lower incomes or a large, established business.

My intent in vetoing these provisions is to open the program to all community-based organizations, including nonstock, nonprofit corporations, nonprofit cooperatives and federally recognized American Indian tribes or bands and to provide DOD with flexibility in allocating the funds to those projects which will produce the greatest economic development benefits for communities. While I have vetoed the specific provisions relating to low income persons and minority group members, I have retained the provision requiring that these programs provide assistance in distressed areas. Since these are the communities that are in greatest need of economic development the primary objective of these programs should be job creation and retention. The additional requirements are unnecessary and in some cases may be counterproductive to the overall objective of these programs.

I have also vetoed the business buy-out provision which authorizes \$70,000 in fiscal year 1990-91 for grants to a community-based organization to promote the merger or purchase of financially troubled businesses. The Department of Development currently provides assistance to troubled businesses in an effort to retain jobs in the communities where the businesses are located. Promoting mergers and buy-outs is an option of last resort and would be counterproductive to the efforts of the department. The \$70,000 reserved for this provision will remain in s. 20.143 (1) (fg) to be used for the other community-based economic development programs created in this section.

8. Minority Business Development Programs
Sections 47, 47b, 49c, 75g [as it relates to the membership of the Board], 125x, 237, 238, 666r, 689g, 689m, 2699 and 3015 (3n)

These sections create a minority business early planning grant program and a minority business development grant and loan program under the oversight of a new five-member Minority Business Development Board. The board would consist of the head of the subunit in the Department of Development with jurisdiction over

minority business development, two members appointed by the Governor for two-year terms, one member appointed by the presiding officer of the senate for a two-year term and one member appointed by the presiding officer of the assembly for a two-year term. The head of the subunit in DOD with jurisdiction over minority business development would serve as the chairperson of the board. In addition, these sections authorize the board to contract with public or private entities to provide staff and other administrative services to help the board perform its duties under these sections. These sections also require that the \$1.6 million appropriated for minority business loans and grants under s. 20.143 (1) (fm) be invested or deposited in a public depository which is minority owned.

I am partially vetoing the membership of the Minority Business Development Board so that the board consists of members appointed by the Governor. My intent in partially vetoing this section is to appoint a five-member Minority Business Development Board of which at least three members will be minority group members. It is not appropriate to place the minority business development bureau director on the board since this bureau will have the overall responsibility for reviewing grant and loan applications and making recommendations to the board. I am vetoing the legislative appointments to the board because the responsibility for administering state programs is an executive function. In addition, I am vetoing the provision that authorizes the board to contract for staff and administrative services since the Department of Development has adequate resources to serve the board.

I am partially vetoing the sections that require the funds appropriated for these programs to be invested or deposited in a public depository which is minority owned. My partial vetoes will allow the funds to be distributed to more than one such institution and further allow the placement of the funds in a manner more consistent with the state's investment guidelines.

9. Strategic Planning Council Membership
Section 70

This section increases the membership of the Strategic Planning Council from 13 members to 17 members by increasing from one to two the members appointed by the Speaker of the Assembly, the Assembly Minority Leader, the Majority Leader of the Senate and the Senate Minority Leader.

I am partially vetoing this section to require that the additional four members be appointed by the Governor. The additional members should be appointed by the Governor because the Council is advisory to the executive branch. The Legislature currently makes four appointments to the Council.

10. Department of Development Name Change
Sections 60t, 75g [as it relates to the name of the department], 86L, 86r, 93b, 156m [as it relates to s. 16.967 (6)], 195 [as it relates to s. 20.143

(title)], 234b, 636g, 873gh, 1969, 2048, 2231kg, 2477p, 2504th, 3015 (2) (b) and (bx), (5n) (b), (5tx) (a) and (b), (7g) (a) and (7ha) (intro.) [as it relates to the name of the department], 3035 (1h) and 3200

These sections change the name of the Department of Development to the Department of Tourism and Development.

I am vetoing these sections to maintain current law. My budget included a recommendation to create a cabinet level Department of Tourism and Arts to strengthen the state's tourism program and arts program and to provide a more coordinated promotion program of Wisconsin attractions, art and culture. As proposed, the new department would have combined the Department of Development's Division of Tourism, the Arts Board and the State Fair Park Board. In addition, funding for the Badger State Games and the Mississippi River Parkway Commission would have been transferred to the new department.

I am vetoing these sections because simply renaming the Department of Development does not accomplish the original objectives of the consolidation. Tourism is one of Wisconsin's largest industries and, as such, it deserves not only additional resources, but also an administrative structure which facilitates the coordination of a statewide promotion program and provides opportunities to highlight the diverse interests of Wisconsin residents and visitors. In addition, it was not my intent to emphasize tourism at the expense of other economic development programs. Renaming the Department of Development would create confusion in the business community and would damage the progress that Wisconsin has made towards being a nationally recognized leader in economic development.

11. Business Grant and Loan Restrictions
Sections 2230-r, 2555m, 2678m, 2680, 2698b, 2698c and 2700g

These sections prohibit the Department of Development, the Department of Industry, Labor and Human Relations and the Wisconsin Housing and Economic Development Authority from providing grants, loans, tax benefits or wage subsidies under the Wisconsin Development Fund, the Development Zone Program, the Wisconsin Job Opportunity Business Subsidy Program, the Seed Capital Fund or the Business Development Bond Program to applicants that fail to certify that the business will not begin or expand business operations using chlorofluorocarbons, halons or other compounds or substances with ozone-depleting weights of 0.1 or more. In addition, the administering agencies of the programs are directed to give priority to businesses applying for assistance under these programs if the applicant certifies that it will use techniques or processes that reduce or eliminate the use of compounds with ozone-depleting weights of 0.1 or more.

I am vetoing or partially vetoing these sections to eliminate the provision that prohibits business assistance under these programs if the business fails to certify that it will not begin or expand operations using ozone-depleting compounds. However, I am retaining the provisions that direct the administering agencies to give priority to those businesses that engage in techniques or processes that will reduce or eliminate the use of those compounds.

I am retaining the discretionary provisions because I recognize the global environmental problems being created by halogenated chemicals depleting the stratospheric ozone layer. The state should be encouraging businesses to reduce and eliminate the use of ozone-depleting compounds for the environmental protection of future generations. However, I am vetoing the prohibitive provisions because the use of ozone depleting compounds may be incidental to a business' activity. For example, a business might use only small amounts of such compounds in research or testing activities and none in the manufacturing process. In addition, a business may have computers and equipment which require special fire protection measures such as halon flooding systems. A business could also be engaged in a beneficial activity such as recycling CFC-based coolants used in air conditioning systems. These situations should not affect the ability of the business to receive state funds for economic development.

