

TOMMY G. THOMPSON

**Governor
State of Wisconsin**

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To the Honorable Members of the Assembly:

I have approved Assembly Bill 133 as 1999 Wisconsin Act 9 and deposited it in the Office of the Secretary of State.

The signing of this budget bill continues our efforts to reduce taxes in Wisconsin. Making tax reductions our number one priority will help all taxpayers throughout Wisconsin. The extra income made available to citizens will lead to an even stronger economy in the next century.

I have long argued that taxes in Wisconsin are too high at all levels of government. This budget acts on my pledge to work to make our taxes competitive with other states. Under the bill I am signing with vetoes, personal income taxes will be permanently reduced from current levels by 5.8%. For the average home, the property tax bill received in December 1999 will be reduced by an average of 3.6%, or \$76, compared to the December 1998 bill.

To deliver this property tax relief, I used my veto power to restructure the lottery credit mechanism the Legislature adopted. I vetoed out the use of general purpose revenue to pay for administrative expenses of the lottery in prior years. I did this because I have grave doubts about the constitutionality of using general tax revenue to buy back administrative expenses of the state lottery made as long ago as 1995. I also vetoed out the use of general purpose

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revenue to pay for ongoing administrative costs of the lottery in fiscal year 2000-2001. I do not believe we should be paying administrative expenses of the lottery with general tax dollars on a permanent basis.

Instead, I have crafted language that redirects the bulk of the money that the Legislature used to fund the lottery credit into other forms of property tax relief. I have used the partial veto to add to current law an additional property tax/rent credit payment of 6.4% of the first \$2,000 of property taxes in tax year 1999, an additional property tax/rent credit payment of 10% of the first \$2,000 of property taxes in tax year 2000, and an increase in the school levy credit of \$60 million to be reflected on the December 2000 property tax bill. Under the budget as vetoed, homeowners will see a \$76 reduction in their December 1999 property tax bills for the typical home. Citizens will also see an increase of up to \$128 in the property tax/rent credit on their tax year 1999 income taxes, an increase of up to \$200 in the property tax/rent credit on their tax year 2000 income taxes, and an average increase of \$22 in the school levy credit applied to the December 2000 property tax bill.

My proposal is constitutional, provides significant property tax relief and is a more equitable way to provide the relief than the expanded lottery credit plan passed by the Legislature. However, I believe the *best* way to return the budget surplus to citizens is to provide a property tax relief rebate check as soon as possible. To this end, I am signing the budget bill with the property tax reduction crafted through my vetoes as described above, but today I am also calling the Legislature back into special session to pass a bill giving citizens a rebate check averaging \$286. If the Legislature can pass this bill by November 11, the deadline for printing the 1999 income tax forms affected by the budget, the property tax plan I crafted through the veto will be replaced by the rebate check. If the Legislature cannot act by this deadline, the plan I crafted

through my budget veto will stand. We will have property tax relief either way, but my preference is to do it *immediately* via a rebate check.

Wisconsin has many other needs that we have also addressed in the budget. We continue to fund two-thirds of K-12 school costs and will now fund significant reductions in class sizes in grades K-3 in many Wisconsin school districts. We recognize the importance of a world class university system by investing in quality improvements in the University of Wisconsin, while increasing financial assistance for students who need it. We fund the BadgerCare program to provide health insurance for 67,500 low-income working families and begin our efforts to streamline how long-term care is provided in Wisconsin. We address the need to reuse Brownfields sites, continue recycling programs and reauthorize the Stewardship Program at a much higher level of funding. We have funded additional prison capacity while also increasing funds for social services that can prevent crime from happening in the first place.

I am proud we are addressing these and other needs. However, two problems in the budget concern me greatly. First, spending in fiscal year 2000-2001, the last year of the biennium, exceeds estimated revenue in that year by \$435 million. This structural imbalance is simply too high. The budget I proposed contained a smaller imbalance, and my original budget did not take into account the additional \$567 million in revenue the state now expects to receive between fiscal year 1998-1999 and fiscal year 2000-2001. This \$435 million structural imbalance is the highest in our history.

