



STATE OF WISCONSIN Assembly Journal

Ninety–Second Regular Session

WEDNESDAY, May 29, 1996

The Chief Clerk makes the following entries under the above date:

ADMINISTRATIVE RULES

Assembly Clearinghouse Rule 95–228

Relating to credentials, licenses, certifications and registrations, administered by the division of safety and buildings.

Submitted by Department of Industry, Labor and Human Relations.

Report received from Agency on May 21, 1996.

To committee on **Labor and Employment**.

Referred on May 28, 1996.

Assembly Clearinghouse Rule 96–13

Relating to the electrical code.

Submitted by Department of Industry, Labor and Human Relations.

Report received from Agency on May 17, 1996.

To committee on **Labor and Employment**.

Referred on May 28, 1996.

Assembly Clearinghouse Rule 96–15

Relating to grain warehouse keepers and grain dealers.

Submitted by Department of Agriculture, Trade and Consumer Protection.

Report received from Agency on May 17, 1996.

To committee on **Agriculture**.

Referred on May 28, 1996.

Assembly Clearinghouse Rule 96–50

Relating to the delegation of the polishing portion of an oral prophylaxis by a dentist to an unlicensed person.

Submitted by Department of Regulation and Licensing.

Report received from Agency on May 22, 1996.

To committee on **Health**.

Referred on May 28, 1996.

Assembly Clearinghouse Rule 96–68

Relating to open end credit, maximum periodic rates and licensed lenders under s. 138.09, stats.

Submitted by Office of the Commissioner of Banking.

Report received from Agency on May 20, 1996.

To committee on **Financial Institutions**.

Referred on May 28, 1996.

EXECUTIVE COMMUNICATIONS

State of Wisconsin
Office of the Governor
Madison

To the Honorable, the Assembly:

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

Bill Number	Act Number	Date Approved
1048 (partial veto)	351	May 22, 1996
853	353	May 23, 1996
459	354	May 23, 1996
786	355	May 23, 1996
781	356	May 23, 1996
895	357	May 23, 1996
913	358	May 23, 1996
427	361	May 28, 1996
510	362	May 28, 1996
728	363	May 28, 1996
782	364	May 28, 1996
926	365	May 28, 1996
1079	366	May 28, 1996
1004	372	May 28, 1996
438	373	May 28, 1996

Respectfully submitted,
TOMMY G. THOMPSON
Governor

GOVERNOR'S VETO MESSAGE

May 23, 1996

To the Honorable Members of the Assembly:

I have approved **Assembly Bill 1048** as **1995 Wisconsin Act 351** and have deposited it in the Office of the Secretary of State. I have exercised my partial veto authority in sections 41 (7) and (7q).

Section 41 (7) requires the Educational Technology Board (ETB) to recommend in its 1997–99 budget request statutory changes to s. 16.992 to provide the ETB with the opportunity to provide school districts with a waiver of the 25% local match requirement for grants awarded by the Pioneering Partners Program for districts unable to meet the match requirement.

I am vetoing this provision because current law already permits Pioneering Partners applicants to fulfill the program's

match requirement through the use of in-kind contributions. Furthermore, eliminating the match requirement for certain school districts limits the state's ability to leverage available funds to provide as much local investment in educational technology projects as possible. Finally, I am vetoing this item because the legislative branch should not mandate what specific initiatives executive branch agencies must include in their biennial budget requests.

Although I am exercising a partial veto of Section 41 (7), I recognize the special needs of small, rural school districts that may have fiscal constraints limiting their ability to meet ETB match requirements. As a result, I will work with the ETB in the 1997-99 biennial budget process to provide a mechanism that addresses this concern.

Section 41 (7q) expresses the Legislature's intent to appropriate an additional \$5,000,000 for grants to be distributed by the ETB to school districts and library boards in the 1997-99 biennium. This section also expresses the Legislature's intent to exclude this amount from state school aids for the purposes of section 121.15 (3m) (a) 2. of the statutes, which is the definition of state school aids for determining partial school revenues and the state's two-thirds share of school revenues.