12. Housing Programs

Sections 66m, 111m, 526gf, 562gh, 3001 (11q), (11t) and (11v) and 3203 (1) (fv)

These sections create a housing cost grant and loan program and a grant program for local housing organizations in the Department of Administration, require the Governor to submit to the Joint Committee on Finance a report on the need for a state-funded mortgage insurance program and a plan for using the funds appropriated under s. 20.505 (7) (e) to help persons with low or moderate incomes obtain mortgage insurance, create a Housing Trust Fund Advisory Council to advise the Department of Administration on housing issues and create a Housing Policy Task Force to identify existing state programs and activities related to housing and make recommendations about whether any of the programs or activities should be transferred to the Division of Housing in the Department of Administration. In addition, these sections require the expenditure of \$20,000 in fiscal year 1989-90 and \$30,000 in fiscal year 1990-91 for grants to housing organizations located in the seventh assembly district.

I am partially vetoing these sections to clarify the housing costs which are eligible to be covered under the housing cost grant and loan program, to eliminate the definition of "persons or families of low or moderate income" and to eliminate the earmark of the local housing organization grant funds.

My vetoes will eliminate "occupancy charges other than rent" as an eligible housing costs under the housing cost

grant and loan program since I believe the grants should be targeted towards rent assistance and utility assistance to provide maximum use of the funds.

In addition, while I strongly support the targeting of these programs to those most in need of housing assistance, I am vetoing the definition of low or moderate income since basing eligibility for these programs on the federal poverty level is not appropriate and is inconsistent with federal housing programs. My intent in vetoing the definition is that a more appropriate measure be developed through the administrative rule process that will serve all regions of the state by taking into account cost of living differences and that will allow the housing funds to be used to leverage federal housing funds.

I am vetoing the earmark of the local housing organization grant funds for organizations located in the seventh assembly district because the organizations should compete for funds based on the criteria established for the program to ensure maximum benefits from the housing dollars.

I am also vetoing the October 1, 1989 reporting date for the mortgage insurance assistance report to allow for adequate time to complete the study and recommendations, the name of the Housing Trust Fund Advisory Council to more accurately reflect the mission of the council and the authorization for the creation of the Housing Policy Task Force. I believe the membership of the Housing Policy Task Force should be expanded to include additional members from the private sector with expertise in housing issues. Therefore, I will appoint the task force by executive order.

13. Employee Ownership Program Modifications

Sections 2664c and 2664g

These sections modify the employee ownership program by deleting the provision authorizing loans only when a business has experienced substantial layoffs or has closed within the past year.

I am vetoing these sections because the intent of the employee ownership program is to retain or regain those jobs in businesses that are failing or have failed, not to encourage employee buy-outs of existing, on-going businesses. Retaining the criteria whereby funds can only be used in those cases where there has been substantial layoffs or a business closing will maintain the job retention focus of the program.

14. Funding for Local Tourist Information Centers

Section 3015 (7h) [as it relates to tourist information centers in St. Croix Falls and Prescott]

This subsection requires the Department of Development (DOD) to provide \$4,400 general purpose revenue in each year of the 1989-91 biennium for additional limited term employees to staff the state operated tourist information center at Prairie du Chien; \$35,000 general purpose revenue in each year of the

biennium for limited term employes and operations costs of a tourist information center in or near the City of St. Croix Falls and \$35,000 general purpose revenue in each year of the 1989-91 biennium for a contract for services related to tourist information at a facility located in or near the City of Prescott.

I am partially vetoing this subsection to eliminate the authorization for DOD to provide funds for the operations costs of the centers in or near the cities of St. Croix Falls and Prescott. I am requesting the Department of Administration Secretary to move \$65,000 in fiscal year 1989-90 and \$70,000 in fiscal year 1990-91 into unallotted reserve to reflect the intent of my veto. However, I am requesting DOD to use the remaining \$5,000 in fiscal year 1989-90 to study the location of these and other local centers and to develop policies and procedures for funding the operations costs of local tourist information centers.

15. Funding for American Indian Tourism Trade Mission

Sections 195 [as it relates to s. 20.143 (2) (br)], 243d, 243dm, 3015 (7n) and 3203 (15) (dn)

These sections appropriate \$50,000 GPR in fiscal year 1989-90 for grants to the governing bodies of American Indian Tribes to fund expenses associated with a tourism trade mission to West Germany. I am vetoing these sections because the Department of Development has already committed \$50,000 in fiscal year 1989-90 through the Joint Effort Marketing Program for this purpose. Additional requests for funding should be made to the department and evaluated based on the criteria established for this program.

16. Ethnic Group Travel Grants

Sections 195 [as it relates to 20.143 (2) (bm)], 243b, 243bm, 3015 (7h) and 3203 (15) (dm)

These sections appropriate \$7,500 GPR in fiscal year 1989-90 and authorize the Department of Development to make grants to groups whose members share an ethnic heritage and an interest in ethnic customs for the travel expenses associated with cultural exchange trips. Recipients of the grants must provide matching funds at least equal to the grant amount.

I am vetoing these sections because funding the travel expenses of private citizens for private activities with no economic development purpose is not an appropriate function of the Department of Development.

17. Disadvantaged Business Programs

Section 195 [as it relates to s. 20.490 (6)], 500m, 2549m, 2555r, 2717n [as it relates to s. 600.01 (1) (b) 8], 2814m and 3029(3p)

These sections create a Small Business Loan Guarantee Program in the Wisconsin Housing and Economic Development Authority (WHEDA) and authorize WHEDA to use funds from the drought assistance and agricultural development loan fund to guarantee up to \$5 million in loans to certain disadvantaged businesses for

the expenses necessary to perform contracts with the federal, state and local governments and financially secure businesses. These sections also authorize the creation of a privately-capitalized financial assistance fund and appropriate \$200,000 GPR in fiscal year 1989-90 to WHEDA to contract with a person to promote or solicit contributions to the fund. The financial assistance fund would be administered by WHEDA and would provide the funding for a small business equity investment guarantee program, a small business loan program, a longterm small business loan guarantee program, a small business surety bond guarantee program, a small business equity investment program and a small business technical assistance grant program. These programs, like the Small Business Loan Guarantee Program, would provide business assistance to certain disadvantaged businesses and individuals in Wisconsin. These sections also require WHEDA to submit, for approval, a plan to the Joint Committee on Finance on the administration of these programs prior to encumbering or expending the funds related to these programs.

In addition, these sections require the Office of the Commissioner of Insurance (OCI) to design programs to assist certain disadvantaged businesses to obtain property and casualty insurance and performance bonds and to submit a plan to the Joint Committee on Finance by January 1, 1991 and enumerate specific components which the plan should include.

