

# Eighty-Ninth Regular Session

WEDNESDAY, May 2, 1990

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

## PETITIONS AND COMMUNICATIONS

State of Wisconsin  
Legislative Audit Bureau

April 27, 1990

To the Honorable the Legislature:

We have completed an evaluation of programs within the Wisconsin Housing and Economic Development Authority as requested by the Joint Legislative Audit Committee. We reviewed the Home Ownership Mortgage Loan Program (HOME Program), the Business Development Bond Program, and the Linked Deposit Loan Program, as well as the Authority's compliance with statutory requirements to annually report to the Legislature its proposed spending plans for its surplus.

In each of its loan programs, the Authority has been making improvements designed to more efficiently manage its activities, such as improving the processing time for home loans. Several economic development program participants commented on the professionalism of the Authority staff.

The lending policies of the Authority in the HOME program, however, have been more restrictive than those of similar state and national programs and have limited the Authority's ability to serve borrowers, especially in urban, targeted areas. During the course of our audit, the Authority began implementing less restrictive lending criteria for some borrowers. While this progress is substantial, we believe that based on the performance of other programs, the Authority could further improve service to borrowers without jeopardizing bond ratings.

The Authority's economic development programs are efficiently managed. As reductions occur in the Authority's overall tax-exempt bonding authority, the Legislature will need to monitor the bonding authority allocations between the Authority's housing and economic development programs.

In meeting its statutory requirement to annually report its surplus funds to the Legislature, there have been reductions in the amount of information the Authority includes in the reports. If the Authority fails to voluntarily report all surplus information, the Legislature could expand the statutory reporting requirement.

We appreciate the courtesy and cooperation extended to us by the Authority staff and the numerous local housing officials and others with whom we spoke during the audit. The Authority's response is the Appendix.

Sincerely,  
DALE CATTANACH  
State Auditor

## EXECUTIVE COMMUNICATIONS

State of Wisconsin  
Office of the Governor

April 27, 1990

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
394-----	318-----	April 26, 1990
473-----	319-----	April 26, 1990
10-----	328-----	April 26, 1990
190-----	329-----	April 26, 1990
234-----	330-----	April 26, 1990
337-----	331-----	April 26, 1990
381-----	332-----	April 26, 1990
397-----	333-----	April 26, 1990
458-----	334-----	April 26, 1990
282-----	344-----	April 27, 1990
300 (partially vetoed)-----	335-----	April 27, 1990
342 (partially vetoed)-----	345-----	April 27, 1990
369-----	346-----	April 27, 1990
413-----	347-----	April 27, 1990
428-----	348-----	April 27, 1990
447-----	349-----	April 27, 1990
501-----	350-----	April 27, 1990
344 (partially vetoed)-----	353-----	April 27, 1990
396-----	354-----	April 27, 1990
542 (partially vetoed)-----	336-----	April 27, 1990

Respectfully,  
TOMMY G. THOMPSON  
Governor

State of Wisconsin  
Office of the Governor

April 27, 1990

## TO THE HONORABLE MEMBERS OF THE SENATE:

I have approved Senate Bill 300 as 1989 Wisconsin Act 335 and deposited it in the Office of the Secretary of State.

The bill contains many worthwhile proposals and has, in large part, received extensive review by the Legislature. In exercising my partial veto authority, I have strived to maintain the core of the recycling proposal placed before me, including nearly all of the \$33 million provided for recycling programs, research, education and incentives. As signed, Act 335 meets that objective and constitutes one of the most aggressive and comprehensive recycling laws in the nation.

Under the provisions of this act, the State will set aside an initial \$18.5 million in grants to county and municipal governments for recycling program planning and implementation.

The State will also undertake a comprehensive recycling and market development initiative to encourage recycling business development and expansion. This initial effort, fully funded at \$8.25 million, will enhance the development of a recycling infrastructure capable of providing market opportunities for recycling communities. In addition, program criteria related to establishing local or regional recycling programs and prohibitions on landfilling or incinerating recyclable materials are retained.

I have used the partial veto to achieve balance in the area of future funding. I have consistently held that business should help provide for long-term funding but am not convinced that imposing a gross receipts tax for 100% of future funding is justified. This tax has little correlation with the ability of a business to pay or its contribution to the waste stream. It does not provide a market-based incentive to businesses to reduce their contributions to the waste stream because it does not increase as waste increases or decrease to reward businesses that reduce their waste. This tax deserves further review through the normal budgeting process.

On balance, I have retained over half of the proposed tax for the next biennium to emphasize my commitment to address future needs.

As part of the 1991-93 biennial budget, I will introduce an alternative funding mechanism to provide funding for recycling.

I have also used the partial veto to eliminate packaging and product ban provisions that represented a potential threat to Wisconsin jobs with little or undemonstrated environmental gain. As passed by the Legislature, the imposition of packaging and product bans also minimized the role of future Legislatures in assessing the economics of a particular ban in relation to recycling objectives. I have retained provisions requiring state agencies to collect pertinent information while not extending authority to state agencies to impose packaging and material bans through the administrative process.

Finally, I have exercised the partial veto to eliminate broad, sweeping changes in landfill and incinerator siting requirements which were hastily adopted without opportunity for full review through the legislative process.

I believe Senate Bill 300 as I have modified it will promote recycling activity throughout the State, preserve landfill capacity and improve the environment for the benefit of the people of Wisconsin.

ITEM VETO

TABLE OF CONTENTS

1. Administrative Bans	1
2. Local Government Financial Assistance	1
3. Councils on Recycling and Used Oil	1
4. Chemical and Container Demonstration Grant Program Rules	2
5. Procurement Requirements	2
6. Waste Reduction and Recycling Demonstration Grant Program	3
7. Recycled Newsprint	4
8. Trade Regulations	4
9. Responsible Unit Enforcement	6
10. Incinerator Siting	6
11. 1995 Incinerator Bans	6
12. Landfill Siting	7
13. University of Wisconsin Research and Positions	7
14. Recycling Fee	8
15. Vocational, Technical and Adult Education: Recycling Programs	8
16. Business Rebates, Grants and Loans	9
17. Recycling Loan Guarantee Program	9

1. Administrative Bans  
Sections 5b and 76 [as it relates to s. 159.07 (5)]

These sections authorize the Department of Natural Resources to promulgate administrative rules, beginning in 1995, banning the landfilling or incineration of any type of paper not specified in the 1995 bans contained in the bill on landfilling and incineration.

I am vetoing these sections because it is not appropriate for a state agency to have the authority to ban items from landfills or incinerators by administrative rule. Review of items proposed to be banned from landfills or incinerators should be made through the normal legislative process, which allows for broader participation in the decision-making process by the public and the executive and legislative branches of government.

2. Local Government Financial Assistance  
Section 76 [as it relates to s. 159.23 (3) (am)2, (b) and (c) and (6)]

This section establishes a program of making grants to responsible (governmental) units from 1992 to 2000: 1) providing grant funding to be used for compliance with the previously enacted yard waste ban; 2) requiring responsible units to spend significant amounts of grant funding on eligible grant activities; and 3) requiring that annual grants be disbursed in two equal payments each year.

I am vetoing the section which allows grants to be used for compliance with the previously enacted yard waste ban because grant funding should be used to meet the requirements of the recycling bill rather than on complying with the yard waste ban enacted in 1987 Wisconsin Act 296. Grant funding for yard waste activities is retained in the expedited grant program. I am vetoing language that requires significant amounts of grant funding to be spent on eligible grant activities to require that all grant funds be spent on eligible activities. I am vetoing this language to ensure that state grant funding is only spent on activities eligible for state funding.

I am also vetoing the requirement that an automatic grant disbursement be made for the second six months each year. I am removing this automatic second payment requirement to add additional accountability to the grant program. My veto will allow the Department of Natural Resources to review how the grant payment for the first six months is used before a payment for the second six months is made.

### 3. Councils on Recycling and Used Oil

Sections 2j, 2m, 20 [as it relates to s. 20.370 (2) (hr)], 51m, 76 [as it relates to the Council on Recycling], and 85 (4p) and (8m)

These sections create Councils on Recycling and Used Oil, require the Council on Recycling to advise the Governor and the Legislature on certain solid waste issues, and provide \$130,000 SEG in fiscal year 1990-91 and 2.0 SEG positions for the Council on Recycling.

I am partially vetoing the section that relates to membership of the Council on Recycling to provide additional flexibility in appointing members to the council. I am also partially vetoing the section that specifies the solid waste issues on which the Council on Recycling shall advise the Governor and the Legislature. I am vetoing this language because it is too prescriptive in specifying the issues on which the Council on Recycling is to provide advice. This veto will allow the Council on Recycling to determine the priority issues on which it should advise the Legislature and Governor.

I am vetoing the authorization and funding for 2.0 SEG positions for the Council on Recycling because I believe there are a sufficient number of administrative positions created in other sections of the recycling bill that will allow the Department of Natural Resources to provide adequate staff support to the Council on Recycling. This partial veto will leave an annual funding level of \$30,000 SEG for support costs.

Finally, I am vetoing the creation of the Council on Used Oil because it is not necessary to create a second council to only address issues related to the management of used oil. These issues can be appropriately addressed by the Council on Recycling.

### 4. Chemical and Container Demonstration Grant Program Rules

#### Section 83 (2m) (a)

This provision specifies the date by which the Department of Agriculture, Trade and Consumer Protection (DATCP) must submit rules for the Chemical and Container Demonstration Grant program.

I am vetoing this provision because there is no requirement that the DATCP promulgate rules for the program.

### 5. Procurement Requirements

Sections 6, 7, 8, 9, 13, 14, 18c, 18g, 18n, 18r, 19, 34jm, 39, 88s and 90 (2e)

These sections make several changes to state agency and local government procurement requirements including: 1) requiring state agencies and local governments to purchase set percentages of nontissue paper which contain post-consumer waste; 2) defining recovered material, recyclable material and recycled material; 3) requiring state agencies to use soy-based ink in all printing; 4) requiring state agencies and local governments to negotiate agreements to purchase products made from recycled materials from vendors who agree to purchase materials separated from solid waste generated by the state; 5) requiring state agencies and local governments to use a recycled content bid preference; and 6) providing \$465,000 GPR to the Joint Committee on Finance supplemental appropriation to fund the additional costs to state agencies to implement procurement requirements in the recycling bill.

I am vetoing language regarding the purchase of set percentages of nontissue paper which contain post-consumer waste by state agencies and local governments to allow tissue paper to be included in meeting the percentage requirement. I am vetoing this language because excluding tissue paper from the requirement eliminates the incentive to purchase tissue paper with post-consumer waste content. Tissue papers offer the greatest opportunity to increase the use of recycled paper because they are available and cost effective. I am also vetoing language which defines recovered material, recyclable material and recycled material because these definitions would have the effect of excluding the use of post-industrial waste for many purchases. I am vetoing the sections requiring state agencies to use soy-based ink in all printing because soy-based ink is not appropriate for many printing jobs, such as offset printing. My veto will allow the use of other non-petroleum based inks being developed.

I am vetoing the section requiring state agencies and local governments to negotiate agreements to purchase products made from recyclable materials from vendors who purchase recyclable materials from state and local governments because it violates the principle of free and open competition for business. It could also force the purchase of unneeded products at unreasonable prices in order to sell or dispose of solid waste. I am vetoing the recycled content bid preference requirement because it will increase costs to state and local governments and it is unlikely to significantly increase the purchase of recycled products. The requirement in the bill to revise purchasing specifications to include recycled content will be much more effective in increasing the use of recycled products while still maintaining a competitive purchasing environment. Moreover, a broadly applicable preference would be nearly impossible to administer because of the difficulties in accurately verifying recycled content. Finally, I am vetoing the supplemental funding for the purchase of recycled products because much of this money may not be needed since I am eliminating the recycled content bid preference.

#### 6. Waste Reduction and Recycling Demonstration Grant Program

Sections 2, 73p and 76 [as it relates to s. 159.25 (4) (h)]

These sections restrict the use of oil overcharge funds related to recycling or energy recovery to grants under the Waste Reduction and Recycling Demonstration Grant program and require that when a private business applies for a Waste Reduction and Recycling Demonstration Grant, consideration be given to the effect the grant would have on the applicant's competitors. I am vetoing the restriction on the use of oil overcharge funding related to recycling or energy recovery because the language is too restrictive. My veto will allow the Legislature to consider a wider range of proposals on the use of oil overcharge funds. I am also vetoing the requirement that the effect of a Waste Reduction and Recycling Demonstration Grant on a private business applicant's competitors be considered because the language is vague and would be difficult to administer.

#### 7. Recycled Newsprint

Section 76 [as it relates to s. 159.31]

This section includes a definition of newspapers which includes advertising supplements and shoppers guides, establishes targets for use of recycled content in newsprint, imposes a newspaper recycling fee if the targets are not met and provides an exception to the fee.

I am partially vetoing the recycled content targets and dates for newsprint because the dates in the bill do not provide adequate time to achieve the targets. My veto will set the targets at 10% in 1992, 25% in 1994 and 45% in 2001 and thereafter. I am partially vetoing the definition of newspapers to exclude advertising supplements from the definition because many advertising supplements included in newspapers are not printed by the newspaper publishers subject to the newsprint recycled content targets. It would be unfair to include advertising supplements in the recycled content requirements imposed on newspaper publishers because publishers have no control over the recycled content of newsprint contained in advertising supplements not printed by them.

I am also partially vetoing the newspaper recycling fee imposed on newspaper publishers to reduce the fee from 10% to 1% of the total cost of newsprint used to print the newspaper during the year less the actual recycled content achieved. I have reduced the fee because the fee level could arbitrarily raise the price of recycled newsprint. Also, smaller newspapers in Wisconsin could be adversely affected by the 10% penalty factor which I find unnecessarily punitive.

#### 8. Trade Regulations

Sections 21, 48b, 49, 49b, 49c, 49e, 49g, 76 [as it relates to s.159.08], and 83 (2) and (3mx)

These sections make the following changes affecting trade regulations in Wisconsin: 1) prohibit the retail sale of any new food or beverage container in Wisconsin if there is no adequate market to make recycling of the container economically feasible after three years and require the Department of Agriculture, Trade and Consumer Protection (DATCP) to study the feasibility of creating exemptions to the restrictions; 2) prohibit the sale of certain products or packaging materials subject to the 1995 landfill and incineration bans two years after the material is identified in rule by DATCP; 3) prohibit the sale of beverage containers which have a plastic body and aluminum ends; 4) provide that retailers must offer customers paper bags and may only provide customers plastic bags upon request; 5) require retail products sold in plastic containers subject to labeling requirements to meet recycled or remanufactured content targets; 6) replace exemptions from plastic container labeling requirements with a variance; 7) require standards for products which are advertised or labeled as being recycled, recyclable or degradable; 8) create a contest to select one or more official logos for recycled and recyclable products; and 9) prohibit the use of nonbiodegradable yard waste bags to hold yard waste placed in certain facilities beginning in 1991.