I am partially vetoing section 41 (7q) to eliminate the intent to exclude the additional \$5,000,000 from the definition of state school aids under section 121.15 (3m) (a) 2. of the statutes. Under current law, the amount appropriated for grants by the ETB under section 20.505 (4) (er) is included in the definition of state school aids under section 121.15 (3m) (a) 2. I am partially vetoing this section because the intent is inconsistent with the treatment of the appropriation under current law. In addition, I object to the precedent this intent statement establishes regarding excluding state school aid appropriations or portions thereof from the state's share of partial school revenues.

Sincerely,
TOMMY G. THOMPSON
Governor

COMMUNICATIONS

State of Wisconsin
Office of the Secretary of State
Madison

To Whom It May Concern:

Acts, Joint Resolutions and Resolutions deposited in this office have been numbered and published as follows:

<u>Bill Number</u>	<u>Act Number</u>	<u>Publication Date</u>
Assembly Bill 745	337	May 31, 1996
Assembly Bill 821	338	May 31, 1996

Sincerely,
DOUGLAS LA FOLLETTE
Secretary of State

AGENCY REPORTS

State of Wisconsin
Department of Industry, Labor and Human Relations
Madison

March 1, 1996

To the Honorable, the Assembly:

As specified in 101.122, we are submitting last year's annual report for the Rental Weatherization Program. This program began on January 1, 1985. This is the tenth report of the program's operation. Additional copies of the report are available by contacting the program staff at:

Rental Weatherization Program
DILHR-Safety and Buildings Division
GEF I, Room 103
Telephone: (608)266-0671

Sincerely,
CAROL SKORNICKA
Secretary, DILHR

State of Wisconsin
Department of Industry, Labor and Human Resources
Madison

March 8, 1996

To the Honorable, the Assembly:

In accordance with Public Law 97-300, Part A, Section 104(b)(13) the Job Training Partnership Act (JTPA), and s. 101.26, Stats., the Preliminary Job Training Plans for the Wisconsin JTPA Service Delivery Areas have been submitted. They are hereby transmitted to you for your review.

If you have any questions concerning these reports or need additional information, please feel free to contact me or my staff.

Sincerely,
GARY DENIS
Section Chief

State of Wisconsin
Legislative Audit Bureau
Madison

March 11, 1996

To the Honorable, the Legislature:

We have completed our evaluation of the State Group Health Insurance program, as requested by the Joint Legislative Audit Committee. In 1995 \$75,487 active and retired state employes participated in the program at a total cost of more than \$310 million.

Since 1984, the State's contribution to employe health insurance premiums has been based on the lower of 90 percent

of the Standard Plan, which is the State's self-insured indemnity plan, or 105 percent of the lowest-cost alternative plan. The policy was designed to encourage health care providers to compete for enrollees through a competitive bidding process, resulting in cost savings for the State. By 1995, as a result of financial incentives, almost 90 percent of state employees were enrolled in one of the alternative plans offered by 24 participating health maintenance organizations and one preferred provider plan.

Although the program's costs increased 255.7 percent between 1983 and 1994, it is likely costs increased at a slower rate than would have otherwise been expected had the change in the contribution formula not been made. Cumulative cost savings to the State are, however, difficult to quantify, given changes in benefit levels and in the number and type of services provided. Other effects of the State's focus on cost control are more evident.

Because the State's current policy sets premium levels on a county-by-county basis, employee contributions towards insurance premiums for the same coverage offered by the same plan can vary dramatically. In 1995, employee contributions for family coverage under Standard Plan varied from \$62.16 per month to \$224.93 per month, or almost \$2,000 annually. In addition, because premiums are set on an annual basis, premiums within a county can vary widely from year to year, particularly if there is a change in the lowest-priced plan. In 1995, employees in Milwaukee, Outagamie, Waukesha, and Winnebago counties experienced increases in their contribution toward health insurance premiums of up to 382 percent compared to the previous year if they did not switch to the lowest-cost plan available.

Options are available to the Legislature for modifying the program to address these concerns. However, most options available to address perceived program inequities will likely affect the ability of the State to control costs. Therefore, the merits of any possible modification must be weighed against the potential effect on the State's cost-control efforts.

We appreciate the courtesy and cooperation extended to us by the Department of Employee Trust Funds and members of the Group Insurance Board. A response from the Department is Appendix II.