I am partially vetoing these sections to eliminate unnecessary requirements on WHEDA under the small business loan guarantee program, to eliminate the promotion funding and the authorization for the creation of the privately-capitalized financial assistance fund and to eliminate the authorization for the programs which were to be funded from the privately-capitalized financial assistance fund.

My vetoes will remove the specified conditions under which WHEDA may extend the guarantees related to the small business loan guarantee program so that WHEDA can establish the terms and conditions of the guarantees and will eliminate the enumeration of information requirements for applications for assistance under the small business loan guarantee program so that WHEDA has the flexibility to require any information that the authority considers necessary. In addition, I have vetoed the provision requiring WHEDA to submit to the Joint Committee on Finance a plan on the administration of these programs. Such a requirement is unnecessary and would delay the implementation of the small business loan guarantee program.

I am vetoing the authorization to create the financial assistance fund, the programs associated with it and the \$200,000 GPR for promotion of the fund because I believe these provisions need additional study and debate. I understand both the seriousness and the complexity of the problems facing the disadvantaged businesses that would be served under these programs

and I included provisions in my budget to address some of the barriers faced by these businesses. However, I am not comfortable with the scope and the use of state funds for these provisions. While I believe the state should be active in encouraging business development, I do not believe the state should assume the degree of risk involved under these provisions. In addition, many of these provisions, such as the small business technical assistance grant program, the small business loan program and the small business equity investment program, are duplicative of new and existing programs in the Department of Development and WHEDA.

In addition, I am vetoing the sections which enumerate the specific components of the OCI plan because specific components should not be mandated. OCI should have the authority and flexibility to analyze any problems and to design a plan after an analysis of need for specific plans is completed.

18. Great Lakes Issues Report
Section 3040 (1r)

This provision directs the Department of Natural Resources to report to the Legislature by February 1, 1990 on Great Lakes issues. The report is to include the department's overall mission and future plans regarding the Great Lakes, ways to enhance coordination of department activities concerning Great Lakes issues, ways to improve coordination of activities between state agencies on Great Lakes issues, recommendations on how to provide the highest level of environmental protection for the Great Lakes, ways to communicate Great Lakes issues to the public and the Legislature, and a review of the effects of sea lampreys in the Great Lakes and proposals for correcting any negative sea lamprey effects.

I have partially vetoed this provision to delete requirements that the Great Lakes issues report address the department's overall mission and future plans, interdepartmental and intradepartmental coordination of activities, environmental protection, and communication of Great Lakes issues. The department can conduct a study of these issues without specific direction from the Legislature. Studies on these types of issues are commonly done for internal departmental planning purposes and are within current departmental authorization. The department can proceed with a study of these issues if it believes the study is a high priority.

19. Yard Waste Publicity Campaign
Section 195 [as it relates to 20.370 (2) (da)]

This section appropriates \$150,000 GPR in fiscal year 1989-90 to the Department of Natural Resources to conduct a yard waste publicity campaign. I recognize the need for community awareness of the previously enacted ban on disposal of yard waste in landfills, which goes into effect on January 1, 1993. However, I am concerned about providing \$150,000 of state funds for this purpose when many communities have been able to provide notification of the yard waste ban and have developed

effective yard waste programs without state funding. Therefore, I am vetoing a digit in the fiscal year 1989-90 appropriation amount to reduce the amount to \$15,000. The \$15,000 would be used to allow the department to disseminate information to those communities that have yet to develop yard waste programs. Education to provide information on alternative yard waste programs and to encourage local governments to move forward in implementing the ban will be beneficial.

20. Milwaukee River Revitalization Council
Sections 195 [as it relates to 20.370 (1) (dg)], 336bm, 650n and 650nm

These provisions make substantial changes to the Milwaukee River Revitalization Council. They modify the status of the council from an advisory council to a policy-making authority and require the Department of Natural Resources to provide administrative and technical assistance to the council. These provisions also create a gifts and grants appropriation to be used for the revitalization of the Milwaukee river basin.

I am vetoing the policy-making authority granted to the council, including provisions that would allow the council to establish advisory and mandatory zoning standards, to legally represent the Milwaukee river basin, to purchase land, and to accept and use gifts and grants. I am retaining provisions in the budget pertaining to the council that are of an advisory nature. I am vetoing these policymaking provisions and the requirement that the department provide administrative and technical assistance to the council because I believe that the council should be maintained as it was originally established, which is to function as an independent advisory council to the Executive Branch and the Legislature. The powers proposed for the council in this budget are far-reaching. The council is a new entity and has not demonstrated a need for these new powers.

In addition, I am vetoing the creation of a gifts and grants appropriation in the department related to council activities. Since I am vetoing language that authorizes the council to accept and use gifts and grants, there is no need for the appropriation.

21. Flood Control Technology Grants
Sections 195 [as it relates to 20.370 (4) (na)], 338bhg and 3040 (3t)

These provisions authorize \$150,000 GPR in fiscal year 1989-90 for grants to the Milwaukee Metropolitan Sewerage District (MMSD) for the design of innovative flood control techniques.

I am vetoing these provisions because a decision to proceed to construct or implement innovative flood control techniques is a local matter which should not be decided in the state budget. These provisions would require the MMSD to construct and implement innovative flood control techniques designed with grant funds. The MMSD has been considering alternative

flood control techniques and state funding should not affect which alternative is chosen.

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22. Veterans Home Sewage Treatment Plant Expansion

Sections 195 [as it relates to 20.370 (4) (ke)], 338ba and 3040 (2n)

These sections provide \$200,000 GPR in fiscal year 1989-90, as one-time matching funds, to the sanitary district that currently uses a portion of the sewage treatment plant capacity of the Veterans Home at King. These funds would be used to expand the capacity of the plant. Expansion is needed at the plant which is currently operating at full capacity. The Veterans Home plans to add 200 beds which will affect the need for expanding the plant.

I am vetoing these sections because such provisions would be more appropriately addressed initially by the state Building Commission. An agreement between the Veterans Home and the sanitary district contains various provisions regarding responsibility for plant expansion costs. The commission should review the agreement and address the issue of funding for plant expansion in the context of its overall review of the request to expand the plant's capacity.

23. Emission Exemption for Car Ferries

Section 2379aar

This section directs the Department of Natural Resources to exempt coal-powered car ferries operating on Lake Michigan from any air pollution emission standards. Car ferries are not currently covered by existing air emission standards. I am vetoing this section because I believe that a specific exemption for coal-powered car ferries should be considered in the context of new or modified emission standards. There are no new or modified emission standards currently being proposed.

