

Eighty-Ninth Regular Session

WEDNESDAY, December 13, 1989

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

INTRODUCTION OF BILLS

Read first time and referred:

Senate Bill 396

Relating to changing the definition of bed and breakfast establishments.

By Senators Weeden, Helbach, Chilsen, Burke, Rude, Moeck, Stitt, Lorman, Lecaen, Andrea, Cowles and Farrow; cosponsored by Representatives Gruszynski, Nelsen, Panzer, Radtke, Dull, Ladwig, Lahn, Porter, Branceel, Larson and Robson.

To committee on Agriculture, Corrections, Health and Human Services.

Senate Bill 397

Relating to medical assistance coverage of podiatrists' services.

By Senators Andrea, Strohl, Rude, Weeden, Kincaid, Chilsen, Roshell, Feingold and Czarnecki; cosponsored by Representatives Barca, Porter, Van Dreel, Bell, Notestein, Medinger, Panzer, Wood, Schultz, Bolle, Zien, Lautenschlager, Roberts and Fergus.

To committee on Agriculture, Corrections, Health and Human Services.

COMMITTEE REPORTS

The committee on Housing, Government Operations and Cultural Affairs reports and recommends:

BROWN, DENNIS G., of Waunakee, as a member of the Architects, Professional Engineers, Designers and Land Surveyors Examining Board, to serve for the term ending July 1, 1991.

Confirmation:

Ayes, 6 -- Senators Plewa, Ulichny, Van Sistine, Burke, Rude and Lorman;

Noes, 0 -- None.

DEVRIES, MARVIN, of Madison, as a member of the Architects, Professional Engineers, Designers and Land Surveyors Examining Board, to serve for the term ending July 1, 1993.

Confirmation:

Ayes, 6 -- Senators Plewa, Ulichny, Van Sistine, Burke, Rude and Lorman;

Noes, 0 -- None.

HOFFMAN, MELVYN G., of La Crosse, as a member of the Architects, Professional Engineers, Designers and Land Surveyors Examining Board, to serve for the interim term ending July 1, 1991.

Confirmation:

Ayes, 6 -- Senators Plewa, Ulichny, Van Sistine, Burke, Rude and Lorman;

Noes, 0 -- None.

RUSSELL, MELVIN, of Milwaukee, as a member of the Architects, Professional Engineers, Designers and Land Surveyors Examining Board, to serve for the term ending July 1, 1993.

Confirmation:

Ayes, 6 -- Senators Plewa, Ulichny, Van Sistine, Burke, Rude and Lorman;

Noes, 0 -- None.

SHEFFERS, ROBERT, of Prescott, as a member of the Architects, Professional Engineers, Designers and Land Surveyors Examining Board, to serve for the term ending July 1, 1993.

Confirmation:

Ayes, 6 -- Senators Plewa, Ulichny, Van Sistine, Burke, Rude and Lorman;

Noes, 0 -- None.

John R. Plewa
Chair

PETITIONS AND COMMUNICATIONS

State of Wisconsin
Legislative Audit Bureau

November 28, 1989

To the Honorable the Legislature:

We have completed work at the Office of the State Treasurer related to cash and securities in the custody of the Treasurer. This audit work was performed, in part, to satisfy our audit requirements under ss. 13.94(1)(a) and 13.94(1)(d), Wis. Stats. In addition, audit work was performed in conjunction with the audit of the financial statements presented in the State's Annual Fiscal Report.

We verified that the cash and securities reported by the Treasury were either in its custody, or appeared on statements of account prepared by the various financial institutions holding the cash and securities. In addition, we reconciled treasury cash and investment records to those of the Department of Administration which were reported in the Annual Fiscal Report, and to the investment records of the State of Wisconsin Investment Board which is responsible for the investment of the majority of the State's financial assets.

In fulfilling our reporting obligations under s. 13.94(1)(a), Wis. Stats., we prepared the enclosed Summary of Securities in the Custody of the State Treasurer using the Office's records. Differences exist between this summary and the summary in the State's Annual Fiscal Report for 1989 because certain securities owned by the State are not required to be in the custody of the Treasurer, certain securities in the custody of the Treasurer are not required to be reported in the Annual Fiscal Report, and some securities in the custody of the Treasurer are classified or reported on a valuation basis different from that used in the Annual Fiscal Report. A summary of these reconciling items is also enclosed.