Respectfully submitted,

Sincerely,
DALE CATTANACH
State Auditor

State of Wisconsin
Claims Board
Madison

March 13, 1995

To the Honorable, the Assembly:

Enclosed is the report of the State Claims Board covering the claims heard on February 22, 1995.

The amounts recommended for payment under \$5,000 on claims included in this report have, under the provisions of s. 16.007, Stats., been paid directly by the Board.

The Board is preparing the bill(s) on the recommended award(s) over \$5,000, if any, and will submit such to the Joint Finance Committee for legislative introduction.

This report is for the information of the Legislature. The Board would appreciate your acceptance and spreading of it upon the Journal to inform the members of the Legislature.

Sincerely,
EDWARD D. MAIN
Secretary, Claims Board

State of Wisconsin
Department of Health and Social Services
Madison

March 13, 1996

To the Honorable, the Assembly:

1995 Wisconsin Act 27, Section 9126, (27g) requires the Department of Health and Social Services to submit a proposal to the Governor and the Legislature by April 1, 1996 to transfer the duty and authority to provide child welfare services in Milwaukee County from the county to the Department. The attached document summarizes the Department's proposal, as well as the implementation plan for a transfer of duty and authority for Milwaukee child welfare services to the Department no later than January 1, 1998.

This proposal is the result of collaborative efforts among the Department, the Milwaukee community, and the Milwaukee Child Welfare Project Steering Committee. The list of members of the Steering Committee, who advised the Department and guided the decision making process, is attached.

Sincerely,
JOE LEEAN
Secretary, DHSS

State of Wisconsin
Legislative Audit Bureau
Madison

March 14, 1996

To the Honorable, the Legislature:

We have completed an audit of the State Fair Parks Board, to help meet our audit requirements under s. 13.94, Wis. Stats. The State Fair Park Board is responsible for operations of the Wisconsin State Fair and numerous other events held at the fairgrounds, as well as management of the 190 acres and 79 facilities that constitute the fairgrounds. In fiscal year (FY) 1994-95, State Fair Park's operating budget totaled \$11.1 million in program revenues.

Although State Fair Park has been financially self-supporting since 1935, we found its financial condition is deteriorating.

While revenues have exceeded operating expenditures in each of the past five years, expenditures have increased at a greater rate. In addition, the balance in the capital improvement fund is declining, and State Fair Park is limited in its ability to fund debt for the construction or major renovation of facilities.

State Fair Park's declining financial position has been caused by several factors, including a decline in attendance at the State Fair and a significant drop in automobile racing revenues. Although several options exist for the agency to enhance its revenues, it is difficult to determine which of these options will be most cost effective because State Fair Park lacks the detailed financial information necessary to make appropriate management decisions.

There is also uncertainty about State Fair Park's future relationship with the Pettit National Ice Center, located on the fairgrounds. The Pettit National Ice Center, Inc., a private, nonprofit corporation that leases the facility, was expected to provide full funding for the facility's operations as well as for debt service on state bonds that financed its construction. However, the corporation has struggled financially since the Pettit Center opened in December 1992. We estimate State Fair Park has paid \$361,052 in support of the Pettit Center to date, but this amount would increase if the corporation were unable to uphold the terms of the lease or chose to exercise its option to not pay rent during the summer months.

In addition to questions about the Pettit Center, there are a number of unresolved concerns about buildings on the fairgrounds. While a 1993 study by the Department of Administration identified \$29.2 million in remodeling, repair, and renovation needs, State Fair Park also has plans to construct a new youth dormitory at a total cost of \$13.0 million and to renovate the existing coliseum at a total cost of \$11.3 million. Given State Fair Park's current financial status, it is not certain how these projects will be funded.

We believe State Fair Park could take a number of steps to improve its operations. However, there are also several issues that require legislative consideration. In the short term, for example, the Legislature will need to decide whether to increase general purpose revenue-supported bonding in order to complete construction of the youth dormitory. Long-term considerations include how to finance the proposed coliseum renovation and whether general-purpose revenue will need to be provided in support of State Fair Park's operations.

We appreciate the courtesy and cooperation extended to us by the State Fair Park Board and its staff and by representatives of the Pettit National Ice Center, Inc. A response from State Fair Park Board's Executive Director is the appendix.

Sincerely,
DALE CATTANACH
State Auditor