24. Local Park Aids

Sections 336gj, 601nc, 650g, 650gm, 650h, 650hm, 650i,

and 3040 (11h)

These sections authorize grants for up to 50% of the cost of purchase or lease of urban land for community gardens for low-income persons and specify that \$250,000 of general obligation bonding authorized for the Local Park Aid Program and \$500,000 of general purpose revenue be used to acquire land in Milwaukee adjacent to the Menomonee River.

I am vetoing these sections authorizing community gardens because the purchase of land for community gardens is an eligible project under the new Urban Green Space component of the Stewardship program and projects of this kind should be funded through that program. I am also partially vetoing the section under the Local Park Aid program relating to the enumeration of \$250,000 in bonding for the Menomonee River project

because projects funded by the Local Park Aid program should be given equal treatment and should be evaluated based upon established criteria and analysis of the project. Specific projects of this kind and size should not be exempted from the Local Park Aid Program procedures. Milwaukee may still apply for a grant from the Local Park Aid Program for the project.

In addition, I am vetoing the language that specifies that the \$500,000 of general purpose revenue be used for land acquisition so that Milwaukee can use the funding either to acquire or develop the land. In addition, the intent of this veto is to allow the state aid payment under this budget provision to come only from the appropriation specifically established for the Menomonee River project in an amount equal to the amount contributed by Milwaukee.

25. Milwaukee County Fish Stocking

Section 3040 (15g)

This section requires the Department of Natural Resources to stock additional fish in lagoons located in Milwaukee County parks. I am vetoing this section because the DNR should stock fish based upon established criteria and analysis of the need for the individual fish stocking project. In addition, I am vetoing the section because the Department has an existing fish stocking agreement with Milwaukee County and the county should work with the Department to modify the agreement if it is inadequate.

26. Waterways Commission Eligibility

Sections 338ai, 601nb, 687hp, 687k, 687km, 687kp, 687L, 687m, 687mg, 687n, 687o, 687om, 687p, 687pm, 687q, 687qb, 687qd, 687qf, 687qm, 687r, 687rm, 687rp, 687s, 687t, 687u and 3040 (9h) (f)

These sections expand the kinds of local jurisdictions that would be eligible to receive program funding and expand the kinds of projects which can be funded from the recreational boating facilities program through the Wisconsin Waterways Commission.

I am partially vetoing the sections which make qualified lake organizations eligible for funding under the Recreational Boating Facilities Program. I am vetoing the eligibility provisions for qualified lake organizations because statutorily created governmental entities are the appropriate recipients of grants from the Commission for what are often expensive capital construction projects. Statutorily created governmental entities can provide the necessary public oversight and accountability for commission grants.

I am partially vetoing the sections which expand project funding eligibility to include conservation easements, lake association operating expenses, boat berths and marinas, and a provision which would enable Beloit to use Waterways Commission funding for land acquisition.

I am vetoing these sections because the purpose of Waterways Commission funding should be for

construction of non-revenue producing facilities, not for maintenance or for the construction of revenue producing facilities such as those projects for structures to berth boats or for land acquisition activities.

27. Lake and River Management

Section 2378fd

This section provides that eligible recipients who may receive lake planning grants under the Department of Natural Resources (DNR) Lake and River Management program would include local governments, lake management districts, qualified lake associations and other groups approved by DNR. I am partially vetoing this language so that only local governments, lake management districts and qualified lake associations will remain eligible for funding under the program. My veto will remove grant eligibility for "other" groups as determined by DNR administrative rule. I am partially vetoing this section because the entities that are eligible to receive funding under the lake planning grant program should be clearly defined.

28. Park Fee Changes

Sections 682v and 682w and 3203 (40) (hx)

These sections make changes to the nonresident daily state park fee and give the Department of Natural Resources authority to issue limited-term resident and nonresident annual vehicle admission stickers to state parks. I am vetoing the change from \$6 to \$5 because it results in decreased revenue to the parks account in the Conservation Fund and because the change is not necessary to address federal questions regarding differential pricing between residential and nonresidential fees. Additional fee changes should be addressed in the 1991-93 biennial budget when all of the Department's fee structure will be reviewed.

In addition, I am partially vetoing the section authorizing annual limited-term stickers. I am partially vetoing this section because limited-term stickers for state park use should be on a daily basis, not on an annual basis.

29. Public Access to Southeast Wisconsin Lakes

Sections 336gm, 687 (hm) and 3040 (11g)

These sections provide the Department of Natural Resources with the authority to override local zoning ordinances in establishing public access to southeast Wisconsin lakes. I am vetoing these sections because state government should not have the authority to override these local zoning ordinances. However, I am not vetoing the funding allocated for additional public access to the lakes in southeastern Wisconsin and I am requesting the Department of Natural Resources to use the funding for public access projects on those lakes. In addition, I am requesting the Department of Natural Resources to work with the interested parties to establish a policy consistent with local concerns and regional planning commission guidelines.

30. Forestry Account Administrative Services Study

Section 3001 (14f)

This section requires the Department of Administration to submit a report regarding appropriate changes to the Department of Natural Resources' administrative services program and the amount of funding to be budgeted in future years from forestry funds. I am vetoing this section because the budget also includes a separate provision (which is not being vetoed) directing the Legislative Audit Bureau to audit the Department of Natural Resources' administrative service program relating to the allocation of funding from all segregated accounts. The Legislative Audit Bureau rather than DOA is the appropriate entity to perform the analysis.

31. State Park and Forest Roads

Section 3040 (10jn)

This provision requires the Department of Natural Resources to pave and mark any town, county or state highway within five miles of the Navarino Wildlife Area by June 30, 1991. I am vetoing this provision because state-funded road projects should be evaluated on their own merits on the basis of DNR criteria and priorities and should not be specifically enumerated.

32. Recreation Permits for Disabled Persons

Sections 683prb, 683prd, 683prf, 683prh, 683prj, 683prL and 683prm

These sections exempt disabled persons who hold Class A, Class B and Class C permits for disabled persons from the license fee requirements for hunting licenses and resident archer licenses and also exempts disabled persons who hold trolling permits from the fishing license fee requirements. I am vetoing these sections. Although I support measures to allow disabled persons to exercise hunting and fishing rights within the constraints of their disabilities, additional exemptions from fee requirements should not be provided without further study. In addition, the provisions as partially vetoed more accurately reflect the intent of the Disabled Advisory Council.

33. Acquisition and Development Projects

Sections 3008 (1) (h) 1. [as it relates to the Dresser-Danbury Bike Trail], 3040 (10h), and 3040 (12c)

These sections provide additional bonding authority of \$800,000 for the Dresser-Danbury Bike Trail project and specify that the Department of Natural Resources acquire land in the Town of Bone Lake for a new state park. \$1,580,000 of additional bonding authority was also provided for the new park. In addition, these sections enumerate funding for a park office and visitor station at Big Bay State Park.