I am vetoing the ban on combination plastic and aluminum beverage containers and the prohibitions on the sale of new food or beverage containers that are economically difficult to recycle and on certain products or packaging materials subject to the 1995 landfill and incineration bans because creating such prohibitions without knowing the full impact of or the need for the prohibitions is premature. Specific product bans should only be considered after the impact on employment in the state and on interstate commerce has been considered and additional time has been provided to develop technologies to recycle products and markets for recycled products. I am also vetoing the study on exemptions to the prohibition on new food and beverage containers because it is not needed since the prohibition is being removed. While I have vetoed the specific prohibitions, I have retained provisions in the bill that will allow DATCP to create rules to identify and investigate complaints regarding the feasibility of recycling new food and beverage containers and allow the Department of Natural Resources to provide notification to DATCP about certain products and packaging materials when responsible units representing 25% or more of the state's population request a variance from the 1995 landfill and incineration bans. The information gathered by these two agencies can be used by the Legislature at some future date to consider the advantages and disadvantages of specific product bans.

I am vetoing the requirement that prohibits the use of plastic bags in retail establishments unless customers specifically request them because the provision does not allow retailers to offer customers a choice. There is no sound basis to discourage the use of plastic bags since they are very small volume contributors to the solid waste stream. This provision would have been acceptable if the language allowed retailers to offer customers a choice.

I recognize the goal of achieving recycled content for plastic containers has merit but the provision as structured in the bill is unworkable. For this reason, I am partially vetoing the plastic container recycled content target to require 10% recycled content by 1995. The Legislature should look at structuring provisions that take industry aggregates into account. I believe it is appropriate to require labeling for plastic containers and I agree with the direction the Legislature has taken by replacing language providing exceptions to the requirements with a variance procedure. I am partially vetoing the labeling requirements to exempt readily identifiable plastic containers. I am providing this exemption because in some cases it may not be advisable to recycle plastic containers, such as pesticide containers. I have also partially vetoed the variance language because variances may be needed beyond 1991. I am partially vetoing the requirement that DATCP develop standards for products advertised or labeled as recycled, recyclable or degradable because the language is too prescriptive. My veto will provide DATCP greater flexibility to set standards that are consistent with national standards. Many state attorneys general are looking at these requirements as a national issue and the requirements developed in Wisconsin should strive to be consistent with those efforts. I am also partially vetoing language directing DATCP to conduct a contest to select one or more official logos for products that are recycled or recyclable because these types of logos should be developed on the national level. With this veto, I am directing DATCP to work with national organizations to develop national recycled and recyclable logos.

Finally, I am partially vetoing language that only allows the use of biodegradable yard waste bags to hold yard waste beginning in 1991 because other types of yard waste bags may be appropriate to dispose of yard waste, including photodegradable bags. My veto will still require yard waste bags to decompose within a reasonable period of time and will continue to allow the use of biodegradable bags.

9. Responsible Unit Enforcement  
Section 76 [as it relates to s. 159.09 (3) (b)]

This section allows responsible units to adopt ordinances to enforce responsible unit recycling programs. The ordinance may require persons using a recycling facility to upgrade or decontaminate solid waste. I am vetoing the portion of the ordinance provision that would require persons to upgrade or decontaminate solid waste because the language is too vague and it is not clear how the language would be implemented. My veto retains the general authority for a responsible unit to adopt ordinances to enforce responsible unit recycling programs.

10. Incinerator Siting  
Section 50mm

This section modifies the solid waste incinerator air pollution permitting process to require a review of site appropriateness by the Department of Natural Resources based on the impact on land uses and the need for the facility. I am vetoing this provision to maintain current law because this provision has not had the opportunity for a full review through the legislative process. This provision was added to the recycling bill late in the process and the public has not had an opportunity to comment on the proposed changes to the incinerator siting process. The changes being proposed are significant and would be more appropriately addressed as separate legislation.

11. 1995 Incinerator Bans

Sections 76 [as it relates to s. 159.07 (7)(b)1]

This section provides an exemption to the 1995 incineration bans for permitted or licensed incinerators or for incinerators that have a capacity over 20 tons of waste per day prior to the effective date of the bill. I am partially vetoing this section to strengthen the recycling bill and tighten the exemptions from the 1995 incineration bans. My veto will allow only incinerators permitted or licensed prior to the effective date of the bill to receive an exemption as the Legislature intended.

12. Landfill Siting

Sections 19m, 50oe, 50og, 50oi, 50ok, 50om, 50on, 50op, 50or, 50pc, 50pj, 50rc, 50rp, 50rd, 50rf, 50rg, 50ri, 50s, 50tc, 50tg, 50tj, 50tL, 50tn, 50tp, 50tr, 50ts, 50tu, 50tv, 50tw, 50ty, 50u, and 89n

These provisions make the following changes to the landfill siting process: 1) give preference to county-owned landfills over private landfills if the county prohibits certain items from its landfill; 2) add a site appropriateness step to the siting process; 3) modify the negotiation and arbitration and contested case hearing processes; 4) authorize the formation of a local committee at the start of the site appropriateness process and require the applicant to pay \$20,000 to the local committee to participate in the location review and another \$20,000 to the committee if the location is not appropriate. I am vetoing these provisions because they make significant changes to the current landfill siting process without the benefit of adequate public debate. I have retained provisions in the bill requiring an initial site report. Landfill siting laws have been strengthened in recent years to provide extensive public participation opportunities and thorough review. Current landfill siting laws in Wisconsin are among the most stringent in the nation and ensure that new landfills are appropriately located. Changes of this magnitude in the landfill siting process are more appropriately addressed as separate legislation where they can receive a full public debate of the merits rather than as amendments to the recycling bill.

13. University of Wisconsin Research and Positions

Sections 20 [as it relates to s. 20.285 (1) (tc)], 22m, 34, 34k and 85r (2)

These sections create a \$557,500 SEG appropriation for the University of Wisconsin for research and development of solid waste disposal alternatives [s. 20.285 (1) (tc)] beginning in fiscal year 1990-91, and authorize 7.0 additional SEG graduate assistant positions for the UW.

I am vetoing these provisions to encourage the University of Wisconsin System to determine whether such research projects could be funded from the \$42 million of state funds currently included in the University's research budget. I am not vetoing the \$250,000 of GPR included in Senate Bill 300 for solid waste disposal research at the UW, nor am I vetoing the \$290,700 SEG and 4.0 positions for UW-Extension recycling education programs. I believe this will provide adequate support for additional solid waste disposal research and educational programs in the state.

14. Recycling Fee

Section 43 [as it relates to s. 77.94 (1) (a) and (b) and s. 77.96 (2)]

These provisions create a recycling fee that is to be paid by corporations, sole proprietors and partnerships based upon gross receipts. I am vetoing the fee to sunset it after fiscal year 1992-93. I am also partially vetoing the fee for fiscal years 1991-92 and 1992-93 to reduce by one-half the tax adopted by the Legislature.

The bill also specifies that the recycling fee is due on the date an entity's income tax is due without regard to any extensions granted for filing the latter tax. I am vetoing this due date provision to allow the recycling fee to be due when the income and franchise tax return is filed.

I am vetoing this due date provision because it creates an unnecessary tax irritant by requiring duplicate filing. Without the veto, entities granted income tax extensions would need to file the same information twice: first for the recycling fee and then for the income tax. If any short-term cash flow imbalances are created by extensions for the fee, the imbalance can be covered by interfund borrowing.

I have consistently held that business should help provide for long-term funding, but I am not convinced that imposing a gross receipts tax for 100% of future funding is justified. On balance, I have retained half of the proposed tax for the next biennium to emphasize my commitment to address future needs. As part of the 1991-93 biennial budget, I will introduce an alternative funding mechanism to provide funding for recycling.

15. Vocational, Technical and Adult Education; Recycling Programs

Sections 20 [as it relates to s. 20.292 (1) (s)], 34p, 34r, 34t and 90(2m).

These provisions direct the Wisconsin State Board of Vocational, Technical and Adult Education to fund at least one district to develop courses, workshops, a resources center and an outreach program relating to recycling. The state board is appropriated \$220,000 to fund one or more districts for this grant program. I am partially vetoing section 20 [as it relates to s. 20.292 (1) (s)] to reduce the amount available for this program to \$20,000, because I have reduced the focus of this section to only a study of the need for courses and programs for recycling. I am also partially vetoing section 34p, because this section will apply to only a study to be conducted by the state board. These partial vetos will enable the state board to study the need for courses and other programs related to recycling, and to develop recommendations for courses and programs if needed. The \$20,000 one time only funds in fiscal year 1990-91 should be sufficient to do this study and course development. Through this partial veto, I am asking the board to consider allocating its discretionary funds for warranted recycling efforts.

16. Business Rebates, Grants and Loans

Section 78g, 81 and 81mg

These sections create a new recycling rebate program, a recycling loan program and a minority business recycling development grant and loan program in the Department of Development (DOD). I am partially vetoing the sections relating to the creation of the recycling rebate program, the recycling loan program and the minority business recycling grant and loan program to eliminate the provisions requiring DOD to consider the effects of awarding rebates, grants and loans on eligible recipients' competitors. I am vetoing these provisions because the language is vague, would be difficult to administer and would delay the funding of projects.

I am also partially vetoing the section relating to the recycling rebate program to eliminate the provision requiring DOD to develop criteria for prorating rebates for qualified property if eligible applications exceed the total amount available. My veto will allow DOD the flexibility to evaluate the options for accepting applications and the feasibility of holding a set application period to implement a proration process. Once the options are evaluated, the criteria for accepting applications and awarding rebates will be reviewed through the normal rule-making process.

17. Recycling Loan Guarantee Program

Section 77g

This section authorizes the Wisconsin Housing and Economic Development Authority (WHEDA) to guarantee loans used to expand or improve an existing diaper service or to start a new diaper service. WHEDA may also guarantee loans for working capital, physical plant, machinery and equipment used to produce products from paper products recovered from post-consumer waste. I am partially vetoing this section to eliminate the requirement that limits the loan guarantees for working capital, physical plant, machinery and equipment to businesses engaged in using only paper products recovered from post-consumer waste because the focus of the program is too narrow. My intent is to broaden the loan guarantee program to allow WHEDA to guarantee loans to businesses using any product recovered from post-consumer waste. By broadening the eligible uses of the loan guarantees, the program could be used to leverage the grants and loans provided through the Department of Development's (DOD) recycling grant and loan programs and would provide WHEDA the flexibility to guarantee other emerging recycling methods as well as those involving paper products. I am requesting WHEDA and DOD to work together in evaluating projects for funding under the loan guarantee program, the recycling rebate and loan programs and the minority business recycling development grant and loan program to maximize the funds available and the number of projects funded. I am also partially vetoing this section to eliminate the provision requiring WHEDA to consider the effect of guaranteeing a loan on the borrower's competitors because the language is vague, would be difficult to administer and would delay the funding of projects.

Respectfully submitted,

TOMMY G. THOMPSON

Governor

State of Wisconsin  
Office of the Governor

April 27, 1990

To the Honorable, the Senate:

I have approved **Senate Bill 342** as 1989 Wisconsin Act 345 and have deposited it in the Office of the Secretary of State. I have exercised the partial veto to modify Section 2 and Section 5.

**Senate Bill 342** creates a state use board to oversee state agency procurement of goods and services produced by work centers, which are sheltered workshops which employ handicapped workers who are unable to earn the state minimum wage. I strongly support this initiative, which should increase the amount of state business directed to work centers and enable more center employees to enjoy independent and productive lives.

The bill as passed by the legislature also stipulates that the state use board contract with a central nonprofit organization to act as facilitator between the board and the work centers. My partial vetoes of Section 2 and Section 5 eliminated from the bill the central nonprofit organization and its responsibilities. I am making this change because the administrative structure created under the nonprofit organization is cumbersome and restrictive and would add to the cost of products obtained from work centers.

I believe that the state use board created by **Senate Bill 342** will function more effectively under a direct relationship with the Department of Administration's procurement staff. I will appoint to the board a representative of a nonprofit organization that works with work centers.

Under the bill the department will receive two additional staff which will be fully dedicated to this work center initiative. Staff will perform all duties which the bill previously assigned to the central nonprofit agency, including providing outreach assistance to work centers. I am directing that these staff work with the state use board to ensure that purchase orders are equitably allocated among work centers.

I am confident that under these provisions the Department of Administration will be able to increase the volume of state contracts with work centers well beyond the present \$3 million annually. This initiative will also encourage sheltered workshops statewide and could ultimately provide a training opportunity for some individuals to progress out of the workshop setting. Finally, I will direct the Department to review this program during the upcoming biennial budget process to determine if further improvements to this procurement process can be identified.

Respectfully,  
TOMMY G. THOMPSON  
Governor

State of Wisconsin  
Office of the Governor

April 27, 1990

To the Honorable, the Senate:

**Senate Bill 344** establishes a moratorium on the use of supplemental bovine somatotropin (BST) in Wisconsin until one day after Food and Drug (FDA) approval of Bst for use in commercial milk production; establishes a new appropriation for BST research at the University of Wisconsin, with advisory panels of practicing dairy farmers to provide input to the Board of Regents on the design and oversight of the research; increases the UW research base budget for additional BST research; establishes an Agricultural Technology and Family Farm Institute in the college of agriculture at UW-Madison; mandates new UW-Extension programs to educate consumers about biotechnology; and directs the Department of Agriculture, Trade and Consumer Protection (DATCP) to study the advantages and

disadvantages of voluntary labeling of milk produced without BST.

I have partially vetoed Section 1g of **Senate Bill 344** to provide a moratorium on the use of BST in Wisconsin until June 1, 1991. This time period is sufficient to allow for farmer and consumer education relating to the use of BST. The moratorium will also provide sufficient time for DATCP to complete the required labeling and milk certification study.

I do support the new \$230,000 BST research appropriation, \$380,000 for the Agricultural Technology and Family Farm Institute, and \$120,000 for biotechnology education. The funding I've provided for should adequately cover the necessary BST research and, through literature searches and other means, utilize the volume of BST research recently completed nationally.

However, I have partially vetoed Section 1k and 2 of the bill to eliminate the \$150,000 GPR increase to the UW research base budget for additional BST research because the level of funding provided in the bill is unnecessary to accomplish its purpose. The University of Wisconsin has already funded a study of socioeconomic effects of biotechnology on Wisconsin agriculture.

I have also partially vetoed Section 1f of the bill to remove the stipulation that all aspects of the research supported in this bill be open to public inspection. The provision is overly broad and could result in unworkable research conditions. All results of this research will be available and open to public inspection.

Finally, I have partially vetoed Section 1k(3) to remove the word "voluntary" in the DATCP labeling study to broaden the scope of the study and to allow DATCP to evaluate other labeling alternatives, including the advisability of adopting a system of certification of milk products.