This structural imbalance is a concern because it means that, under the budget bill as passed by the Legislature, the first \$435 million of revenue growth we receive in fiscal year 2001-2002

would have to be devoted simply to continuing the base level of spending from fiscal year 2000-2001. Furthermore, there are additional pressures affecting the next budget because:

- This budget contains over \$75 million in advance commitments that will need to be funded in fiscal year 2001-2002 (the first year of the 2001-2003 budget), and will be a further draw upon available revenue.
- The Legislature pushed back my timetable to increase the required 1% budget balance to 1.1% in fiscal year 2000-2001, leaving a smaller reserve in fiscal year 2000-2001.
- School aids have increased to 40% of total GPR spending and debt service is also on the rise, both of which further constrain budget flexibility in the event of an economic downturn.

The combination of the structural deficit and these additional pressures means that we would need to have revenue growth of approximately 8% in the first year of the next biennium in order to fund our commitments and the unavoidable pressures we face under the bill as passed.

I believe that, in its zeal to be responsive to many different demands, the Legislature has been too ambitious in increasing GPR spending by 6.3% and 7.4% in fiscal year 1999-2000 and fiscal year 2000-2001, respectively. While the budget that passed is balanced in both fiscal years, the ending balance of \$117.8 million in fiscal year 2000-2001 is just \$5 million above the required 1% reserve. It will be extremely difficult to continue current programs in the next budget given the structural imbalance and the very limited balance overall.

My second major concern is the large increase in bonding authorized in the budget, particularly for new programs. Since we must meet our debt service payments once bonds are issued, we

need to be vigilant that debt service does not become an increasing proportion of our total spending. My proposed budget authorized \$572 million in new GPR-supported general obligation bonding in the 1999-2001 biennium, a level calculated specifically to ensure that debt service payments would remain at 3.3% of total GPR revenue over the next decade. The budget passed by the Legislature contains \$698 million in new GPR-supported bonding authorizations. This level of bonding means that debt service will increase as a percentage of total revenue. We should not incur new long-term debt of this magnitude. Debt service payments will increase by 8.5% in fiscal year 2000-2001, while our GPR revenue will increase just 4.0%. Therefore, I vetoed several new bond authorizations to lower the total new bonding authorization amount by \$39 million to reduce the new debt we will incur to a more affordable level.

In order to address these issues, I vetoed a total of \$43 million in additional GPR spending items approved by the Legislature as a means to improve the ending balance. This is the largest amount of GPR budget savings achieved through vetoes during my tenure as Governor. I also exercised a veto to increase the size of the balance we are required to maintain from 1% to 1.2% of GPR spending. Finally, I will support legislation creating a fund to retain any additional revenue we collect during 1999-2001 compared to what the budget assumes, in order to help meet our needs in the following biennium. These are the most responsible ways to begin preparing for what can be expected to be a difficult budget in 2001-2003. It should also be noted that while the net ending balance is now projected to be \$86 million under the budget as vetoed, \$60 million of this must be set aside to pay the December 2000 school levy increase which is not paid under current law until July 2001 (fiscal year 2001-2002).

Total spending under the 1999-2001 budget as passed is \$20.8 billion in fiscal year 1999-2000 and \$21.3 billion in fiscal year 2000-2001, for a biennial total of \$42.1 billion. These figures represent annual spending increases of 7.9% and 2.8%. From general purpose revenue, net spending will be \$10.6 billion in fiscal year 1999-2000 and \$11.4 billion in fiscal year 2000-2001, for a biennial total of \$22.0 billion. These figures represent annual spending increases of 6.3% and 7.4%, primarily due to increases in spending to meet our commitment to fund two-thirds of school costs, to house our prison population, to pay for increased medical assistance costs for our low-income citizens and to make investments in our higher education system.