I am vetoing the sections relating to the Dresser-Danbury Trail, the acquisition of a new state park and the Big Bay State Park facility because state dollars for these kinds of projects should be funded either from the bonding level which existed before the Legislature increased the authorized bonding level for these projects

or from the newly created Stewardship Fund. In addition, increased bonding authority is not required for state participation in the Dresser-Danbury Trail project. The Department of Natural Resources has sufficient funds available for the purchase of land for the trail and will be purchasing it. Also, the department is currently negotiating cooperative agreements with the local entities involved for the development of the trail. It is my intention, as the Chairman of the State Building Commission, to recommend that the \$2,380,000 of additional bonding be denied.

I am vetoing the enumeration of the Big Bay State Park project because construction projects of this kind should be evaluated based upon an analysis of the project. The Big Bay State Park project should not be exempted from an analysis.

34. Rename Kinnickinnic State Park

Section 682s

This section changes the name of Kinnickinnic State Park to Robert P. Knowles, Sr. State Park. I am vetoing this section because the state budget is not the appropriate place to rename a state park. I am requesting the Department of Natural Resources Board to develop criteria for naming state parks.

35. Prairie Seed Farm Program

Section 195 [as it relates to s. 20.370 (1) (fk)], 336ep, 338hi and 650fn

These sections establish a Prairie Seed Farm Program in the Department of Natural Resources which is designed to cultivate native seeds and plants for placement along state and county highways and other public lands. I am vetoing these sections because the Department of Transportation's general and winter highway maintenance and repair appropriation is not the appropriate funding source for the program.

36. Clean Water Fund Program

Sections 675j, 2378dm, 2378dz, 2378ea, 2378eb, 2378ec, 2378eg, 2378ek, 2378eL, 2378em, 2378en, 2378eq and 2378er

These sections make several changes to the Clean Water Fund program in the Department of Natural Resources, including: (1) reducing the transition period loan interest rate from 3.5% to 2.5%, (2) placing a 9% cap on the funding for unsewered communities, (3) requiring Joint Committee on Finance approval of the Department of Natural Resources annual plan, (4) establishing specific financial hardship or ability to pay criteria in the statute, and (5) establishing the amount of the loan service fee in the statute. I am vetoing these sections to retain current law.

When the Clean Water Fund program was signed into law in May 1988, the interest rate for transition period loans was established at 3.5%. The rate reflected a state subsidy between the level of subsidy that had been received under the grant program and the subsidy that would be received under the permanent loan program.

In addition, the interest rate needed to be at a level which would provide sufficient dollars to get the loan program to revolve, provide a subsidy for future loans, and maintain the purchasing power of the Clean Water Fund.

My Administration, the Legislature, the Department of Natural Resources and interested parties all agreed to the 3.5% interest rate and the agreement included other provisions for the new program as well. Reducing the transition period interest rate to 2.5% goes against this agreement. The lower interest rate would also mean that communities receiving loans in the future would pay higher interest rates in relation to the market interest rate and the state would need to authorize additional general obligation bonding authority. For these reasons I am vetoing the 2.5% rate to retain the 3.5% rate for all transition loans. The state and local governments cannot afford, through future higher loan interest rates and bond sales, to subsidize these 2.5% transition period loans for the benefit of a few communities particularly without further analysis of the transition period interest rate on the future program.

A budget provision creates a 9% cap on Clean Water funding for unsewered communities. Under current law, unsewered communities receive at least 5% of the annual funding from the Clean Water Fund program and if there are funds remaining after other projects get funding the unsewered communities can use the remaining dollars. This provision was originally put in the Clean Water Fund program to ensure that unsewered communities would receive financial assistance. The 5% amount sunsets on July 1, 1991. The sunset was included because the Department of Natural Resources would be designing a new priority system for project funding and it was believed that unsewered communities would be more competitive with other projects for financial assistance under the new priority system. I am vetoing the budget bill changes because I believe unsewered communities should be assured of funding during the first years of the Clean Water Fund program. Because the program is based on water quality priorities and the department is revising the priority system to allow unsewered communities to compete more effectively, I believe the current law should be retained.

I have vetoed the three other provisions pertaining to the Joint Committee on Finance approval of the annual plan, the specific financial hardship/ability to pay language, and the loan service fee because changes which will be proposed in the October legislative session on the Clean Water Fund program are likely to affect these three provisions and should be reviewed and addressed at the same time.

37. Fond du Lac Interceptor Funding

Section 3040 (1nm)

This section makes the City of Fond du Lac eligible to receive a financial assistance loan with a 2.5% interest rate from the Department of Natural Resources to construct an interceptor sewer during the transition

period between the Wisconsin Fund program and the Clean Water Fund program.

I am vetoing this section because the City of Fond du Lac should work with the Department of Natural Resources on the planning, design, and construction of the sewer interceptor. By working with the department the project's eligibility and priority can be determined. These are the first steps which should be taken for this project. Granting eligibility for the project in the budget bill may not be needed and circumvents the processes established to determine program financial assistance eligibility and priority.

38. Private Septic System Grant Program

Sections 2378esf, 2378esic, 2378eske, 2378eskq, 2378eslm, 2378esmb, 2378esmc, 2378esnb, 2378esnd and 3040 (3u)

These sections make several changes to the Private Septic System Grant Program in the Department of Natural Resources, including: (1) increasing the state grant share from 60% to 80%; (2) proposing a new grant allocation method; (3) establishing a new small business program eligibility criteria; (4) allowing the maximum grant to be based on a certain dollar amount or a certain percentage "whichever is greater" rather than "whichever is less"; and (5) setting funding priorities based on a first-come, first-serve basis rather than on water quality priorities. In addition, the Department of Natural Resources is required to submit a report to the Joint Committee on Finance concerning the income of persons receiving grants from the program. I am vetoing all of these provisions to retain current law.

I am vetoing the 80% state grant share back to 60% because I believe 60% represents a fair and reasonable state contribution. The share of public funds for these projects should be considered in relation to the private property improvement benefits which also accrue to the landowner. In addition, a 60% grant share is consistent with most of our other state grant programs.

Counties which are not currently in the program should be encouraged to participate. However, the new allocation method is likely to provide some counties with more money than they need and some counties with less money than they need. In general, the counties that are doing the most to correct failing private sewage systems would have the worst funding shortages. Because the new allocation method appears to adversely affect counties which take initiative to replace failing septic systems and works counter to state goals, I am vetoing the new method.

New language in the budget changes the way the maximum grant amount is determined. The words "whichever is less" are changed to "whichever is greater" and would have the effect of providing grants to individuals which are larger than the actual cost of the new septic system. I am vetoing this provision because it is unworkable.