My partial vetoes of **Senate Bill 344** will provide the additional resources and time necessary to more fully understand the effect of new agricultural technologies in Wisconsin and to communicate the results to farmers and consumers. I strongly believe that this can be accomplished in a timely fashion without compromising Wisconsin's ability to compete in the national and international marketplace.

Respectfully,  
TOMMY G. THOMPSON  
Governor

State of Wisconsin  
Office of the Governor

April 27, 1990

To the Honorable, the Senate:

I am vetoing **Senate Bill 353** in its entirety.

I agree with the intention of the authors of this bill, and I am directing the Department of Transportation to work with them to fashion a workable bill.



The most serious flaw in the bill is its lack of an important feature, a delayed effective date that would allow current owners of private signs a grace period to make the changes to their signs required by this bill. With no grace period, merchants would be required to change signs immediately - or be in violation of the law. This would create severe liability problems for property-owning merchants whose signs would be in violation, since any violation of safety standards is negligence per se. Only a veto will relieve this liability concern.

Two other concerns have also been raised with this bill that, with this veto, now have an opportunity for further refinement. The bill creates an apparent exception to the law prohibiting outdoor advertising signs that resemble official traffic signs on private property from causing confusion for motorists on adjacent highways.

Again, I applaud the intent of this bill, but am withholding my consent due to the concerns raised by the draft I received.

Respectfully,  
TOMMY G. THOMPSON  
Governor

State of Wisconsin  
Office of the Governor

April 27, 1990

To the Honorable, the Senate:

I am vetoing **Senate Bill 407** in its entirety. This bill requires the Strategic Planning Council, which is attached to the Department of Development, to submit annual reports on or before July 1, 1990, 1991 and 1992 to the appropriate standing committees of the Legislature.

I am vetoing this bill because it is unnecessary and because the Strategic Planning Council is scheduled to sunset at the end of fiscal year 1990-1991. The Department of Development currently provides the Legislature with reports on the Strategic Planning Council's activities and will continue to do so.

Respectfully,  
TOMMY G. THOMPSON  
Governor

State of Wisconsin  
Office of the Governor

April 27, 1990

To the Honorable, the Senate:

**Senate Bill 454** requires the University of Wisconsin Board of Regents to establish an Agricultural Technology and Family Farm Institute in the College of Agriculture and Life Sciences at UW-Madison; directs the UW-Extension to educated farmers and consumers about biotechnology processes and products and requires the University of Wisconsin to conduct research on the animal health effects and efficacy of using supplemental bovine somatotropin (BST), the human and public health effects of consuming products

produced from BST-treated herds and the social and economic effects of using BST in commercial milk production. The bill also establishes a moratorium on the use, sale, distribution and possession of BST in Wisconsin until July 1, 1991 or six months after FDA (Food and Drug Administration) approval of BST for commercial use, whichever is later. The moratorium extends to the sale and distribution of products produced with BST. However, the bill exempts processing plants persons selling at the retail and wholesale level from the prohibition on the sale and distribution of products produced with BST.

I am vetoing **Senate Bill 454** because it significantly duplicates the content of **Senate Bill 344** and because the extension of the BST moratorium to six months beyond FDA approval could place Wisconsin's dairy industry at a competitive disadvantage with other states that could use the technology upon FDA approval. In addition, such a moratorium would deny Wisconsin farmers the right to evaluate and decide for themselves the usefulness of BST in their own operations. Moreover, given the exemptions relating to the sale and distribution of products produced with BST in this bill, the application of the moratorium in **Senate Bill 454** is not substantially different from the moratorium in **Senate Bill 344**.

I understand the need for additional farmer and consumer education relating to the use of BST in milk production. Since expanded resources and additional time are necessary to more fully understand the possible effects of new agricultural technologies in Wisconsin and to communicate the results to farmers and consumers, I have signed **Senate Bill 344** into law in lieu of **Senate Bill 454** to provide authorization and funding for the creation of Agricultural Technology and Family Farm Institute, additional funding for BST research at the University of Wisconsin and additional funding for the UW-Extension for consumer education about biotechnology products. My partial vetoes of **Senate Bill 344** will also provide funding and authorization to the Department of Agriculture, Trade and Consumer Protection to complete a study on the advantages and disadvantages of BST labeling including recommendations on the advisability of adopting a system of certification of milk products.

My partial vetoes of **Senate Bill 344** will also establish a moratorium on the use of BST in Wisconsin until June 1, 1991. This time period is sufficient to allow for additional farmer and consumer education on the use of BST and will provide time for DATCP to complete the required labeling and milk certification study. I believe these activities can be accomplished in a timely fashion without compromising Wisconsin's ability to compete in the national and international marketplace.

Respectfully,  
TOMMY G. THOMPSON  
Governor

State of Wisconsin  
Office of the Governor

April 27, 1990

To the Honorable, the Senate:

I am vetoing **Senate Bill 472** in its entirety. This bill allows underage persons in pool rooms where alcohol is served and where the majority of pool tables on the premises are not coin-operated.

I am aware that other places, such as bowling alleys, are allowed to have underage persons on the premises where alcohol is served. I am sympathetic to pool rooms that would like to host youth pool leagues and presently cannot if they serve a alcohol on the premises.

However, I am vetoing this bill due to the potential for abuse of the provision as currently worded. Since "pool room" is not defined, it's conceivable that underage persons could be allowed in taverns or bars having pool rooms. The restriction concerning coin-operated pool tables could easily be avoided by basing pool playing fees on playing time or cue or rack rental.

I am also concerned that this bill was not afforded a public hearing. A bill expanding the number of places where minors will be in close proximity to alcohol should receive public comment.

Respectfully,  
TOMMY G. THOMPSON  
Governor

State of Wisconsin  
Office of the Governor

April 27, 1990

To the Honorable, the Senate:

I am vetoing **Senate Bill 486** in its entirety. This bill contains a number of provisions that affect local law enforcement employees and employers throughout the state.

Laudably, this bill establishes the Law Enforcement Bill of Rights statewide. I support extending the Law Enforcement Bill of Rights currently covering the City of Milwaukee Police statewide, but this bill also broadens state mandated arbitration rights under s. 111.17, Stats., to law enforcement personnel and fire fighters in cities, villages and towns with populations under 2,500. I am concerned about the impact of this provision on local government costs in the state's smallest municipalities.

I encourage interested parties to pursue a compromise on this proposal that will safeguard local government's concerns. The undue haste by which this bill was noticed and heard in committee, and then passed through the legislature leaves serious doubts that the concerns of counties and law enforcement were adequately heard and ultimately resolved.

For these reasons, I am vetoing **Senate Bill 486**.

Respectfully,  
TOMMY G. THOMPSON  
Governor

State of Wisconsin  
Office of the Governor

April 27, 1990

TO THE HONORABLE MEMBERS OF THE  
SENATE:

I have approved **Senate Bill 542** as 1989 Wisconsin Act 336 and deposited it in the Office of the Secretary of State.

The bill contains many worthwhile proposals. I have signed funding increases for a number of existing programs which have proved to be effective and for some innovative new programs. However, the process that was followed and the total sum of spending contained in the bill dictate that I exercise my partial veto power in a number of areas.

During the past few months I asked that several proposals be introduced as special session items so that they would be given special legislative attention. Some of these items, such as increasing the one-time school property tax credit, putting a lottery property tax credit on property tax bills and expanding the farm tax credit, were not acted on by the Legislature. Parts of others, such as my Northern Wisconsin initiative and funding to repair aging schools, were eventually included in **Senate Bill 542**.

I also asked that several essential agency budget adjustment bills be passed by the Legislature. These bills (for the Departments of Health and Social Services and Corrections, the State Public Defender and the Higher Educational Aids Board) were necessary because new federal mandates and caseload changes made adjustments to the appropriation levels previously established in the 1989-91 budget bill mandatory.

Unfortunately, not only did the Legislature pass these essential agency adjustment bills and some of the other measures that needed immediate attention, it also passed a host of other items. What began as a limited number of discrete, targeted initiatives wound up as an ad hoc mini-budget, with all of the shortcomings and excesses that process can produce.

I was disappointed that the Legislature chose to ignore the direct tax relief proposals I introduced and instead passed a package of disparate spending increases. I believe the taxpayers of Wisconsin deserve more than just an unplanned series of last minute budget amendments that spend every dollar the state might receive.

Senate Bill 542 and other bills just passed by the Legislature increased spending by an amount which would leave the state \$32 million short of the required 1% budget balance at the end of the biennium, according to the estimates of the Departments of Revenue and Administration. The state has additional revenue available only because the economy has been healthy enough to generate a modest surplus. Spending it all as the Legislature did repeats the mistakes of the past by building a large base of spending commitments that will be difficult to sustain in the future.

I have signed some of the measures passed by the Legislature in Senate Bill 542, since many do represent worthwhile programs and since a number of them will indirectly provide property tax relief. However, given the background of Senate Bill 542, it should come as no surprise that I vetoed many fiscal items to increase the projected ending balance by \$45 million.

I vetoed a number of items that received funding increases in the 1989-91 budget, since further increases now are excessive. I also vetoed several items in Senate Bill 542 that should have been considered as separate legislation, to let the normal legislative process, with public hearings and adequate time for drafting of language, follow its course. And I vetoed a number of items because they duplicated separate bills that also passed. The need for these vetoes of duplicative provisions is a direct result of the chaotic and disorganized nature of the recent legislative session.

I believe that the overall process followed in passing Senate Bill 542 underscores the need for annual budgeting. Revenues and expenditures should be balanced each year. All spending proposals considered each year should be weighed against each other and given thorough legislative review and discussion, which did not happen with Senate Bill 542 in either the Senate, the Assembly or the Joint Finance Committee.

While I have concerns about many aspects of Senate Bill 542, I am glad that I am able to sign several significant measures that I hope will provide property tax relief, including provisions that increase state funding of school costs by \$50 million, increase state funding of social services now partly paid for incentive payments to encourage municipalities to control their spending increases and increase funding for the Homestead Tax Credit program by \$7.8 million.

Because of these and other measures, I believe Senate Bill 542 as I have modified it will provide significant benefits to the people of Wisconsin.

ITEM VETO

TABLE OF CONTENTS

A. EDUCATION

1. Milwaukee Parental Choice Program	1
2. School Aid Payment Schedule	1
3. Madison Integration Aid	1
4. Children-at-Risk Aid	1
5. Curriculum Modification	2
6. Educational Programs for Milwaukee Learnfare Students	2
7. Collective Bargaining Authority for UW Academic Staff	3
8. Employer Health Insurance Contribution for UW Faculty and Academic Staff	3
9. Independent Student Grants	3
10. Instructional Fixed Television Service (ITFS)	4

B. GENERAL GOVERNMENT

1. Acting District Attorneys	4
2. District Attorney Office Expenses	4
3. State Prosecutors Retirement Option	5
4. State Prosecutors 1990 Salary	5
5. State Prosecutors Fringe Benefits	5
6. State Prosecutors Deferred Compensation and Employee-Funded Reimbursement Account Programs	6
7. Law Enforcement Training	6
8. Telecommunications Relay Service Board	6
9. Garnishment Payments	7
10. Reallocation of 1.0 FTE Position	8
11. Day Care Center for New State Office Facility	8
12. Pari-Mutuel Revenue Processing	8
13. WisJobs Language Changes	9
14. Auctioneer Examining Board	9

C. HUMAN RESOURCES

1. MA: Maternal and Child Health and Medically Needy Benefit Provisions	10
2. MA: Physician Pediatric Rate Increases	12
3. MA: Hospital Indirect Medical Education Costs	12
4. MA: Home-Based Services and Personal Care Training	12
5. Nurse's Assistant and Home Health Aide Training	13
6. MA: Nursing Home Study	14
7. Public Health Initiative	14
8. Breast Cancer Screening Program	14
9. AIDS: Health Insurance Premium Subsidies	15
10. Mandatory Insurance Coverage of	

Adopted Children	16
11. Interpreter Services	16
12. Death Investigations	17
13. COP and MA Waiver Program Rates	17
14. Community Options Program	18
15. Community Aids Funding	18
16. Community Aids Restructure	19
17. Inpatient AODA in Milwaukee	20
18. Domestic Abuse Counseling	20
19. Child Abuse and Neglect	20
20. Learnlare Sanctions	21
21. Food Stamp Outreach	21
22. Food Stamp Program Administration	22
23. Public Assistance Applications	22
24. Juvenile Corrections	22
25. Special Action Release	23
26. Veterans Memorials	23

D. TAX POLICY

1. Homestead Tax Credit	23
2. Heads of Household and Surviving Spouses Sliding Scale Standard Deduction	24
3. Local Finance -- Tax Rate Disparity Payment	24
4. Local Finance -- Payments for Municipal Services	25
5. Local Finance -- Tax Incremental Finance	26
6. Local Finance -- County Licensing of Concerts	27
7. Property Tax -- Municipally Leased Property	27
8. Property Tax -- Instalment Payments for Special Assessments	28
9. Local Government -- Ban on Free Cigarette Distribution	28

E. ENVIRONMENTAL AND COMMERCIAL RESOURCES

1. Lake Management Grants	29
2. Scenic Urban Waterways	29
3. Fox River Sediment Sampling	29
4. Nonpoint Source Grants for Barnyard Runoff	30
5. Mining on Public Lands	30
6. Wisconsin Conservation Corps	31
7. Publication of Motor Vehicle Insurance Guide	31
8. Community Economic Development	31
9. Spooner Redevelopment Authority Loan	32
10. Tribal and Community Relations Committees	33
11. Manufacturing Firm Loan	34
12. Heritage Tourism Program	35
13. Ethnic Group Travel Grants	36
14. Dairy Plant Security Program	37

A. EDUCATION

1. Milwaukee Parental Choice Program

Section 228

This provision establishes a 1994-95 sunset date for the Milwaukee parental choice program. I am vetoing this provision because it is important to assure families that their children can attend their schools of choice for more than five years.

2. School Aid Payment Schedule

Sections 246 and 3202 (44) (b)

These provisions change the schedule for payments of aid to local school districts. Schools would receive state aid somewhat sooner in the year under this proposal. I am signing other provisions in this bill that will increase school aids by \$50 million. I understand that the current payment schedule can cause cash flow problems for some school districts. However, the change in payment schedule would not actually increase school aids and would result in a cost to the state of \$4.8 million per year in lost interest earnings. In light of the fact that I am signing substantial aid increases, I am vetoing these provisions regarding the payment schedule because incurring the added cost of an accelerated payment schedule would not be prudent at this time given the meager size of the projected general fund balance. I hope to be able to address this issue in the future when the state can afford the change.

3. Madison Integration Aid

Sections 8 [as it relates to s. 20.255 (2) (bn)], 23, 235, 247, 248, 249 and 250

Under these provisions integration aid for the Madison School District would be set at a percentage of the integration aid received in 1988-89. I am vetoing these provisions because I have signed into law separate legislation (1989 Wisconsin Act 309) which contains identical provisions.