JOURNAL OF THE SENATE [December 13, 1989]

We appreciate the courtesy and cooperation extended to us by the staff of the Office of the State Treasurer.

Sincerely,

DALE CATTANACH

State Auditor

State of Wisconsin
Legislative Audit Bureau

December 6, 1989

To the Honorable the Legislature:

We have completed our evaluation of computer software production and marketing efforts by Cooperative Educational Service Agencies (CESAs) as requested by the Joint Legislative Audit Committee. The Milwaukee-area CESA 1 has produced an accounting and payroll software package which CESA 1 and three other CESAs are marketing. Currently, 61 school districts and 5 CESAs use the CESA software, and the product continues to be marketed to other districts in competition with several private vendors.

The statutes provide CESAs and member school districts with implicit authority to produce computer software which can be sold to other school districts. Contrary to some complaints, CESAs have not used state general purpose revenue (GPR) to subsidize software prices and have not engaged in a pattern of overly aggressive marketing practices.

However, we found several weaknesses in the process used by CESA 1 to determine whether development of a software package was necessary. The CESAs lack policies governing their production of goods and services, and their efforts to determine whether the private market can meet school district needs are inadequate. The CESAs are also unable to justify product pricing decisions, some of which appear questionable, because adequate information on project costs and income has not been collected.

Recommendations are made to the CESAs to adopt policies on competition and improve the accountability of their decisions to produce goods and services. No legislative recommendations are included, but some options are discussed, including: 1) statutorily restricting CESA involvement in producing and marketing administrative goods and services; or 2) delaying any action pending the CESAs response to the recommendations for improvement.

We appreciate the courtesy and cooperation extended to us by CESA staff, private vendors, staff of the Department of Public Instruction, and the several school districts which we surveyed. Responses from the Department of Public Instruction and CESA 1 are Appendices I and II, respectively.

Sincerely,

DALE CATTANACH

State Auditor

State of Wisconsin
Legislative Audit Bureau

December 11, 1989

To the Honorable the Legislature:

We have completed a financial audit of the Winnebago Mental Health Institute for the period July 1, 1987 through June 30, 1988. The audit was requested by the Department of Health and Social Services to comply with financial statement requirements of the Joint Commission on Accreditation of Hospitals.

We were able to provide an unqualified opinion on the Institute's financial statements. However, this required extended work by the staffs of the Department of Health and Social Services and the Audit Bureau because of problems in using information from the Department's newly implemented computerized billing system. The Department is currently working to solve these problems in anticipation of future financial audits.

We appreciate the courtesy and cooperation extended to us by Department of Health and Social Service staff during our audit.

Sincerely,

DALE CATTANACH

State Auditor

State of Wisconsin
Legislative Audit Bureau

December 11, 1989

To the Honorable the Legislature:

We have completed a financial audit of the Mendota Mental Health Institute for the period July 1, 1987 through June 30, 1988. The audit was requested by the Department of Health and Social Services to comply with financial statement requirements of the Joint Commission on Accreditation of Hospitals.

We were able to provide an unqualified opinion on the Institute's financial statements. However, this required extended work by the staff of the Department of Health and Social Services and the Audit Bureau because of problems in using information from the Department's newly implemented computerized billing system. The Department is currently working to solve these problems in anticipation of future financial audits.

We appreciate the courtesy and cooperation extended to us by Department of Health and Social Service staff during our audit.

Sincerely,

DALE CATTANACH

State Auditor

EXECUTIVE COMMUNICATIONS

State of Wisconsin
Office of the Governor

December 7, 1989

To the Honorable, the Senate:

The following bills, originating in the senate, have been approved, signed and deposited in the office of the Secretary of State:

Senate Bill	Act No.	Date Approved
217-----	106 -----	December 7, 1989
365(partially vetoed)-----	107 -----	December 7, 1989

Respectfully,
TOMMY G. THOMPSON
Governor
State of Wisconsin
Office of the Governor

December 7, 1989

To the Honorable, the Senate:

I have approved **Senate Bill 365** as Wisconsin Act 107 and deposited it in the Office of the Secretary of State. In approving the bill, I am exercising my partial authority in the following sections of **Senate Bill 365**: Sections 4, 7m, 265(2g) and 265(3).