The eligibility standard for small commercial establishments is also changed from \$32,000 annual income or 125% of county median income to \$362,500 of annual gross sales. I am vetoing this provision for several reasons. The new eligibility standard is taken from a definition of small business in the Fair Labor Standards Act. It is not clear whether the definition is reasonable for determining grant eligibility for private septic system grants. Second, I am concerned about the effect of the new standard on farmer eligibility for program funds. I am requesting the Department of Natural Resources to work with interested legislators and my administration to resolve these concerns on the eligibility criteria for small businesses.

Funding priority for the current program is based on water quality priorities, delineated into two categories. Grants are prorated when there are insufficient funds available in a given year in relation to the categories. The budget would change the proration so that it would be based on the order in which the grant application was received. I am vetoing this provision because I believe the program should continue to prorate funds based on water quality categories rather than on a first-come, first-serve basis.

The budget bill also requires the Department of Natural Resources to submit a report to the Joint Committee on Finance concerning the income of persons receiving program grants. This provision was added during the legislative process when the Legislature was considering removal of the income eligibility limit. Because the income eligibility limit was restored, the report is not necessary.

39. Environmental Repair Fund Program

Sections 2379bL and 2379bo

These sections make two changes to the Environmental Repair Fund program in the Department of Natural Resources. First, section 2379bL creates an annual hazardous waste generator fee of \$19 per ton based on hazardous waste generated during a specific reporting year. There is an annual base fee of \$100, an annual fee cap of \$10,000 and exemptions for certain kinds of hazardous wastes generated. Section 2379bo establishes funding priority from the Environmental Repair Fund for contamination problems at the Refuse Hideaway Landfill site in Dane County.

I am partially vetoing the \$19 per ton fee to \$9 per ton by striking the "1" in 19. I am also vetoing the section which gives the Refuse Hideaway Landfill site priority for Environmental Repair Fund remedial action dollars.

In my 1989-91 biennial budget I proposed that a new hazardous waste generator fee of \$5 per ton be imposed to provide additional clean-up revenues for the Environmental Repair Fund Program. The new hazardous waste generator fee was part of a larger fee package which included higher tipping fees, additional general purpose revenues, a modified oil inspection fee, and new general obligation bonding authority. The

intent of the fee package was to provide a broad base of fees from a variety of sources to address our environmental contamination problems.

The Legislature continued with this broad-base approach, modestly increasing my proposal. The one exception to this approach was the hazardous waste generator fee which was being suggested for the first time and which was ultimately raised to \$19 per ton. I am partially vetoing the \$19 to \$9 because I believe the Environmental Repair Fund Program should be funded from a variety of fees and that no one fee source should be overly burdened. Enacting a hazardous waste generator fee of \$19 per ton for the first time is too high and overly burdens one funding source.

I am vetoing the priority funding for the Refuse Hideaway Landfill site because the designation circumvents the process for determining environmental priority for cleaning up contaminated sites. The Department of Natural Resources has an elaborate hazardous ranking system for setting environmental priorities for problems to be funded from the Environmental Repair Fund. Giving funding priority to the Refuse Hideaway Landfill would mean other, more serious and health threatening sites would be bumped from the list and might not be cleaned up. It is important to maintain the environmental funding priorities of the Environmental Repair Fund Program to ensure our state's most contaminated sites receive attention first.

40. Well Compensation Program

Section 3040 (4p)

This section allocates \$100,000 GPR to pay well compensation claims for Town of Janesville residents in Rock County whose private wells are contaminated. The payments would be made from the Environmental Fund well compensation appropriation.

I am vetoing this section to remove the special allocation for the wells in this particular township. I am also requesting the Department of Administration Secretary to place \$50,000 in unallotted reserve in both fiscal years 1989-90 and 1990-91, to lapse to the general fund.

I have not vetoed the well compensation program and funding for the Department of Natural Resources proposed in this bill. In signing 1987 Wisconsin Act 399, I requested the Commissioner of Insurance to work with the insurance industry on the possibility of providing well compensation insurance to property owners as an alternative to a statefunded well compensation program. The intent was to have insurance cover the replacement of private water wells.

My discussions with the Insurance Commissioner indicate that at least one insurance company is currently involved in a research and development program to address well contamination through the appropriate use of an insurance mechanism. They expect to complete this effort within the next six months. It is likely that the insurance developed will not cover every instance in

which a well becomes polluted. There are certain areas of the state for which residents would not be able to receive insurance because geographical conditions or past and current well contamination experience precludes insurance coverage. These "hot spot" areas do not enable the state to rely completely on an insurance alternative to address well contamination problems.

With these factors in mind, I would like the state to pursue a well compensation program which relies on both state funding and the insurance industry which would provide private water well insurance to cover the majority of potential well contamination problems. The state role in the well compensation program would be to provide funding for replacement of contaminated wells in those areas of the state where residents cannot obtain insurance coverage. State funding would be contingent on demonstrating that private insurance is not available and the department would need to outline other priorities as needed. The well compensation program proposed in the budget provides a good framework for the alternative I am suggesting here.

I believe a state "hot spot" well contamination program limited to special areas which cannot get insurance, coupled with a private sector offering of well replacement insurance, meets the dual objectives of ensuring that contaminated wells are replaced and that in most cases the vehicle for assisting property owners with the risk of well contamination property damage is insurance.

41. Solid Waste Facility Siting Prohibition

Sections 2379aax, 2379ab, 2379ad and 3202 (40) (an)

These sections prohibit the Department of Natural Resources from approving a feasibility report for a proposed solid waste disposal facility if the proposed facility is located within five miles of an approved solid waste disposal facility in operation or if the proposed facility is located within five miles of an approved solid waste disposal facility which is closed but which was in operation within the previous five years. These sections also provide several exceptions to the provision, including high-volume industrial waste sites. This prohibition would preclude the development of the Libby site, Vondron site, and the Town of Westport site in Dane County and the Muskego site in Waukesha County.

I am vetoing these sections to retain current law for several reasons. First, the prohibition of a specific proposed solid waste disposal facility in the budget circumvents the state's comprehensive solid waste disposal facility law. The current state law uses environmental and technical criteria to determine facility feasibility. These criteria ensure that new facilities are properly located and safely designed. The five mile limit is an arbitrary standard which has no environmental basis.

In addition, this provision has statewide policy implications affecting many local governments and the

future disposal of our state's solid waste. Such statewide policy provisions should not be included in the budget, particularly without debate by the full Legislature and public hearings.

Because concern has been expressed about the ability to identify the source of contamination if landfills are sited too closely together, I am directing the DNR Secretary to review current environmental separation standards and to implement appropriate revisions to these standards.