4. Children-at-Risk Aid

Section 226

This section modifies the formula for children-at-risk aid to reflect the deletion and renumbering of several school aid appropriations which serve as the base for calculating children-at-risk aid. I am vetoing a provision in this section to prevent the unintended reduction of children-at-risk aid to eligible school districts in the 1990-91 school year. Legislation will be required for children-at-risk aid calculations beginning in the 1991-92 school year to accommodate the deleted and renumbered appropriations.

5. Curriculum Modification

Section 225p

This section requires a school board to notify parents in writing of the board's decision regarding whether a multidisciplinary team recommends a curriculum modification for a student. This written notice would be required whether or not the parents request such notice. Current law requires written notification only if the parent requests it. I am vetoing this provision because the current notification requirement is sufficient.

6. Educational Programs for Milwaukee Learnfare Students

Sections 8 [as it relates to s. 20.255 (2) (eL)], 24m, 87m, 128h and 227g

These provisions establish a one year \$500,000 GPR appropriation to provide educational programs to dropouts in the Milwaukee Public Schools (MPS) who have been sanctioned under the Learnfare program. The provisions also require the State Superintendent of Public Instruction to study the effectiveness of these educational programs and the Learnfare program in general.

I agree that MPS and the state should direct resources to educating dropouts, a very hard-to-reach population of students. However, I am vetoing these provisions because another state aid program, especially a one-year program, is not required to ensure that the educational needs of this population are addressed. The problem of dropouts is an ongoing one and should appropriately be addressed by ongoing resources.

It should be noted that other provisions in Senate Bill 542 will provide MPS with a \$5.7 million increase in school aids in the 1990-91 school year. Also, in 1990-91 the amount of state funding to be sent to MPS as part of the desegregation settlement agreement will increase by \$2 million -- from \$5 million to \$7 million. I would encourage MPS to use some of these resources to address the education needs of dropouts. Finally, because I am generally supportive of the intent of this provision, I will be working with the State Superintendent to incorporate portions of this legislation into MPS's plan for spending their desegregation dollars.

7. Collective Bargaining Authority for UW Academic Staff

Sections 65n, 221j, 221k, 221L, 221m, 221n, 221o, 221p, 221q, 221r, 221s, 221t, 221v, 221w, 221x, 221z, 221zm and 281k

These provisions extend collective bargaining authority to certain academic staff of the University of Wisconsin system. I am vetoing the provisions because UW academic staff have statutory governance authority similar to that of the faculty, which makes academic staff active participants in the governance and policy development of each institution. Collective bargaining is not compatible with the shared governance traditions of the University of Wisconsin.

In addition, the cost of establishing and operating an administrative structure for UW collective bargaining exceeds \$1 million annually. I believe state funds can be far better utilized in other areas.

8. Employer Health Insurance Contribution for UW Faculty and Academic Staff

Sections 66ng, 66ni and 66q [as it relates to employer health insurance contributions for UW faculty and academic staff]

Under these provisions, University of Wisconsin faculty and academic staff would be eligible for the employer's contribution toward health insurance premiums immediately after employment. Currently, eligibility is attained after six months of employment. I am vetoing this change primarily because of its significant fiscal impact, which would be approximately \$1.6 million at 1990 health insurance rates, and also to maintain equity with other state employees who do not receive this benefit.

9. Independent Student Grants

Sections 66j [as it relates to s. 39.45 (2) and (3)] and 3025

These sections create a higher educational grant program for recipients of Aid to Families with Dependent Children (AFDC). I am vetoing the provisions that make past recipients eligible and establish a \$2,000 minimum grant. I have also vetoed the new position created to administer the program.

There is a need for additional financial aid for AFDC recipients enrolled in a 2-year or 4-year program. However, I believe the program should focus on students with the greatest need, specifically those currently on AFDC. Therefore, my veto makes past recipients ineligible for the grants. In addition, I am vetoing the minimum grant restriction of \$2,000. Permitting grants below \$2,000 will free up dollars for other needy students. Finally, as part of my efforts to control growth in state government, I am deleting the position created to administer the program.

10. Instructional Fixed Television Service (ITFS)

Section 3116

This section provides funding for the continued development of an ITFS network in the state including identification of a specific ITFS site. I am vetoing this section because there already exists sufficient funding for the current phase of ITFS construction.

I support ITFS technology and its role in distance learning, as shown by my recommendation of \$1 million for ITFS projects in the 1989-91 budget. During legislative budget review, an additional \$150,000 was provided for a total ITFS appropriation of \$1.15 million. I believe this level of funding is adequate to continue development of an ITFS network.

**B. GENERAL GOVERNMENT**

**1. Acting District Attorneys**

Sections 8 [as it relates to s.20.475 (1) (d)], 48p, 280m, 332rm and 332s

These provisions authorize state courts to appoint private attorneys to represent the state in the prosecution of a wide range of cases. In addition, Section 8 creates an appropriation in the Department of Administration to pay for the costs of private bar appointments.

I am vetoing these provisions because they should be given thorough consideration through the biennial budget process. The authorization and appropriation of funds for this type of appointment must be properly constructed to ensure fiscal responsibility. In addition, the controls on this type of spending must be drafted to ensure a proper separation of executive and judicial responsibility.

Further, it should be noted that section 333 of the bill corrects an oversight in the law by explicitly authorizing assistant attorneys general to provide assistance to district attorneys. This change should mitigate the need for the appointment of acting district attorneys.

**2. District Attorney Office Expenses**

Sections 48q and 48r

These sections amend language created in 1989 Wisconsin Act 31 relating to the fiscal responsibilities of the state and counties for prosecutorial expenses. The provisions in Senate Bill 542 seek to clarify the division of costs between the state and counties.

I am partially vetoing Sections 48q and 48r to eliminate a cross-reference to s. 978.13 (1)(b), which relates to Milwaukee County prosecutor costs for drug law enforcement. These costs are paid for out of a separate appropriation and the references added to s. 20.475 (1) (g) and (r) are not necessary.

**3. State Prosecutors Retirement Option**

Section 333c

Section 333c, in part, allows state prosecutors in Milwaukee County, who chose to retain participation in the Milwaukee County Retirement System, another opportunity to switch to participation in the Wisconsin Retirement System. This provision was included in the bill because of the possibility of a ruling by the federal Internal Revenue Service (IRS) on the taxability of retirement benefits. I am vetoing this provision because it is premature to change state law until an IRS determination is made. Federal tax law is an extremely complex area and it is difficult to predict how the IRS will rule on this issue. Only after an IRS ruling can the state intelligently determine the best manner to address the issue.

**4. State Prosecutors 1990 Salary**

Sections 335n and 3203 (58) (am) These sections require that the state pay state prosecutors in calendar year 1990 at least as much as they would have received under a collective bargaining contract or a county ordinance in effect on December 31, 1989, had the prosecutors remained county employees.

I am vetoing these sections because this would set an improper precedent for establishing state employee salaries. The state, in accepting the transfer of prosecutors, has tried to provide equitable treatment for all individuals affected. If, despite the state's efforts, problems regarding 1990 salaries for state prosecutors still exist, existing state law and policy will be sufficient to address the problems.

**5. State Prosecutors Fringe Benefits**

Sections 66n, 66p and 66q [as it relates to state prosecutors]

These provisions would allow state prosecutors who transferred to state employment and chose to retain participation in the Milwaukee County Retirement System the option of participating in other fringe benefit plans offered by the state.

I am vetoing these provisions because they would create an administrative burden and provide an inequitable advantage to a small group of state employees.

**6. State Prosecutors Deferred Compensation and Employee-Funded Reimbursement Account Programs**  
Section 333e

This provision would ensure that every state prosecutor would be eligible for participation in the state's deferred compensation and employee-funded reimbursement account programs.

I am vetoing this provision because the language is not necessary and theoretically may allow state prosecutors in Milwaukee County, who chose to retain participation in the Milwaukee County Retirement System, eligibility in these programs. Because of the unique nature of the payroll administration for this group of Milwaukee County prosecutors, eligibility in the state's deferred compensation program and employee-funded reimbursement account program is not feasible.

**7. Law Enforcement Training**

Sections 266p, 266q, 266r and 3203 (34)

These sections modify provisions enacted in 1989 Wisconsin Act 31 relative to law enforcement officer certification and training. I am vetoing these provisions because identical provisions were passed in Senate Bill 444. I have recently signed Senate Bill 444 into law as 1989 Wisconsin Act 291.

**8. Telecommunications Relay Service Board**

Sections 2, 3, 6, 8 [as it relates to s. 20.505 (4) (ds) and (is)], 52, 54, 269, 270, 3001 (1), 3202 (48) (f) and 3203 (1) (b)

These sections create an 11-member Relay Service Board. The Board is given rule-making authority and is directed to establish, by January 1, 1992, a telecommunications relay service which would permit speech-impaired and hearing-impaired persons to communicate with each other and with other telephone users. The bill appropriates to the Department of Administration (DOA) \$2,000 GPR in fiscal year 1989-90 and \$54,200 GPR in fiscal year 1990-91 and authorizes 1.0 GPR position to perform relay service activities.

To fund the costs of telecommunications relay services, other sections of this act provide an assessment mechanism against local exchange and interexchange telecommunications utilities. The act will also provide a credit against the telecommunications utilities' gross receipts tax liability equal to the amount of assessments made.

Although I support a telecommunications relay service for Wisconsin, I believe the Board mechanism as created is unnecessarily cumbersome and restrictive.

Sections 2 and 3 create the Relay Service Board and designate its members. Section 6 provides definitions relating to telecommunications relay service and establishes the duties, rule-making authority and contracting authority of the Board. I am vetoing these sections in their entirety because I do not believe that telecommunications relay service requires the additional level of administrative oversight which would be provided by the Board. I will be appointing a council to advise DOA regarding the administration of telecommunications relay services. This council will be advisory rather than regulatory in nature. Sections 8, 52 and 54 provide DOA with funding to administer telecommunications relay activities. I am vetoing the portions of these sections relating to the Board, leaving sole administrative responsibility with DOA.

Sections 269 and 270 relate to an exemption of regulation of telecommunications relay service by the Public Service Commission (PSC). I am vetoing these sections in their entirety because I believe it is appropriate for the PSC to regulate telecommunication relay service.

Section 3001 (1) includes nonstatutory provisions regarding the Board, its rule-making authority, and initial terms of board members. I am partially vetoing this section to remove references to the Board and its members and duties to correspond to the above vetoes relating to the Board. I believe that the administrative oversight of the Board would be unnecessary.

Section 3202 (48) (f) relates to initial applicability of the gross receipts tax credit created in this act. I am partially vetoing this section to remove reference to the Board.

Section 3203 (1) (b) relates to the effective date of the repeal of initial GPR funding for the 1.0 relay service position created in this act. I am partially vetoing this section to remove reference to the Board.

I strongly support this initiative to establish telecommunications relay service which will provide Wisconsin's speech- and hearing-impaired citizens with increased access to our telephone system. My partial veto retains the essential portions of the initiative while streamlining the administrative oversight of this much-needed service.

#### 9. Garnishment Payments

Section 332Lm, 3202 (58) and 3203 (58) (at)

These sections provide that, in addition to the current \$10 garnishment fee, a state or local government can receive up to \$3 for each garnishment action. I am vetoing these sections in favor of separate legislation (Senate Bill 235) that contains similar provisions. I have signed Senate Bill 235 as 1989 Act 210.

#### 10. Reallocation of 1.0 FTE Position

Sections 3001 (1x) and 3203 (1) (a)

These sections require the Department of Administration (DOA) to reallocate 1.0 FTE position to staff the American Indian assistance program created by this act under section 16.06.

I support the Indian assistance program, which I initially proposed as part of my Northern Wisconsin Initiative. While DOA will perform the functions required under this bill, DOA is not currently able to redirect resources from current operations to provide additional staff for this activity. Therefore I am partially vetoing these sections to remove the requirement that DOA reallocate a position to this activity.

#### 11. Day Care Center for New State Office Facility

Sections 5m and 5n

Section 5m requires the Department of Administration (DOA), before leasing or acquiring any state office facility in Madison, to provide space for day care for at least 130 children. This space may be in the new space or in another facility. I am vetoing this section because existing office facilities often cannot easily be converted to day care space.

Section 5n requires DOA, before constructing any state office facility in Madison, to provide space for day care for at least 130 children. Due to a typing error in the Assembly, this section does not provide the flexibility for DOA to provide the required day care space in another facility. Therefore, I am partially vetoing this section to correct this error and to provide such flexibility. I am also vetoing the requirement that the day care space accommodate 130 children because the size of the day care center needed will vary depending on the size of the state office facility constructed.

12. Pari-Mutuel Revenue Processing

Sections 315, 316, 317, 318, 319, 320 and 321

These sections change the current law on revenue processing for tracks licensed by the Wisconsin Racing Board. These sections: 1) require the winnings to be claimed within 90 days after the race season rather than 90 days after the race day, as in current law; 2) require revenue to be deposited with the Board within 48 hours of the end of the race day, or if this does not fall on a business day, on the first business day after the race day; and 3) require track licensees to pay purses on or before the Thursday of the following week, rather than at least once a week. I am vetoing these sections because they are identical to provisions in Senate Bill 471, which I have already signed into law as 1989 Wisconsin Act 314.

13. WisJobs Language Changes

Sections 193, 197, 200, 202, 203, 204, 205, 206, 207, 208, 209, 210, 212, 213, 216, 217, 218, 219 and 221

These sections extend the statutory sunset of the pilot WisJobs program from June 30, 1991 to June 30, 1993 and create a definition of 'employer' which includes nonprofit organizations for purposes of receiving wage subsidies for employing WisJobs participants.

I am vetoing the sunset extension because it extends the WisJobs program without an analysis of the effectiveness of the pilot program. Given the strong economic performance of the state, continuing a still unproven job creation program may be premature at this time. Furthermore, extension of the program, which is budgeted at \$1.64 million GPR annually, will further widen the gap between ongoing spending and revenues in 1991-93. I am also vetoing section 217, which requires local service agencies to deposit in the general fund any subsidies repaid after June 30, 1993, because I would like to retain the current June 30, 1991 sunset. However, it is my intent that any subsidies repaid after June 30, 1991 be deposited in the general fund, so I am asking DILHR to include this language with its 1991-93 budget request.

I am vetoing the sections that allow nonprofit organizations to participate in the WisJobs program as the employer because the intent of the program is to encourage businesses, which are defined as business enterprises for profit, to create new jobs.

14. Auctioneer Examining Board

Sections 3m, 280g, 302mf, 302q, 3047 and 3203 (47) (bm)

These sections create an Auctioneer Examining Board within the Department of Regulation and Licensing and establish procedures for licensing auctioneers, who are not currently regulated by the state. These sections restrict the conducting of auctions to licensed auctioneers, with certain exceptions. Requirements for licensure include written and oral examinations and completion of continuing education courses. These sections also repeal the authority of the Department of Transportation (DOT) to regulate motor vehicle auction dealers.