Section 4 requires that the chairperson of the Parole Commission shall be nominated by the Governor and with the advice and consent of the Senate appointed for a two-year term subject to removal by the Governor. I am partially vetoing this section so that the appointment will be made by and serve at the pleasure of the Governor for two-year terms. The language in this section is too restrictive in that the initial term is too short, would require repeated confirmation by the Senate and would make it difficult to attract highly qualified candidates.

Section 7m allows the Governor to remove a chair of the Parole Commission at his pleasure if the appointment was made with the advice and consent of the Senate. With the partial veto of Section 4, I am vetoing this provision because it is no longer relevant.

Section 265(2g) directs that a study be conducted by the Department of Health and Social Services regarding the question of which is the appropriate state agency for the placement of the administration of youth services. I am vetoing this provision because there is insufficient time to do a quality in-depth study without disrupting current plans for the implementation and operation of the Department of Corrections and the Division of Youth Services. This issue will be reviewed on an ongoing basis as more experience and information is gained regarding the administration of youth services.

Section 265(3) is the nonstatutory provision for the appointment of the initial term of the Parole Commission chair and the interim authority of the Secretary of Corrections appoint the other parole commission members. With the partial veto of section 4,

I am vetoing this provision because it is no longer relevant.

Respectfully,
TOMMY G. THOMPSON
Governor
State of Wisconsin
Office of the Governor

December 8, 1989

To the Honorable, the Senate:

The following bills, originating in the senate, have been approved, signed and deposited in the office of the Secretary of State:

Senate Bill	Act No.	Date Approved
262-----	113 -----	December 7, 1989

Respectfully,
TOMMY G. THOMPSON
Governor
State of Wisconsin
Office of the Governor

December 8, 1989

To the Honorable, the Senate:

I am vetoing **Senate Bill 182** in its entirety. This bill requires that any regulation, standard, or statement of policy adopted by the Department of Revenue relating to the enforcement of sales and use taxes of another state must be promulgated as an administrative rule before taking effect.

I am vetoing this bill because it intrudes upon executive authority to enforce state law. Language in the bill affects purely administrative matters. The bill may hinder Wisconsin's ability to enter into and use data from information sharing agreements with other states. Consequently, the collection of sales and use taxes owed to Wisconsin could be restrained. Such a development would give out-of-state businesses a competitive advantage.

Respectfully,
TOMMY G. THOMPSON
Governor
State of Wisconsin
Office of the Governor

December 8, 1989

To the Honorable, the Senate:

I am vetoing **Senate Bill 202** in its entirety. This bill provides for placing a partnership, association or corporation on probation after a criminal conviction. The bill further provides that the Department of Health and Social Services, with the cooperation of the probationer, shall investigate the cause of the crime, prepare a corrective plan to prevent future criminal violations and require the probationer's compliance with the plan. The bill also provides that the Judicial Council shall recommend to the Wisconsin Supreme Court guidelines for conditions of probation.

This measure has serious shortcomings. First the bill does not provide sufficient policy guidance to the courts and DHSS in administering a system of probation for

commercial entities. Second, the bill fails to provide safeguards against imposition of undue financial burdens on probationers. Last and most importantly, the addition of another class of probationers will seriously strain our already overburdened and overworked probation/parole agents. The number of cases being handled by probation /parole agents increased almost 10% from October, 1988 to October, 1989. Yet the number of agents handling those cases increased by only 6% during that same period. Currently the Bureau of Community Corrections has over 15% fewer agents than what the Legislature has determined is necessary for the Bureau to run effectively. Based on these numbers, I am convinced that the Department of Health and Social Services lacks the expertise and resources to properly administer the functions in this measure.