42. Projects to Treat Radium in Drinking Water

Sections 195 [as it relates to s. 20.370 (4) (kf)], 338bd and 3040 (3r)

These sections create an appropriation, provide \$20,000 GPR for project grants to treat radium in drinking water, and outline Department of Natural Resources criteria for awarding the grants. The sections provide that the Village of Allouez and the Town of Bellevue in Brown County would be eligible for the grants.

I am vetoing the sections which include the funding, the appropriation, and the grant program language because there are several safe drinking water issues which are currently being addressed by the federal government. The issues include new federal regulations for public drinking water supplies. Radium is one problem which will be regulated and which affects approximately 43 Wisconsin communities at an estimated cost of \$42 million.

In this budget, the Department of Natural Resources has been directed to study alternative funding sources for the additional activities related to drinking water quality that are and will be required by the federal government. Traditionally, public drinking water supply improvements have been paid for by the community through user fees, with costs and benefits accruing locally. DNR is directed to study activity-based fees to address some of these public drinking water problems. Any state-funded support for these problems should be considered in the context of the DNR study.

43. Compliance for Animal Feeding Operations

Sections 2410p and 2410u

These sections define the term "notice of discharge" and require the Department of Natural Resources to provide at least two years for owners or operators of an animal feeding operation to implement corrective measures related to a notice of discharge.

I am vetoing these sections because setting an arbitrary time period for compliance does not take into account the many different kinds of problems which can be addressed in a variety of ways and under different time schedules.

The current Department of Natural Resources process for addressing animal waste problems provides flexibility and options for owners and operators. Under current regulations, owners or operators issued a notice of discharge relating to an animal waste problem are given

60 days to two years to resolve the problem. The county works with the affected owner or operator on alternatives to solve the problem, develops a time schedule for completing improvements which may be needed, and makes grant funds available through the Department of Agriculture, Trade and Consumer Protection.

Flexibility is needed in the program to take into account each individual situation, the magnitude of the problem, and any other relevant circumstances with the intent to address the problem in a timely and effective manner. I am encouraging the DNR to work closely with DATCP in setting compliance schedules to assure that the particular facts in each situation are appropriately addressed.

44. Human Services Projects

Sections 108n, 108p, 109e, 109g, 109i, 110, 110b, 110c, 110e, 110g, 110j, 110L, 110n, 110p, 111d, 111g, 111j, 339n, 339p, 339r, 339t, 339v and 3011 (In)

These sections expand the scope of the type of projects which can be approved by the Wisconsin Conservation Corps Board to include human services activities, including promoting the social well-being of children, the elderly, persons with physical or development disabilities and low-income persons. I am vetoing these sections because the Wisconsin Conservation Corps was created to carry out conservation-related activities and I am not convinced that the purpose of the Wisconsin Conservation Corps should be expanded at this time. In addition, I am requesting the Department of Administration Secretary to place \$17,500 GPR in s. 20.399 (2) (a) in unallotted reserve to lapse to the general fund. This funding was provided for .5 position to implement the human resources program.

45. Wisconsin Conservation Corps Member Salaries

Sections 110sd and 110se

These sections provide that Wisconsin Conservation Corps members should be paid at the prevailing federal or state minimum wage, whichever is greater. I am vetoing section 110sd and partially vetoing section 110se because I have recently signed into law separate legislation which contains the same provision.

46. Insurance Collision Damage Waivers

Sections 2592, 2593, 3202 (58) (d) and 3203 (58) (b)

These sections relate to liability for damage to rental vehicles and the sale of collision damage waivers. The provisions prohibit holding the renter or authorized driver of a vehicle liable unless specific conditions occur. The provisions also prohibit a rental company from holding a renter or authorized driver liable where liability has been eliminated. In addition, the provisions prohibit a rental company from selling a waiver of liability or requiring the renter to make a security deposit to cover vehicle damage. I am vetoing these sections

because separate legislation has been introduced on this subject and deserves full legislative debate. This veto will ensure that all interested parties have an opportunity to participate in the formulation of policy on this subject.

47. U.S. Highway 12 Study Committee

Sections 195 [as it relates to s. 20.285 (1) (r)], 330m, 3053 (4x) [as it relates to requiring a majority of the members of the study committee to reside in the towns of Springfield and Roxbury in Dane County and requiring a report to the Joint Committee on Finance] and 3055 (4n)

Section 3053 (4) (x) requires that a majority of the members of the U.S. Highway 12 study committee, created to undertake a broad review of the social, economic and environmental impacts of a proposed major highway project, be members of two specific towns in Dane County. The regional impacts of the potential project go far beyond these two towns. I am vetoing the specification that a majority of the members be from these two towns. Committee membership should reflect broad representation of all of the interests in the highway corridor affected by the project.

Section 3053 (4) (x) also requires a report to the Joint Committee on Finance. I am vetoing this provision because the Transportation Projects Commission (TPC) is the body that should evaluate the project impacts and the degree of local support when making project recommendations prior to the next budget process. A copy of information submitted to the TPC is available to any interested legislator, including all members of the Joint Finance Committee.

Sections 195 [as it relates to s. 20.285 (1) (r)], 330m and 3055 (4n) provide \$25,000 in fiscal year 1990-91 for the UW-Madison Department of Urban and Regional Planning to undertake a study of the impacts of the proposed U.S. Highway 12 project. I am vetoing these sections because the additional study is not necessary. The budget contains a provision for the creation of a citizens' committee to study the same aspects of this same project. A separate study by the UW-Madison funded from the Transportation Fund would not necessarily be coordinated with the work of the citizens' committee. I am requesting the Department of Transportation to use the expertise of the UW-Madison as appropriate to provide technical assistance in the work of the study committee.

48. Transit Corridor Study

Sections 195 and 338f; [as they relate to the title of s. 20.395 (2) (hq)], and 2199eh [as it relates to the name of the program, grant recipient eligibility and priorities for awarding grants]

These sections create a transit corridor study grant program funded from the transportation fund.

I am vetoing the words "grant" and "grants" from the program and appropriation title to more accurately reflect how the program will work: a single large study

based on information developed through a series of grants to different applicants for different purposes. In addition, I am vetoing language requiring that grants be made only to cities and requiring that priority be given to joint applications of cities. Due to the widespread impact of any transit projects, it is inappropriate to limit grants only to cities. Counties, villages and regional planning agencies should also be eligible to participate. However, the top priority for these funds initially is for studies of corridors in southern Wisconsin. In this context, it is inappropriate to give priority to joint applications of cities when the eligibility for grants is being broadened.

49. Fond du Lac Avenue (State Highway 145) Widening

Sections 2198hgf and 2198hgfa

These sections repeal the current prohibition against widening Fond du Lac Avenue in the City of Milwaukee and require the Department of Transportation to provide a minority firm with compensation of property and to submit its compensation and improvement design plans to the Joint Committee on Finance for approval.