I am vetoing these sections because an examining board and full licensure appear to be an inappropriate form of regulation for auctioneers. In my administration, I have tried to decrease the level of regulation by the state whenever appropriate. These provisions would create another layer of bureaucracy in the Department of Regulation and Licensing which is not necessary for the regulation of this profession. I am also vetoing the repeal of the DOT authority, so DOT will retain its current authority to regulate motor vehicle auction dealers. Finally, I am not vetoing the repeal of Chapter 130 of the statutes, which authorizes local units of government to regulate auctioneers. I have decided not to veto this repeal, because the regulation varies dramatically from one municipality to another and does not appear to be particularly effective.

Nonetheless, regulation of auctioneers is a matter of statewide concern for at least two reasons. First, auctioneers are responsible for handling considerable sums of money for individuals and businesses, and consumers may benefit from some form of regulation. Second, auctioneers are required to collect state sales taxes on certain items and pay these taxes to the state Department of Revenue. It is unclear whether this is always occurring, and this is part of a study currently being conducted by the Legislative Audit Bureau. Accordingly, I am directing the Secretary of Regulation and Licensing to work with the auctioneers, to identify major problems for consumers of auctioneer services and to develop an appropriate form of regulation of this profession. Any regulations could be introduced as separate legislation in the next session and could incorporate relevant findings of the Audit Bureau.

C. HUMAN RESOURCES

1. MA: Maternal and Child Health and Medically Needy Benefit Provisions

Sections 108, 109, 110, 111, 113, 114, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 3123 (12), (13), (19g) and (19h) and 3203 (23) (b), (d) and (e)



These provisions expand Medical Assistance (MA) categorically needy coverage for pregnant women and children to age 6 in families with incomes up to 133% of the federal poverty level, expand MA medically needy coverage for pregnant women and children to age 6 in families with incomes up to 165% of the federal poverty level, increase MA payment rates for physician obstetric services, create an MA support services benefit for pregnant women to help coordinate the prenatal care that they receive, require the Department of Health and Social Services to impose a monthly premium for MA Healthy Start coverage for persons in families whose income exceeds 150% of poverty, make identical the medically needy and categorically needy benefit packages and repeal the asset test for mandatory coverage groups.

I am vetoing these provisions in their entirety because I have acted on them in separate legislation (Assembly Bill 644). Also, as a result of my actions on Assembly Bill 644, which included limiting the eligibility expansion of the MA Healthy Start program to 155% of the federal poverty level, some of the funding provided in Senate Bill 542 for increased pediatric services and increased MA Healthy Start claims processing costs will not be needed. I am therefore requesting that the Department of Administration Secretary place \$110,400 GPR allocated for pediatric services in appropriation s. 20.435(1)(b) and \$62,200 GPR in appropriation s. 20.435 (1) (bm) into unallotted reserve in fiscal year 1990-91 to lapse to the general fund.

As I stated in the Assembly Bill 644 veto message, I have been a supporter of Healthy Start since I signed it into law less than two years ago with a total budget of just \$3.1 million. I have also supported its continued expansion. My success in securing a federal demonstration project waiver for Healthy Start coupled with federal expansion of MA coverage for pregnant women and children last year enables the State to capture additional federal funding for most of the Assembly Bill 644 expansion up to the federal limitation at 155% of poverty. In fact, coverage of children ages 2-6 in families with incomes at 133%-155% of poverty will be funded entirely with State funds. The total of state and federal funds budgeted for this program, including the additional \$4.2 million GPR to be expended as a result of Assembly Bill 644, will increase in fiscal year 1990-91 from \$10.2 million to \$30.8 million as a result of my action and will increase the number of persons eligible for Healthy Start from the current 5,200 to 45,700, including 30,200 children between the ages of 1 and 6.

I have also been a supporter of the entire MA program. When I took office in 1986, the MA benefits budget for fiscal year 1986-87 stood at \$462.8 million GPR. Including the fiscal effects of bills passed by the 1989 Legislature which I have acted on, the MA appropriation will have increased by \$166.0 million GPR to \$628.8 million GPR in fiscal year 1990-91. Over that same period, in addition to providing significant rate and utilization adjustments for all MA providers, the following new MA benefits have been enacted: personal care; case management for persons who are elderly, mentally ill, developmentally disabled, or who suffer from alcohol and other drug abuse (AODA); psychosocial rehabilitation services through county community support programs; respiratory care for ventilator-dependent persons; hospice care; AODA day treatment; and podiatrists' services.

I have also increased the state's support of the MA home and community-based waiver programs. These programs relocate and divert clients to less-expensive community settings from nursing homes and intermediate care facilities for the mentally retarded, including the start-up of the Community Integration Program (CIP) 1B and Community Options Program (COP) waiver programs. Moreover, the state has implemented federal nursing home reform provisions requiring additional GPR funding for nurse aide training, active treatment and preadmission screening and annual resident review for the mentally ill and developmentally disabled.

In addition, I have taken full advantage of federal MA program flexibility to protect the resources and income of the 'community spouse' of a married institutionalized MA recipient. By permitting community spouses to retain up to \$60,000 in resources and protect up to \$1500 in monthly income-- the maximum allowable under federal Medicaid law-- the incidence of spousal impoverishment will be minimized.

## 2. MA: Physician Pediatric Rate Increases Section 3123 (27p)

This provision increases the Medical Assistance (MA) appropriation by \$770,400 GPR to increase physician rates for pediatric services to 75% of usual and customary charges.

I am vetoing this provision even though it may be desirable because the state's fiscal position does not permit it. The bill still provides an increase for MA physician pediatric services rates to 60% of usual and customary charges, which I originally recommended in Senate Bill 532, the Department of Health and Social Services adjustment bill. These rates should be sufficient to comply with recent pediatric services provisions included in the federal Omnibus Budget Reconciliation Act of 1989.

3. MA: Hospital Indirect Medical Education Costs

Section 102

This section repeals the statutory prohibition against Medical Assistance payment for hospital indirect medical education costs. I am vetoing this section in its entirety because I have signed it into law as separate legislation (Senate Bill 391).

4. MA: Home-Based Services and Personal Care Training

Sections 108g, 108m, 256m, 265d, 265f, 265h, 265k, 3023 (5j) and 3203 (23) (pi)

Sections 108g, 3023(5j) and 3203(23)(pi) prohibit the Department of Health and Social Services (DHSS) from requiring prior authorization of Medical Assistance (MA) home health services and, instead, require DHSS to control home health service utilization by instituting a utilization and peer review program. I am vetoing these provisions because I am not convinced that a utilization and peer review program will control MA home health care service utilization increases as proficiently as prior authorization. Until a better method of controlling home health care utilization can be developed, prior authorization should remain in place.

Section 108m prohibits DHSS from requiring prior authorization for the provision of MA personal care services to persons who meet the level of care requirements for MA skilled or intermediate nursing home care or for the Community Options Program. In addition to its utilization control features, prior authorization assures that MA benefits are being provided appropriately. Personal care is a relatively new MA benefit, and personal care providers may still be learning how to deliver the benefit in accordance with MA rules. I am vetoing this provision because, until a better method for controlling utilization and checking the appropriateness of care can be developed, prior authorization should remain in place.

Sections 256m, 265d, 265f, 265h and 265k create personal care worker training requirements which must be followed before an individual can be employed by an MA personal care provider. I am vetoing these provisions because they should more properly be the subject of separate legislation where broader study and debate may occur. Moreover, I am concerned that no additional resources were appropriated in the MA program for this purpose which could adversely impact the MA budget.

5. Nurse's Assistant and Home Health Aide Training Section 259

This section permits hospitals, nursing homes, and home health agencies that are not Medical Assistance (MA)-certified providers and intermediate care facilities for the mentally retarded that are MA-certified providers to employ as a nurse's assistant or home health aide an individual who, under certain conditions, successfully completes a competency evaluation or who has been employed as a nurse assistant or home health aide for at least 12 months on or before October 1, 1990.

The original purpose of amending these training provisions was to comply with federal MA statutory requirements enacted in the Omnibus Budget Reconciliation Act of 1989 relating to nurse's assistants employed by MA-certified nursing homes. In the process, however, hospitals and MA-certified nursing homes and home health agencies were inadvertently restricted from using competency evaluations and hospitals were inadvertently prohibited from employing a person who had worked as a nurse's assistant for at least twelve months on or before October 1, 1990. I am partially vetoing this section because these restrictions were inadvertent and should be corrected.

My partial veto of provisions affecting section 146.40(2)(am) of the statutes will allow an individual employed as a nurse's assistant or home health aide by an MA-certified nursing home or home health agency to complete a competency evaluation program by October 1, 1990 as required under federal Medicaid law.

My partial veto of provisions affecting section 146.40(2)(b) of the statutes will permit hospitals, non-MA-certified nursing homes and home health agencies, and intermediate care facilities for the mentally retarded to employ individuals who have been employed or under contract as a nurse's assistant or home health aide for at least 12 months on or before October 1, 1990.

Federal Medicaid law does not permit this type of grandfathering for MA-certified nursing homes or home health agencies.

6. MA: Nursing Home Study Sections 102m and 103m

These sections require the Department of Health and Social Services (DHSS) to submit to the Legislature on each January 1 from 1991 to 1994 reports which must include the information from the preceding year for each nursing home on the following: average wage and fringe benefit costs, cost of outside purchased nursing services, staff turnover, total revenues and expenses, staff training and continuing education costs, and Chapter 50 violations and related information. In addition, DHSS is to recommend ways for facilities to reduce their reliance on outside purchased nursing services.

I am vetoing these reporting provisions in their entirety because they 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.

#### 7. Public Health Initiative

##### Section 252

This section creates a \$6.8 million GPR public health initiative in fiscal year 1990-91 which includes per capita grants, grants to local public health agencies, grants to community health centers, and maintenance of effort requirements. I am vetoing the provisions that establish the per capita grant program, because the per capita grants are not tied directly to any measure of local need. Further, it has been state practice to provide funds for public health on a limited basis for specific purposes rather than on an unrestricted basis.

I am also vetoing the community health center grants, because many of these centers will receive increases in state funding from this bill's implementation of federal mandates contained in the Omnibus Budget Reconciliation Act of 1989. To reflect the fiscal effect of these vetoes, I am requesting the Department of Administration Secretary to place the \$5,800,000 GPR allocated for these items in appropriation s.20.435 (1) (ch) into unallotted reserve in fiscal year 1990-91 to lapse to the general fund.

I recently received a public Health Agenda for the Year 2000. My office, in conjunction with the Department of Health and Social Services, will carefully review the goals and objectives contained in the report as we set state policy and priorities for public health.

#### 8. Breast Cancer Screening Program

##### Sections 3023 (3x) and 3123 (5)

These provisions allocate a total of \$692,100 GPR for fiscal year 1990-91: \$422,600 to establish a grant program in 12 counties for breast cancer screening, \$140,700 to provide outreach and nursing services grants in those counties, \$20,000 to fund the development of educational materials, \$45,400 to provide a one-time grant to Milwaukee and \$63,400 to support 1.5 FTE positions to staff the two new grant programs.

I am approving the \$422,600 GPR for breast cancer screening grants to 12 counties, because I believe this is the most important part of the breast cancer screening program. However, I am vetoing grants for outreach and the development of educational materials, because these activities can be funded under the existing cancer control and prevention grant program or they are services already provided by agencies such as the American Cancer Society. I am also vetoing the one-time grant of \$45,400 to Milwaukee, because I have instead approved the transfer of \$100,000 in unspent calendar year 1989 cancer control and prevention funds, which would otherwise lapse, to calendar year 1990 for use by the city. Finally, I am vetoing the authorization of 1.5 FTE positions in the Department of Health and Social Services (DHSS) to administer the new grant programs, because I have only approved one of the two grant programs and the administration of one program does not warrant an additional 1.5 new positions.

It should also be noted that the bill no longer contains language to increase the cancer control and prevention appropriation to fund this program. Such language was included in the Joint Committee on Finance version but it was inadvertently deleted later in the legislative process and does not appear in the enrolled bill. On April 25, 1990, the Joint Committee on Finance, meeting under s.13.10, passed a motion to transfer \$628,700 from unallotted reserve in appropriation s.20.435 (1) (ef), lead poisoning prevention, to appropriation s. 20.435 (1) (cc) to fund the breast cancer screening provisions in this bill. I will approve that transfer to ensure that the grants to 12 counties are funded. However, to reflect my vetoes of other components of the program, I am requesting the Department of Administration Secretary to place \$206,100 allocated for this program in appropriation s.20.435 (1) (c) into unallotted reserve in fiscal year 1990-91 to lapse to the general fund.

#### 9. AIDS: Health Insurance Premium Subsidies

##### Section 266

This section creates a subsidy program to pay health insurance premiums for persons with acquired immunodeficiency syndrome (AIDS) who must quit working or reduce their work hours because of an AIDS-related condition. I am partially vetoing language which defines one of the eligibility criteria for the program.

Specifically, the language makes a person ineligible for the subsidy if he or she is eligible for medicare or has his or her health care paid for by medical assistance (MA), general relief or any other federal, state, county or municipal program. I am vetoing all references to programs that pay health care costs except for medicare in order to increase the potential savings to the program. With this veto, the subsidy could be paid for a person who is on MA and, in turn, MA can recover part of the cost of care from insurers.

10. Mandatory Insurance Coverage of Adopted Children

Sections 8 [as it relates to s. 20.435 (7) (fe)], 40, 67, 323, 326, 3023 (3f) and (3g) and 3203 (23) (a)

These provisions [except for 3023 (3f)] create a \$95,000 GPR sum-certain biennial appropriation and require the Department of Health and Social Services (DHSS), under certain conditions, to reimburse insurers from the appropriation for claims paid or services provided under a disability policy relating to a preexisting condition of an adopted child. I am vetoing these provisions because creating a program whereby the state actually pays the insurer for the increased health costs of a mandated coverage sets a bad precedent.

Subsection 3023 (3f) requires DHSS to seek federal Medical Assistance (MA) waivers that would permit the Wisconsin MA program to pay for medical care provided under the adoption assistance program and to pay for expenses incurred by an insurer for claims related to an adopted child's pre-existing condition. I am vetoing this provision because federal regulations restrict the MA program to being the payer of last resort. Thus, it is highly improbable that a federal waiver will be granted to allow federal match for 'first dollar' coverage of adopted children.

11. Interpreter Services

Section 3123 (29g) and (29h)

These subsections provide \$133,000 GPR for fiscal year 1990-91 for 7.0 FTE positions to serve as interpreters for the hearing impaired in regions of the state and \$25,000 GPR in fiscal year 1990-91 for a toll-free answering service for hospitals to obtain interpreters during off-hours.