Criminal convictions of business entities occur infrequently in Wisconsin. This measure is not cost-effective. Under current law, business entities are subject to criminal and environment laws which provide significant consequences if violated. A probation system is ill-suited to commercial entities. I am, therefore, vetoing **Senate Bill 202**.

Respectfully,
TOMMY G. THOMPSON
Governor
State of Wisconsin
Office of the Governor

December 8, 1989

To the Honorable, the Senate:

I am vetoing **Senate Bill 65** in its entirety. The bill authorizes the Milwaukee Metropolitan Sewerage District (MMSD) to recover capital costs from areas outside the district that are served by the district with or without a contract. The bill also limits the district to using the same system of charges outside the district that it uses within the district.

I am vetoing the bill because it imposes a relationship among the affected communities which only fosters continued conflict. The proposed solution, if signed, would result in further litigation. I do not believe either side is served by perpetuating costly litigation as the means of resolving this issue.

In addition, limiting capital cost recovery from the outlying communities to the method employed within the district negates the ability of the parties to use a more mutually beneficial recovery method, such as the purchase of capacity mechanism for sharing costs. This approach provides benefits for both parties and could serve as the vehicle for settlement.

I have advocated negotiation as the best way to settle this dispute. Accordingly, I appointed a mediator in July, 1989 and brought the parties together. I am convinced that both sides bargained in good faith and that substantial progress was made at the table. Further I am encouraged by the representations, on both sides, that the parties are willing to continue negotiations regardless of action on **Senate Bill 65**

I remain committed to achieving a negotiated settlement. However, in the absence of a timely settlement, I look to the Public Service Commission (PSC) for full resolution of this issue.

The PSC already has a case before it. That case has been held in abeyance because of this pending legislation. I am asking the PSC to commence proceedings as soon as is appropriate.

During the pendency of the PSC investigation, mediation/negotiation can and should continue. I am willing to continue to sponsor mediation, at the request of the parties, to assist the process.

If a negotiated settlement cannot be reached, the PSC has the authority to settle the issue.

There is one thing that is certain at this point: it is time for the so called "sewer wars" to end. The burden of meeting the massive costs of MMSD's pollution abatement program must be equitably apportioned among all users.

The objective of this veto is to structure what I believe is the most neutral and viable scenario for settling the issue.

Respectfully,
TOMMY G. THOMPSON
Governor

SENATE CLEARINGHOUSE ORDERS

The committee on Educational Financing, Higher Education and Tourism reports and recommends:

Senate Clearinghouse Rule 89-108

Relating to student financial aid programs.
No action taken.

Robert Jauch
Chair

The committee on Transportation, Conservation and Mining reports and recommends:

Senate Clearinghouse Rule 89-97

Relating to commercial fishing on Lake Michigan and Green Bay.
No action taken.

Lloyd Kincaid
Chair

Senate Clearinghouse Rule 88-175

Relating to fish, fur and game seals and exemption from permit and marking of endangered species.
Submitted by Department of Natural Resources.
Report received from agency, December 11, 1989.
Referred to committee on Transportation, Conservation and Mining, December 13, 1989.

Senate Clearinghouse Rule 89-76

Relating to the establishment of a general permit program for certain water regulation activities.

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Submitted by Department of Natural Resources.

Report received from agency, December 11, 1989.

Referred to committee on Urban Affairs,
Environmental Resources, Utilities and Elections,
December 13, 1989.

Senate Clearinghouse Rule 89-131

Relating to the possession and consumption of
intoxicating liquor or fermented malt beverages on
Department of Natural Resources public access site to
waters.

Submitted by Department of Natural Resources.

Report received from agency, December 11, 1989.

Referred to committee on Urban Affairs,
Environmental Resources, Utilities and Elections,
December 13, 1989.

Senate Clearinghouse Rule 89-137

Relating to Chippewa Indian treaty hunting,
trapping and gathering rights.

Submitted by Department of Natural Resources.

Report received from agency, December 11, 1989.

Referred to committee on Transportation,
Conservation and Mining, December 13, 1989.

AMENDMENTS OFFERED

Senate substitute amendment 1 to **Senate Bill 259**
offered by Senator Adelman.