I am vetoing both of these provisions. I had requested the Legislature to repeal the current prohibition against widening State Highway 145 and to repeal a similar prohibition against adding lanes to I-43 in Milwaukee County. The repeal of the I-43 prohibition was subsequently dropped by the Legislature. It is inappropriate to consider these items separately. Both prohibitions should be removed at the earliest opportunity, but both will stand until then.

In addition, the language creating a special compensation package for the owner of a specific property along Fond du Lac Avenue and requiring approval by the Joint Committee on Finance of project design and compensation details are unacceptable intrusions in the established process for determining compensation.

50. Car Ferry Designation (State Highway 29 East)

Section 2198gm

This section names the Kewaunee to Ludington, Michigan car ferry route "Highway 29 East Route." I have vetoed this provision because the car ferry route is not a continuation of a state trunk highway and such a designation is inappropriate.

51. U.S. Highway 151 Enumeration

Section 2198hd

This section enumerates only the northern and southern ends of the two-lane section of the Madison-to-Fond du Lac corridor on U.S. Highway 151. I am partially vetoing this provision so that the enumeration will encompass the entire Columbus-to-Fond du Lac section. This action is consistent with the legislative enumeration of both the State Highway 29 and U.S. Highway 10 corridors and it ensures that development on all three of these major corridors can proceed in an orderly way.

52. Disadvantaged Business Demonstration Program

Section 2198hn

This provision requires that 10% of the \$4 million allocated for Disadvantaged Business Demonstration Program projects be allocated for apprenticeship and training programs.

The Department of Transportation and I are committed to the concept of training in the program. However, this provision would require that at least \$400,000 be earmarked for apprenticeship and training annually. Because the specific mix of projects changes annually, there is no assurance that this amount can be productively used each year.

I am vetoing this requirement but I am requesting that the department make every effort to allocate at least 5% in fiscal year 1989-90 and at least 7% in fiscal year 1990-91 for apprenticeship and training. I am also requesting the department to attain a higher allocation if feasible.

53. Noise Barriers

Section 3053 (1n)

This section requires the Department of Transportation to expend \$5 million for noise barriers in the 1989-91 biennium. I am vetoing this directive because it is an unacceptable intrusion into the department's highway improvement programming process. The Department of Transportation has a process for determining the appropriate number and placement of noise barriers. While the department expects to spend approximately \$4 million during the biennium on noise barriers, the specification of a higher amount with no further justification is artificial and unwarranted.

54. Performing Arts Center Highway Signs

Section 3053 (6p)

This section requires the Department of Transportation to erect highway signs on I-94 in the City of Milwaukee that guide traffic to the Performing Arts Center. I am vetoing portions of this section to make a workable law. As written, the law would place the signs in a manner that would violate federal guidelines for placement of signs on Interstate routes, potentially exposing the department to federal sanctions. The veto will allow the signs to be placed where such signs are permissible.

55. Tree Planting Policy

Section 2198g

This section requires the Department of Transportation to establish procedures and a timetable for increasing the number of hardy and aesthetically pleasing trees planted on or near all state trunk highway rights-of-way.

I support a policy for planting trees where appropriate and I am vetoing these sections to make the policy workable. I am vetoing the reference to "a timetable" which could be interpreted as implying tree-planting quotas should be established and met by various deadlines. This could be overly restrictive. Similarly, I

have stricken the word "all" to permit the Department of Transportation more flexibility in situations where trees would be incompatible with recently adopted policies to restore native prairie vegetation and habitat for songbirds and game. I have also stricken the words "and on land adjacent to or in close proximity to state trunk highway rights of way" because the language might be interpreted to imply the department's policy should extend to land that it does not own.

56. Waukesha Business Incubator Project

Section 3053 (2g)

This section directs the Department of Transportation to convey two pieces of state property in the City of Waukesha to a nonprofit organization. This conveyance is required only if the nonprofit organization agrees to use the properties as a business incubator and if this organization agrees to reimburse the department for the cost of an investigation mandated by this section which would determine if any toxic or environmentally hazardous conditions exist at the properties.

I am partially vetoing this section to allow a more equitable transfer agreement to be implemented. The Department of Transportation will convey the property at 310 West Avenue on terms to be negotiated. The Newhall

Avenue property will be conveyed after an alternate storage site for DOT supplies becomes available. I am requesting DOT to work with local government officials toward an agreement that allows conveyance of the Newhall Avenue property within a reasonable period of time.

SENATE CLEARINGHOUSE ORDERS

Senate Clearinghouse Rule 89-8

Relating to the determination of interest rates applicable to producer claims under the dairy plant security law.

Submitted by Department of Agriculture, Trade and Consumer Protection.

Report received from agency, August 8, 1989.

Referred to committee on Agriculture, Health and Human Services, August 9, 1989.

Senate Clearinghouse Rule 89-52

Relating to temporary licensure of institutions for mental diseases.

Submitted by Department of Health and Social Services.

Report received from agency, August 2, 1989.

Referred to committee on Agriculture, Health and Human Services, August 9, 1989.

Senate Clearinghouse Rule 89-53

Relating to definitions of terms to sanctioned races and raceway facilities for snowmobiles.

Submitted by Department of Natural Resources.

Report received from agency, August 8, 1989.

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Referred to committee on Transportation, Conservation and Mining, August 9, 1989.

Senate Clearinghouse Rule 89-60

Relating to a revised surface water quality criterion for a segment of the Oconto River.

Submitted by Department of Natural Resources.

Report received from agency, August 8, 1989.

Referred to committee on Urban Affairs, Environmental Resources, Utilities and Elections, August 9, 1989.

Senate Clearinghouse Rule 89-78

Relating to administration of the forest crop law and managed forest law.

Submitted by Department of Natural Resources.

Report received from agency, August 8, 1989.

Referred to committee on Transportation, Conservation and Mining, August 9, 1989.

Senate Clearinghouse Rule 89-86

Relating to adjustments in bag limits for walleye and size limits for muskellunge in response to tribal harvest.

Submitted by Department of Natural Resources.

Report received from agency, August 7, 1989.

Referred to committee on Transportation, Conservation and Mining, August 9, 1989.

Senate Clearinghouse Rule 88-110

Relating to unprofessional conduct.

Submitted by Department of Regulation and Licensing.

Report received from agency, August 7, 1989.

Referred to committee on Housing, Government Operations and Cultural Affairs, August 9, 1989.

CHIEF CLERK'S REPORT

The chief clerk records:

Senate Bill 31.

Correctly enrolled and presented to the Governor on August 2, 1989.