I am vetoing the authorization for the positions because it has not been demonstrated that the number of staff requested is necessary. Further, the addition of the positions would result in work being taken away from interpreters with whom the Division of Vocational Rehabilitation in the Department of Health and Social Services (DHSS) currently contracts. While I am vetoing the position authority, I am exercising the partial veto on the associated funding to reduce it from \$133,000 GPR to \$33,000 GPR to allow a modest increase for the purchase of additional services, because it has not been proven that the level of unmet need requires a larger increase. I am also vetoing funding for the toll-free line, because hospitals can already obtain the names of qualified interpreters whom they can hire.

12. Death Investigations

Sections 91t, 91u, 91v, 130f, 130h, 130L, 132m and 265m

These sections establish reporting and investigation requirements when a death occurs in a child welfare agency, a community-based residential facility, a nursing home or a treatment facility if the death may have been related to the use of physical restraint or psychotropic drugs or the death was a suicide. Penalties are also established for noncompliance with these provisions.

While I certainly believe that suspicious deaths require investigation, I am partially vetoing these sections primarily because they are too broad. For example, the definition of 'psychotropic drugs' as ones which affect a person's mental state could include many over-the-counter drugs. As a result, facilities could report a large number of deaths of persons on medication which were not suspicious. In turn, DHSS staff would be required to investigate this large number of deaths, but these staff may not be able to meet the 14-day deadline for conducting investigations. I am also vetoing the penalty provisions, because these facilities are already subject to penalties administered by the licensing authority.

Finally, because these provisions were included as budget amendments and did not receive public hearings, facilities affected by this legislation had no chance to comment on potential drawbacks of the proposed reporting system until after this bill was enrolled. With these partial vetoes, I believe we have addressed several potential problems.

However, if additional problems arise as this procedure is implemented, I would urge the affected facilities, associated organizations and other parties, such as the coroners, to act jointly to propose any needed legislative changes.

13. COP and MA Waiver Program Rates

Sections 76b, 76v, 76x and 76z

These sections require the Department of Health and Social Services to increase annually the daily reimbursement rates for the Community Options Program and the federal Medical Assistance (MA) home- and community-based waiver programs by the same percentage as nursing home MA service payment rates, beginning July 1, 1991.

I am vetoing these provisions because it is not appropriate to link together the rate increases of institutional and community long term care. Under federal MA law, the state must pay the allowable costs of efficiently and economically operated (EEO) long term care facilities. No such federal EEO requirement exists for the federal waiver programs.

14. Community Options Program

Section 3123 (26k) and (26q)

Section 3123 (26k) appropriates \$447,000 GPR in fiscal year 1989-90 and \$894,000 GPR in fiscal year 1990-91 to the Community Options Program (COP) to fund supportive home care services. I am partially vetoing this subsection to instead provide \$447,000 GPR in fiscal year 1990-91. Elsewhere this bill provides a rate increase for personal care workers in the Medical Assistance (MA) program. I believe that increase, in addition to the smaller increase provided here, will support additional services while continuing to encourage counties to direct COP clients to the use of personal care services under MA. Under the MA program these services are funded in part by federal funds. In contrast, when these services are provided through supportive home care dollars the entire cost is borne by the state.

Section 3123 (26q) appropriates funds in fiscal year 1990-91 for costs associated with providing fiscal agent services under section 46.27(5)(i) of the statutes. While I appreciate that this section, which requires that counties act as fiscal agents for clients who receive direct funding for long-term community support services under COP, may result in increased costs to counties, I believe that the increases provided through COP and Community Aids in this biennium should be sufficient to cover these costs.

I am also vetoing these subsections to save over \$1.1 million GPR for the state's general fund.

#### 15. Community Aids Funding

Sections 80, 82 [as it relates to s.46.45 (3) (c)], 83 and 3203 (23) (f) [as it relates to s.46.45 (3) (c)]

These sections provide for an increase in Community Aids of 4.1% or 15% of overmatch, whichever is greater, to counties which do not receive an increase under the equity provisions elsewhere in the bill. They also permit the carryover of an additional \$2.0 million of the amounts allocated in calendar year 1991 for use in calendar year 1992 by those counties that expended all of their calendar year 1991 allocation.

I am partially vetoing the funding increase to remove greater increases for counties with a high level of overmatch, because I do not believe that overmatch is a valid indicator of need. In addition, funding increases provided to this program in this biennium have been substantial and have included a 6% increase in each year, \$5.0 million in increases for alcohol and other drug abuse treatment in 1989 Wisconsin Act 122 and, elsewhere in this bill, almost \$6.0 million GPR to provide equity increases to 100% for 41 counties and \$2.0 million GPR for child abuse and neglect. Under Senate Bill 542 as vetoed, all counties which do not receive an increase under the equity provisions will receive a 4.1% increase in Community Aids in calendar year 1991.

I am vetoing the additional carryover provisions because they are one-time funds which cannot be used to replace funds previously used by a county for a particular service. Counties receiving these one-time funds would be faced with maintaining a higher level of programming in subsequent years without state funding. Therefore this provision may result in either the elimination of newly created programs or would require those counties to provide local property tax funding to support program continuation.

With this veto I am requesting the Department of Administration Secretary not to allot more than \$2,468,400 in fiscal year 1990-91 in appropriation 20.435 (7) (b) for nonequity increases to counties. The fiscal effect of this veto is also addressed in the following veto message.

#### 16. Community Aids Restructure

Sections 5, 8 [as it relates to 20.505 (1) (bk)], 41, 43, 45, 51, 68, 69, 70, 71, 72, 73, 74, 77, 78, 81, 82 [as it relates to allocation], 85, 87, 89, 90, 91, 94, 95, 103, 129, 130, 131, 3023 (2x), (2xn), (2xo) and (2xp), 3123 (6) and (7) and 3203 (23) (f) [except as it relates to s. 46.45 (3) (c)]

These sections restructure the Community Aids program into allocations based on client group, an emergency allocation and a special category of pilot programs with requirements for review after three years. In doing so, they also fold the current Youth Aids appropriation into Community Aids, remove two programs from the Grants to Communities appropriation and establish them as pilot programs in Community Aids, transfer the Alzheimer's family and caregiver support program from Community Aids, stipulate in statute the goals of Community Aids and the duties of the state and counties, set up rules for inter-allocation transfer and for the payment of administrative costs based on a time study by the Department of Health and Social Services (DHSS), broaden the use of emergency funds and appropriate \$150,000 to the Department of Administration to do a request for proposals for a statewide service needs assessment based on the recommendations of the Legislative Council Special Committee on Community Aids.

I am vetoing this restructure because I believe it should more properly be the subject of separate nonbudget legislation where broader study and debate can occur. In addition, I do not believe that creating a structure around target populations will do anything to improve the administration of programs or quality of services. The current structure, which provides 75% of funding to the basic county allocation, provides more flexibility to counties than the proposed structure.

With this veto I am requesting the Department of Administration Secretary to allot not more than \$205,124,600 GPR in appropriation 20.435 (7) (b) in fiscal year 1990-91, to reflect the partial veto of the nonequity increases described in the previous veto message, the veto of the transfers of Youth Aids, Epilepsy Grants and Supported Employment into this appropriation, and the transfer of Alzheimer Family and Caregiver Support program from this appropriation.

17. Inpatient AODA in Milwaukee

Sections 85g, 85m and 3123 (27q)

These provisions appropriate \$95,000 GPR on a one-time basis in fiscal year 1990-91 to the Career Youth Development Center in Milwaukee for capital improvement costs associated with establishing an inpatient alcohol and other drug abuse (AODA) treatment program for minority adolescents.

I am vetoing these sections because I recently signed 1989 Wisconsin Act 122, which provided over \$12.4 million GPR in fiscal year 1990-91 for AODA treatment costs and because I do not believe that there should be a direct state allocation to a specific program for capital improvement.

If this program is considered important in Milwaukee County, funding for this purpose can be provided from county increases in Community Aids funding provided in 1989 Wisconsin Act 31.

18. Domestic Abuse Counseling

Section 89t

This section expands the use of domestic abuse grants to include funding for counseling to persons who commit domestic abuse.

I am vetoing this section because I do not believe it is appropriate at this time to generally expand the services for which currently appropriated funds can be used. The Department of Health and Social Services (DHSS) is currently reviewing the issue of providing services to persons who commit domestic abuse for possible inclusion in the 1991-93 biennial budget. I believe such a general expansion should depend on the outcome of this review.

Despite that general reservation, I am not vetoing the provision elsewhere in this bill that allocates a specific amount of new funds for this service provided by a specific agency. It is my intent that these funds be expended as directed. I believe that efforts to break the cycle of abuse by providing services to the abuser is an avenue that deserves exploration. I would expect that any DHSS proposal in this area will include the funding provided by this bill.

19. Child Abuse and Neglect

Section 84

This section allocates funds in fiscal years 1989-90 and 1990-91 to eligible counties for services related to child abuse and neglect, including child abuse and neglect prevention, investigation and treatment. It specifies the method of allocation and the services for which the funds can be used.

I am partially vetoing this section to remove the earmarking of specific sums to Milwaukee County. It is my intent that the Department of Health and Social Services have the flexibility to allocate all of these funds to counties that have a serious problem with child abuse and neglect based on a statewide determination of need.

20. Learnfare Sanctions

Section 128p and 128t

These sections require the county department responsible for administering aid to families with dependent children (AFDC) programs to conduct an interview with AFDC recipients to determine school attendance prior to imposing learnfare sanctions. In addition, the county must implement a case management plan for at least 30 days and the recipient must refuse to cooperate with the plan before a sanction may be imposed.

I am vetoing these requirements because I believe that they strike an inappropriate balance between individual and parental responsibility on the one hand and government responsibility on the other. I recognize that government can assist individuals in coping with the problems that may influence their school attendance. Elsewhere in this bill I have provided \$500,000 GPR for learnfare case management services to provide just such assistance. However, I believe that responsibility for ensuring school attendance properly rests on the family. Furthermore, a combination of services and sanctions applied at the same time should be more effective at resolving school attendance problems than either one by itself.

21. Food Stamp Outreach

Sections 8 [as it relates to 20.435 (7) (dq)], 46, 88, 3023 (2) and 3123 (24)

These sections create a grant program to provide funds to ten nonprofit organizations for outreach activities for the food stamp program and appropriate funds for this purpose. The Department of Health and Social Services (DHSS) is required to evaluate and report on the funded projects by January 1, 1992, and is provided with 1.5 FTE positions and funds for program administration and project evaluation.

I am vetoing these sections because I do not regard food stamp outreach as a state priority at this time.

Wisconsin's use of the combined application form for public assistance programs ensures that persons who apply for other forms of aid are automatically considered for food stamps. In addition, a recent study by the federal General Accounting Office indicated that the most common reason given for failure to apply for Food Stamps was that individuals did not want the benefit, for whatever reason. Knowledge of the availability of the benefit for those who want food stamps is sufficiently widespread that I do not feel there is a demonstrated need for this outreach effort.

## 22. Food Stamp Program Administration

Sections 42, 44, 48, 96, 97 and 98

These sections prohibit the Department of Health and Social Services from requiring the completion of monthly monitoring reports by recipients who only receive food stamps. I am vetoing these sections because the use of these forms ensures that recipients receive the benefit levels they are entitled to. Without these forms, the state error rate could increase and recipients could either lose benefits or be forced to repay excess benefits.

## 23. Public Assistance Applications

Sections 99, 100 and 3023 (1)

These sections require the Department of Health and Social Services (DHSS) to simplify the combined application form for public assistance benefits and to collect on such forms only the minimum information needed to determine eligibility. I am vetoing these sections for several reasons. DHSS already plans to make it easier for recipients to complete application forms as part of its redesign of the computer reporting network (CRN) for income maintenance programs, which is funded elsewhere in this bill. The deadlines specified in these sections could require that DHSS implement a simplified form before CRN-Redesign is completed, which I feel is inappropriate and involves duplicative effort. In addition, the information requested on the application form aids DHSS in determining the success of welfare reform initiatives and enables DHSS to modify program elements to meet changing needs. I do not therefore believe that it is appropriate to place limitations on DHSS' ability to gather such information from clients.

## 24. Juvenile Corrections

Sections 3023 (4dq) and (4ep) and 3123 (1sy)

These sections fund a study at the Lincoln Hills School (\$15,000 GPR) and provide additional staff at the juvenile correctional institutions (\$228,100 PR). I am partially vetoing language pertaining to the study to relocate girls to another facility, because the language incorrectly refers to the ages of the girls who are at the school. I am also vetoing the study completion date, because it does not allow the Department of Health and Social Services enough time to complete the study. Finally, I am vetoing the authorization for 6.5 FTE positions and associated funding for additional staff at the Ethan Allen correctional institution, because those positions exceed the recommendation in my adjustment bill. The 43.0 PR positions in fiscal year 1989-90 and 49.0 PR positions in fiscal year 1990-91 which I have approved represent a 10% increase over the base staffing level at the institutions and this increase is sufficient.

## 25. Special Action Release

Section 298d

This provision exempts the Department of Corrections (DOC) from compliance with special action release (SAR) administrative rules when the prison population equals or exceeds 120% of the prison population limit established by statute. Current law exempts compliance when the population equals or exceeds 100% of the population limit.

I am vetoing this provision because the 120% figure is unreasonably high. I believe DOC 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.

## 26. Veterans Memorials

Sections 67m and 3056 (1g)

These sections require the Department of Veterans Affairs to locate memorials, organizations and events pertaining to Wisconsin veterans throughout the world, to develop a catalog of the memorials and recommend the amounts necessary to maintain the memorials. I believe that such a catalog is an admirable idea. However, I am partially vetoing these sections because the scope of the mandate is quite broad and no funding was provided to carry out this activity. The language, as vetoed, will provide a statement of intent and assign the responsibility for determining the scope of the proposed catalog to the Department of Veterans Affairs. I am requesting that the Board of Veterans Affairs, in cooperation with the State Historical Society, examine this issue and determine how this worthwhile project can best be carried out.

D. TAX POLICY

1. Homestead Tax Credit

Section 173

This section changes the current homestead tax credit formula by increasing the maximum eligible income from \$18,000 to \$20,000 and by increasing the maximum eligible property taxes or rent equivalent from \$1,350 to \$1,450.

I am partially vetoing this section to decrease by \$5.5 million the cost of modifying the homestead tax credit. My veto does not affect the increase in the maximum eligible property taxes or rent equivalent amount, because rising property taxes and inflation make this an appropriate change to the homestead formula. My veto does delete the maximum eligible income increase and changes the proposed phase-out percentage from 12.083% to 13%. This contrasts with the current phase-out rate of 13.5%. By changing the rate at which the homestead credit is phased-out as household income increases, the maximum eligible income, in effect, becomes approximately \$19,153. This change balances an appropriate compensation for the effects of inflation on household income with fiscal responsibility. My veto will still increase GPR expenditures for the Homestead program by \$7.8 million in fiscal year 1990-91 while reducing the expenditure in this area enough to help restore a prudent balance in the state's general fund.

2. Heads of Household and Surviving Spouses Sliding Scale Standard Deduction

Sections 140, 141 and 142

These sections provide that the income tax standard deduction limits in taxable years 1990 and thereafter include a sliding scale standard deduction for heads of household and surviving spouses, and specify that these taxpayers use the tax rates and brackets for single taxpayers.

I am vetoing these sections because changes to the Homestead Credit elsewhere in this bill more effectively target tax relief to low-income individuals. Given the \$7.8 million cost of these Homestead Credit modifications, the sliding scale standard deduction is too expensive. The Legislature's standard deduction would reduce state revenues by approximately \$8.0 million in fiscal year 1990-91. My veto of these sections will help restore a prudent balance in the state's general fund.

3. Local Finance -- Tax Rate Disparity Payment

Sections 187m and 189c

These sections create a tax rate disparity payment for certain municipalities, beginning in calendar year 1991 (state fiscal year 1991-92). This program rewards communities for keeping local expenditures under control. I proposed a similar program in my 1989-91 budget bill and also in a special session bill submitted to the Legislature in 1990. I welcome this initiative. I have made two changes to the program through partial vetoes, along with one minor technical veto.

Under the current proposal, municipalities qualify for a payment if: 1) their municipal tax rate is above the statewide average municipal tax rate; 2) their per capita property value is less than 120% of the statewide average per capita value; and 3) beginning with the 1993 payments, their budget increases are limited to the rate of inflation (defined in the proposal) plus certain percentages. Concerning the design of the program, I have made one change. I have vetoed the delay of the limits on budget increases so that they will be effective immediately because I do not believe payments should be made for the first two years of the program without some form of limit in place. Without an immediate limit, there is an incentive to increase 1991 municipal budgets in anticipation of limits becoming effective in subsequent years. Through a partial veto, the limit in effect for 1991, 1992 and 1993 payments will be the rate of inflation plus 3%. For payments in 1994 and thereafter, the limit will be the rate of inflation.

For example, to qualify for 1991 payments, the increase in municipalities' 1990 municipal budgets as compared to 1989 municipal budgets must be less than the rate of inflation (as defined in the provision) plus 3%.

Under the proposal, the 1991 (state fiscal year 1991-92) payment of \$25 million is indexed to increase annually at the rate of inflation. I have vetoed the indexed increases for future years for three reasons. First, future funding increases for this program should be considered in the budgetary process, along with funding decisions for all other state programs. Second, language committing to an index for funding increases does not guarantee that they will occur, as evidenced by past attempts to index shared revenue increases. Third, if this program is successful in keeping down the rate of increase in municipalities' expenditures, it might be desirable to direct substantial increases in funding to this program and not be constrained by an inflation index.

I have also made a partial technical veto to eliminate an erroneous reference in s. 79.05 (3) (c).

I hope that this innovative program will provide an incentive to municipalities to control spending growth. If it is successful, I will seriously consider expanding it to cover other local governments, including counties and school districts.

4. Local Finance -- Payments for Municipal Services

Section 3158 (14)

This section provides an increase in state Payments for Municipal Services for fiscal year 1990-91 of \$1.25 million. I am vetoing this provision for two reasons: 1) to help restore a prudent balance in the state's general fund; and 2) because the state provided generous increases to this program in 1989 Wisconsin Act 31. Fiscal year 1989-90 funding was 11% higher than fiscal year 1988-89, and funding for fiscal year 1990-91 is almost 7% higher than fiscal year 1989-90 funding.



5. Local Finance -- Tax Incremental Finance

Sections 133c, 133e, 133f, 133g, 133i, 133k, 133Lb, 133Ld, and 3203 (58) (ap)

These sections: 1) require the Department of Revenue (DOR) to annually redetermine the base value of certain Tax Incremental Districts (TIDs) to reflect economic adjustments; 2) require the Department of Development (DOD) to advise local review boards on the public policy merits of a proposed TID; 3) require DOD to issue findings to the local legislative body on the effect on job transfers from the creation of a proposed TID and to notify the municipality from which a transfer may occur; and 4) replace the school district member of the joint review board with another public member.

I am vetoing the DOR redetermination of the tax incremental base for three reasons. First, the redetermination of the base is calculated according to changes in equalized value for the municipality as a whole. While this is technically feasible, there is only a tenuous connection between the development within a TID and commercial and industrial developments elsewhere, much less any residential development. Second, the redetermination could diminish the municipality's ability to recover a district's project costs. Third, redetermining the base during the life of a project could adversely affect the prospects of successful completion of some existing projects.

I am vetoing DOD's role in evaluating and rendering an opinion on the public policy merits of creating a district because the decision to create a TID should remain an essentially local decision. However, I have asked the Departments of Administration and Development to evaluate what the appropriate role of the state should be in tax incremental financing.

However, I am retaining the requirement that the local legislative body provide the joint review board with the information on project costs, tax and value increments, the paying of project costs and the benefits of the project, because this information is necessary in planning a TID. I am vetoing the requirement that DOD issue findings on job transfers and notify affected municipalities. The certification is unwarranted state involvement in a local decision. Further information DOD would use in making its determination would most likely come from the local legislative body and the affected businesses. It seems unnecessary for DOD to issue findings to the local legislative body on information to which they would have access. Finally, it is not clear that a solid finding on job transfers could even be made at the time of the creation of a district in certain cases.

I am vetoing the change in public membership because I believe that retaining a school district member on the TID review board will ensure broad community involvement in undertaking a TIF project.

6. Local Finance -- County Licensing of Concerts

Sections 132mg and 266z

These sections relate to county authority to regulate places of amusement and make three changes to current law. First, the list of places counties are authorized to regulate, control, prohibit or license is expanded to include concerts and other forms of amusement. Counties are currently authorized to regulate, control, prohibit or license dance halls and pavilions, amusement parks, carnivals, street fairs, bathing beaches and other like places of amusement.

Second, a county's authority to impose license fees is expanded. License fees must yield sufficient revenues to pay for extraordinary governmental services, such as extra police protection, traffic control or garbage collection, required as a result of the licensed activity. Third, a county's authority to revoke licenses if certain alcohol-related offenses occur in any licensed place is made permissive, rather than mandatory, and applicable for any licensed place or form of amusement, rather than only for dance halls.

I am partially vetoing these sections. Although I have maintained the addition of 'concerts' to the list of places that may be regulated, controlled, prohibited or licensed, I have vetoed the addition of other 'forms' of amusement because this language is vague and could be interpreted to include all sorts of activities, depending on counties' interpretations of the language. I have limited the extraordinary governmental services whose costs may be recovered through license fees to include only extra police protection, traffic control and refuse collection because I believe these are reasonable costs to be recovered, and the expenses associated with these services are identifiable and auditable. I am partially vetoing s. 59.07 (18) (br) because it is extremely difficult to monitor alcohol consumption in open air places such as street fairs and concerts and possible revocation of a license for one incident seems unduly punitive. The partial veto makes the provision concerning revocation of a license due to alcohol-related issues mandatory but applicable only to dance halls, as under current law.

7. Property Tax -- Municipally Leased Property

Section 133p

This section removes the tax-exempt status of certain municipally owned property. Specifically, property leased by certain villages to country clubs would not be exempt. This would apply only in villages adjacent to a city with a population between 150,000 and 500,000. This language is intended to remove the tax-exempt status of village property in Shorewood Hills and Maple Bluff that is leased to private country clubs.

I am vetoing this provision for several reasons: 1) the provision is unusually discriminatory in singling out two specific properties in two specific villages; 2) the narrow application raises the issue of the constitutionality of the provision with respect to the uniformity clause of the state constitution; and 3) since the provision does not specify whether the country club or the village would be responsible for paying the taxes on the property, the effect of the provision may be to increase village residents' taxes rather than to assess taxes on the country clubs. As owners of the properties, the villages would be responsible for paying taxes on them to the overlying taxing jurisdictions. If the villages levy taxes to cover these costs, it is ultimately the local village residents who will pay. This seems inequitable.

I am also concerned that there has been no opportunity for public hearing or legislative debate on this issue. The administration has been contacted by the parties affected by this provision as well as some Madison-area legislators. All have raised concerns regarding the lack of a public hearing on this issue.

8. Property Tax -- Instalment Payments for Special Assessments

Section 179b

This section allows the governing body of a taxation district to authorize the payment of special assessments in three or more instalments. However, s. 74.11 of the statutes, which this section amends, allows only two instalment payments for real property taxes. I have been informed by the sponsor of the provision that the intent of this provision is to allow local governments to authorize an instalment payment schedule for special assessments that parallels the instalment payment schedule for real property taxes under s. 74.11 of the statutes. This could not occur with the language contained in section 179b. I am therefore partially vetoing section 179b so that local governing bodies may authorize the payment of special assessments in instalments, but not necessarily in three or more instalments.

9. Local Government -- Ban on Free Cigarette Distribution

Section 132s

This section allows any city, village or town to prohibit the free distribution of cigarettes with any business purpose in any area used for pedestrian travel. I am vetoing this section for three reasons. First, it is likely that any ordinance enacted pursuant to this section would be preempted by federal law [see 15 USC s.1334 (b)]. Second, it appears that this provision is contrary to the intent of 1987 Wisconsin Act 336. In part, that act prohibits free cigarette distribution to minors and provides that local ordinances must strictly conform to state statute. It appears that the Senate Bill 542 provision is intended to allow enactment of local ordinances that would otherwise conflict with the 'strict conformity clause' in 1987 Wisconsin Act 336. Finally, this type of provision should be the subject of separate, nonbudget legislation.

E. ENVIRONMENTAL AND COMMERCIAL RESOURCES

1. Lake Management Grants

Section 3040(1p) and (1t)

These subsections require the Department of Natural Resources to allocate a \$50,000 lake management grants in fiscal year 1990-91 to Lake Neshonoc and to Hillsboro Lake.

I am partially vetoing these subsections to eliminate the provision that \$50,000 be allocated to these two lakes. I am vetoing this funding level because while both Lake Neshonoc and Hillsboro Lake have important projects, it is important to provide funding for other lake management projects as well. The level of grant funding approved should be in accordance with the general lake management program guidelines which limit grants to \$10,000.

The Lake Management Planning Grant program is just beginning. Numerous people, including representatives from various lake organizations, the Legislature, state agencies, the University of Wisconsin and members of my staff have devoted a great deal of thought and energy to establishing eligibility criteria for this program. Grants under the program should be distributed in accordance with these eligibility standards and funding earmarks under the program should not be proposed by the Legislature.

2. Scenic Urban Waterways

Section 65ba

This section designates portions of the Rock River as a scenic urban waterway.

I have partially vetoed this section. I have vetoed the provision which designates the part of the river from where it flows into the town of Janesville to the Illinois border as a scenic urban waterway. I have vetoed this provision because separate legislation has been signed which designates the City of Janesville to the Illinois border as a Scenic Urban Waterway.

3. Fox River Sediment Sampling

Sections 8 [as it relates to s. 20.370 (1) (db)], 27r and 3040(2h)

These sections provide \$70,000 GPR in fiscal year 1990-91 to conduct sediment sampling and testing on the Fox River and Lake Winnebago, although no funding can be encumbered from the appropriation after June 30, 1989. The Department of Natural Resources may contract with a certified laboratory to conduct the sediment sampling and testing and is required to submit a report of the test results to the Fox River Management Commission by September 1, 1989. I am vetoing these provisions because the language in Senate Bill 542 is flawed and I have signed into law, as 1989 Wisconsin Act 288, separate legislation providing funding for sampling and testing of sediments on the Fox River and Lake Winnebago.

4. Nonpoint Source Grants for Barnyard Runoff

Section 3140 (1m)

This provision appropriates \$100,000 GPR to fund priority watershed projects concerning barnyard runoff in one of 22 basins in the state designated by the Department of Natural Resources (DNR).

I am partially vetoing this provision because it does not reflect the Legislature's intent in passing the provision and it duplicates an existing program in the Department of Agriculture, Trade and Consumer Protection (DATCP) which provides cost-share grants to farmers to control barnyard runoff. I believe DNR and DATCP work together effectively to address problems resulting from barnyard runoff, with DNR providing regulatory authority for barnyard runoff and DATCP providing financial assistance to farmers to correct problems identified by DNR. The intent of this provision was to provide funding to DATCP. The Secretaries of DNR and DATCP have requested approval to transfer the funds from DNR to DATCP on a one-time basis. My veto will allow DNR to transfer the funds to DATCP for the cost-share grant program and prevent the unnecessary duplication of programs to fund barnyard runoff control.

5. Mining on Public Lands

Sections 59g, 61j, 65ab, 253u and 253v

These sections prohibit mining on certain land that is owned by the state and managed by the Department of Natural Resources (DNR), provide forfeitures from \$100 to \$10,000 and all revenues obtained from mining at the site for violations of the mining prohibition, and prohibit the Natural Resources Board from selling DNR land for the purpose of allowing mining.

I am vetoing these sections because they take away the opportunity to allow mining on DNR-owned land when the mining would not cause injury to the environment or damage the integrity of the publicly owned land. Clearly, some DNR-owned land is not appropriate for mining. However, if a parcel of land can be mined without causing harm to the environment or the integrity of the property there should be an opportunity for the DNR to consider such requests.

6. Wisconsin Conservation Corps

Sections 4c, 4d, 4e, 4f, 4g, 4h, 4i, 4j, 4k, 4L, 4m, 4n, 4o, 4p, 4q, 4r, 34m, 34n, 34o, 34p, 34q, 3011 and 3111

These sections expand the scope of the type of projects that 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 developmental disabilities, and low-income persons. In addition, these sections limit to eight the number of projects with human services activities which can be approved during the 1989-91 biennium, and require that projects which include human service activities approved during this period must also include conservation activities. Also, the executive secretary of the Wisconsin Conservation Corps Board is required to report to the Governor and the Joint Committee on Finance by September 1, 1990, on human service projects.

I am vetoing these sections because these provisions have been signed into law as separate legislation.

7. Publication of Motor Vehicle Insurance Guide

Sections 323c and 323d

These sections require the Commissioner of Insurance to publish a consumer guide for motor vehicle insurance at least annually. These sections require that the guide contain a minimum of ten scenarios depicting typically insured risks. For each scenario, the guide must specify the premium rates of at least ten insurers which have the lowest premium rates and the top ten insurers in motor vehicle premium volume in this state. The Commissioner is also required to provide a free copy of the guide to any person upon request and unlimited free copies to legislators upon request. The Commissioner is also required to notify each insurer licensed to write motor vehicle insurance in Wisconsin that the guide is available, and 20 days after receiving that notice, insurers are required to include in each renewal notice a statement explaining that there is a guide and that it can be obtained at no charge.

I am vetoing these provisions because the Commissioner of Insurance has the authority under current law to provide this type of information and is in the process of doing so.

In addition, the requirements in these sections are inflexible and may result in inadequate, outdated information being furnished to consumers.

8. Community Economic Development

Section 3158 (16p)

This section appropriates one-time GPR funding of \$300,000 in fiscal year 1990-91 for development grants, economic diversification planning grants and technical assistance to 60 or more northern Wisconsin communities located in 18 counties. The language also erroneously states that of the \$300,000, \$1.3 million is allocated for grants to communities for economic transition and \$121,500 for 2.0 FTE permanent positions in the Department of Development (DOD).

I am partially vetoing this section to eliminate the inconsistencies of the language in this section.

The Northern Wisconsin Community Development program that I included as part of my Northern Wisconsin initiative included funding of \$1.3 million for grants to communities in the 18 northern counties in which spearfishing has occurred. My proposal also included an additional \$121,500 GPR for 2.0 positions in DOD. At the funding level I proposed, DOD could have served more than 60 northern Wisconsin communities. Since the Legislature only appropriated a total of \$300,000 GPR, I am vetoing the reference to the \$1.3 million allocated for grants to communities for economic transition. I am also partially vetoing this section to eliminate the reference to '60 or more' communities because this target was based on my original \$1.3 million proposal. My vetoes also eliminate the earmarking of the \$300,000 appropriation for staff in DOD because expending over forty percent of the grant funds for staff would significantly reduce the amount of grant funds available and the number of communities that could be served. My vetoes retain the additional 2.0 positions in DOD. However, I am instructing DOD to fund the positions from its base budget.

I am disappointed that the Legislature failed to adopt my original proposal and especially disappointed that the language relating to the program was reduced to a few ambiguous lines in the nonstatutory provisions of the bill. While the Legislature did not specify the 18 northern counties to be served by these one-time funds, I believe their intent was to serve the same 18 counties included in my original proposal -- those in which spearfishing has occurred. Given the limited language relating to the grants, DOD will be promulgating the necessary rules to define the criteria and the other detail necessary to award grants on a competitive basis.

9. Spooner Redevelopment Authority Loan  
Section 3015 (3gx)

This section requires the Department of Development (DOD) to make a loan of up to \$750,000 to the Spooner Redevelopment Authority if the Authority submits a plan to DOD detailing the proposed use of the loan proceeds and the Secretary of DOD approves the plan. This section also requires the DOD Secretary to approve the plan if the Authority proposes in the plan to use the loan proceeds to pay operating expenses and debts relating to the redevelopment projects of the Authority.

I am partially vetoing this section to eliminate the provision requiring the DOD Secretary to approve the plan if the plan indicates the loan proceeds will be used for operating expenses and debt payments because the provision is unnecessary and limits the oversight of DOD. The purpose of requiring a plan is to ensure that the funds are used in a manner that will improve the long-term viability of the Authority's redevelopment projects. DOD will work closely with the Spooner Redevelopment Authority in developing a plan that is likely to meet this objective.

10. Tribal and Community Relations Committees  
Section 310t

This section authorizes the Department of Development (DOD) to make grants to tribal and community relations committees to fund projects for the purpose of improving relations and increasing understanding between Indians and non-Indians.

To be eligible for the grants, a committee must consist of nine individuals selected by the governing body of an Indian tribe or band and nine non-Indians from a municipality near the reservation of the participating Indian tribe or band.

The provisions in this section also authorize joint committees consisting of representatives from two Indian bands and representatives from one or more municipalities near the reservations of the participating Indian bands. DOD is required to review and evaluate the program and report its findings and recommendations to the Legislature by January 1, 1993.

I am partially vetoing this section to eliminate the provision requiring that in the appointment of the nine non-Indian members serving on a committee, at least five of eight specific types of organizations must be represented.

I am vetoing this provision because communities wishing to participate in this program should have the flexibility to determine the appropriate mix of local representatives serving on their committee.

I am also partially vetoing this section to eliminate the requirement that DOD prepare an evaluation of the program by January 1, 1993 because a statutory mandate to evaluate the program is unnecessary. DOD will evaluate the program as part of the agency's normal budget review process.

11. Manufacturing Firm Loan

Sections 3015 (1m), 3115 (1m) and 3203 (15) (a)

These sections appropriate \$1.2 million GPR in fiscal year 1989-90 and authorize the Department of Development to make a loan, not exceeding the amount appropriated, to a manufacturing firm on the Lac du Flambeau reservation for the purpose of retaining jobs in that area.

I am partially vetoing these sections to broaden the eligibility relating to these funds to any business located on a reservation in this state. The provisions under these sections were originally submitted to the Legislature as part of my Northern Wisconsin Initiative; however, it was never my intent to limit the availability of the funds to just one firm. My vetoes will allow for loans to businesses located on reservations in this state that are likely to create or retain jobs.

12. Heritage Tourism Program

Sections 8 [as it relates to 20.143 (2) (bm)], 15g, 311g and 3015 (1gp)

These sections appropriate \$62,000 GPR in fiscal year 1989-90 and \$189,000 GPR in fiscal year 1990-91 and authorize the Department of Development (DOD) to establish and administer a heritage tourism program. The bill also authorizes 1.0 GPR project position in DOD to administer the program.

I am vetoing these sections because these provisions have been signed into law as separate legislation.

13. Ethnic Group Travel Grants

Sections 8 [as it relates to 20.143 (2) (br)], 15k, 15L, 3015 (1hpp) and 3203 (15) (brg)

These sections appropriate \$7,500 GPR per year and authorize the Department of Development (DOD) to make grants to groups whose members share an ethnic heritage and an interest in ethnic customs, culture and history associated with that heritage. The grants are to be used 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 for the same reason I vetoed them in the 1989-91 biennial budget. Funding travel expenses of private citizens for private activities with no economic development purpose is not an appropriate function of DOD.

14. Dairy Plant Security Program

Sections 190m, 190n, 190p, 190q, 190s, 3004 (1p) and 3202 (4) (p)

These sections modify the Department of Agriculture, Trade and Consumer Protection's (DATCP) dairy plant security program by: strengthening the minimum financial standards that must be met by dairy plants in order to be licensed on the basis of their financial condition; requiring plants not meeting the new financial criteria to file security with DATCP in an amount equal to or greater than 75% of the largest sum due to milk producers at any one time; authorizing DATCP to require additional security equal to 100% of the largest sum due to producers at any one time if it appears the financial condition of the plant is not adequate to reasonably assure payments to producers; requiring dairy plants to pay producers three times a month on a defined payment schedule; requiring all dairy plants to file financial statements with DATCP quarterly; requiring that the fourth quarter financial statement be an audited financial statement; requiring DATCP to annually notify all milk producers of the actual financial ratios attained by the producer's dairy plant; requiring DATCP to provide all producers with a comparison of the actual financial ratios attained to the minimum financial ratios established by statute and authorizing a .75 GPR FTE position and a .25 PRO FTE position to assist in administering the dairy plant security program.

I am partially vetoing these sections to eliminate the provisions requiring dairy plants not meeting the new financial criteria to file security equal to or greater than 75% of the largest sum likely to be due and accrued from the plant to milk producers at any one time. My partial veto will also eliminate the provision authorizing DATCP to require security in an amount equal to 100% of the largest sum due and accrued at any one time.

I am vetoing the 75% requirement because no provision was made to allow those plants that currently meet the existing financial criteria to adjust to the new financial standards. While I strongly support the strengthening of the financial standards that must be met by plants before being licensed on the basis of their financial condition, I believe that not allowing for a phase-in period for plants meeting DATCP's current financial standards would result in the potential loss of additional dairy plants in Wisconsin. In addition, I also support the intent of the provision authorizing DATCP to require 100% security if it appears that 75% security is insufficient to reasonably assure milk payments to producers; however, I am vetoing the provision because with the veto of the 75% security provision, the language relating to the 100% provision would be ambiguous and could be interpreted to require 100% security in all cases. DATCP will continue, under current law, to have the flexibility to require up to 100% security in cases where the 75% security appears insufficient to reasonably assure milk payments to producers. However, it is necessary to veto this provision so that the remaining language is clear.

My partial vetoes of these sections will maintain the higher financial standards, will enable DATCP to carry out the intent of the vetoed provisions through the administrative rule-making process and will also clearly preserve the trusteeship agreement as an alternative to filing security. DATCP's proposed rules will include provisions requiring 75% security or a trusteeship agreement from those plants not meeting the new standards. The proposed rules would also allow those dairy plants that meet DATCP's current financial standards but would not meet the new standards to file the required 75% security in installments. Allowing for a transition period from the existing financial standards to the new standards will enable Wisconsin's dairy industry to adjust to these changes without jeopardizing the financial stability of the industry.

I am also partially vetoing these sections to eliminate the provision requiring dairy plants to pay producers for milk three times a month on a prescribed schedule because I believe this provision would be especially costly to Wisconsin's smaller dairy plants. I understand the need to ensure all milk producers receive regular payments for milk and the need to minimize the financial risks faced by producers. However, this option was explored and rejected by the Dairy Plant Security Task Force because the potential benefits to producers were not sufficient to justify the added administrative and financial burdens to Wisconsin's dairy industry. As an interim solution, my vetoes will retain the provision requiring at least monthly payments for milk. In addition, I am requesting DATCP to prepare legislation for consideration at the beginning of the next legislative session requiring dairy plants to pay producers for milk at least twice monthly. Such legislation would be consistent with the recommendations of the Dairy Plant Security Task Force and would provide additional protection for those producers not subject to the federal milk marketing orders without substantially increasing the costs incurred by Wisconsin dairy plants.

I am also partially vetoing these sections to eliminate the provision requiring plants to file fourth quarter audited financial statements with DATCP because the provision does not give DATCP the authority to exempt from this requirement those plants that file security with DATCP and those plants that do not purchase milk from producers. Without this discretion, many plants would incur the substantial cost of preparing audited financial statements, when audited statements may not be warranted. My vetoes will retain the provision requiring quarterly financial statements from all plants. In addition, DATCP's proposed rules will require audited financial statements from those plants not filing security with DATCP and DATCP maintains the discretion to require audited financial statements from any plant.

However, I believe that indiscriminately requiring audited financial statements from all dairy plants would be costly to Wisconsin's dairy industry without resulting in the intended benefit.

In addition, I am vetoing the provision requiring DATCP to notify all producers of the financial ratios of their plants and requiring DATCP to also provide all producers with a comparison of the actual ratios achieved by their plants to the minimum ratios established by statute because I believe providing producers with information to help them evaluate the creditworthiness of dairy plants can be achieved without releasing confidential, proprietary information of dairy plants. Moreover, to ensure that producers receive timely, accurate and complete statements explaining the basis of dairy plant licensure, DATCP will be proposing rules to improve the information currently received by producers from dairy plants. The changes proposed by DATCP are consistent with the recommendations of both the Legislative Audit Bureau and the Dairy Plant Security Task Force and will assist producers in evaluating the financial condition of the plant to whom they sell milk.

Finally, I am vetoing entirely the section which authorizes a .25 PRO position in DATCP because the appropriation and funding source is nonexistent. My vetoes will retain the additional .75 GPR position for administration of the dairy plant security program.

My partial vetoes will retain the financial standards recommended by the Dairy Plant Security Task Force. They are stringent standards that will provide additional protection for Wisconsin farmers. It is my hope that the remainder of the Dairy Plant Security Task Force's recommendations will be given more careful consideration during the next legislative session.

Respectfully submitted,  
TOMMY G. THOMPSON  
Governor

SENATE CLEARINGHOUSE ORDERS

State of Wisconsin  
Revisor of Statutes Bureau

May 1, 1990

To the Honorable the Legislature:

The following rules have been published and are effective:

- Clearinghouse Rule 88- 23 effective May 1, 1990.
- Clearinghouse Rule 88- 65 effective May 1, 1990.
- Clearinghouse Rule 88-201 effective May 1, 1990.
- Clearinghouse Rule 89- 17 effective May 1, 1990.
- Clearinghouse Rule 89- 64 effective May 1, 1990.
- Clearinghouse Rule 89- 95 effective May 1, 1990.
- Clearinghouse Rule 89-119 effective May 1, 1990.

- Clearinghouse Rule 89-143 effective May 1, 1990.
- Clearinghouse Rule 89-152 effective May 1, 1990.
- Clearinghouse Rule 89-157 effective May 1, 1990.
- Clearinghouse Rule 89-158 effective May 1, 1990.
- Clearinghouse Rule 89-170 effective May 1, 1990.
- Clearinghouse Rule 89-174 effective May 1, 1990.
- Clearinghouse Rule 89-178 effective May 1, 1990.
- Clearinghouse Rule 89-185 effective May 1, 1990.
- Clearinghouse Rule 89-205 effective May 1, 1990.

Sincerely,  
GARY L. POULSON  
Assistant Revisor

**Senate Clearinghouse Rule 86-251**

Relating to the medical assistance program.  
Submitted by Department of Health and Social Services.  
Withdrawn by agency, April 25, 1990.

**Senate Clearinghouse Rule 87-182**

Relating to training and examination of income maintenance workers employed by county and tribal agencies.  
Submitted by Department of Health and Social Services.  
Withdrawn by agency, April 25, 1990.

**Senate Clearinghouse Rule 89-123**

Relating to sport fishing.  
Submitted by Department of Natural Resources.  
Report received from agency, May 1, 1990.  
Referred to committee on Transportation, Conservation and Mining, May 2, 1990.

**Senate Clearinghouse Rule 90-11**

Relating to automatic firearms.  
Submitted by Department of Natural Resources.  
Report received from agency, May 1, 1990.  
Referred to committee on Transportation, Conservation and Mining, May 2, 1990.

**Senate Clearinghouse Rule 90-40**

Relating to the urban mass transit operating assistance program.  
Submitted by Department of Transportation.  
Report received from agency, May 1, 1990.  
Referred to committee on Transportation, Conservation and Mining, May 2, 1990.

**Senate Clearinghouse Rule 90-67**

Relating to the Horicon Canada goose management zone.  
Submitted by Department of Natural Resources.  
Report received from agency, May 1, 1990.  
Referred to committee on Transportation, Conservation and Mining, May 2, 1990.

The committee on Labor, Business, Insurance, Veterans' and Military Affairs reports and recommends:

**Senate Clearinghouse Rule 89-190**

Relating to multiple employes trust and association health care benefit plans.  
No action taken.

**Senate Clearinghouse Rule 89-184**

Relating to contributions, taxable wages and reports.  
No action taken.

No action taken.

Jerome Van Sistine  
Chair

**Senate Clearinghouse Rule 90-28**

Relating to pari-mutuel racing and wagering in  
Wisconsin.

**Senate Clearinghouse Rule 90-15**

Relating to hunting of wild turkeys.  
Submitted by Department of Natural Resources.  
Report received from agency, May 2, 1990.  
Referred to committee on Transportation,  
Conservation and Mining, May 2, 1990.