I am signing this budget with a total of 255 vetoes. Many of these vetoes were needed to reduce spending by a total of \$43 million GPR. Some of these vetoes rolled back tax increases, saving \$43 million. I do not believe we should be increasing taxes when the state has a booming economy. A number of these vetoes are technical in nature and were required to make provisions workable. I also tried to limit the Legislature's involvement in the day-to-day management of state agencies by eliminating the most burdensome new reporting requirements. The Legislature has a legitimate interest in knowing how state programs are working, but it should not micromanage agencies or dictate agency workload.

The budget I introduced and the Legislature passed moves Wisconsin forward, blazing a trail for other states to follow. Among the highlights are the following items:

Tax and Local Government Finance

- Enacts a comprehensive individual income tax reform and reduction package which makes Wisconsin's tax code simpler and more progressive.

- Reduces income taxes on a permanent basis in the second year of the biennium by \$331 million, a 5.8% decrease. This will result in a tax cut of \$200 for the average Wisconsin taxpayer in tax years 2000 and 2001. These income tax cuts are in addition to the 2.5% income tax cut enacted in the last biennium.
- Reduces all income tax rates in tax years 2000 and 2001, creating new rates for married joint filers in tax year 2001 and thereafter of 4.60% for taxable income below \$10,000, 6.15% for income from \$10,000 to \$20,000, 6.50% for income from \$20,000 to \$150,000, and 6.75% for income over \$150,000.
- Dramatically increases the base standard deduction from \$9,040 to \$12,970 for joint filers and from \$5,280 to \$7,200 for single filers and raises the ceiling for using the sliding scale standard deduction to \$70,380 for individuals and \$80,150 for married, joint filers.
- Creates a new personal exemption for each tax filer, spouse and dependent of \$600 for tax year 2000 and \$700 for tax year 2001 and provides elderly filers with an added \$200 exemption in 2000, which would increase to \$250 in 2001.
- Increases the school property tax rent credit to 16.4% in tax year 1999 and continues the 10% credit into tax year 2000.
- Increases the married couple credit by raising the income ceiling to \$16,000 from \$14,000. The maximum credit would increase to \$480 in tax year 2001.
- Increases the homestead income ceiling from \$19,154 to \$24,500.
- Reduces the typical homeowner's property tax bill by 3.6% in December 1999.
- Increases the lottery credit by \$77 million in fiscal year 1999-2000.

- Increases the school levy tax credit by \$60 million for December 2000.
- Increases funding for the expenditure restraint program by \$9.0 million (19%), for the small municipalities shared revenue program by \$1.0 million (10%), for the county mandate relief program by \$600,000 (3%) and for the payments for municipal services program by \$3.5 million (19%).
- Provides \$64 million in fiscal year 1999-2000 and \$71 million in fiscal year 2000-2001 to fully fund the personal property exemption for computer equipment effective January 1999.

Economic Development and Transportation

- Improves highway safety and enhances economic development by increasing state and federal support for highway construction projects and local transportation aids by over \$150 million over the biennium.
- Establishes a new municipal street improvement program funded at \$2 million over the biennium and increases local road improvement funding by a total of 9.3% for critical transportation infrastructure projects.
- Establishes mechanisms to ensure that state and federal transportation aid is dedicated to infrastructure improvement.
- Increases local transportation aids by 6.75% to meet rehabilitation and maintenance costs and to limit growth in property taxes.
- Establishes a four-tier transit aid distribution structure, creates performance-measurement and cost-effectiveness mechanisms for transit systems, and increases state assistance to local systems by 7.5%.

- Increases highway safety and law enforcement efforts by authorizing 14 new State Patrol troopers.
- Provides over \$6 million in new funding for brownfields assessment, remediation and redevelopment efforts.
- Expands funding to promote Wisconsin tourism destinations by over 25% through use of gaming compact revenues.
- Provides \$9 million from gaming compact revenues for support of economic development and diversification through grants to businesses.

Environmental Protection and Resource Management

- Reauthorizes the Warren Knowles-Gaylord Nelson Stewardship 2000 Program at \$460 million for the next decade, or \$46 million annually, almost doubling the size of the current program.
- Continues state assistance for local recycling programs at the current levels.
- Provides \$40 million to leverage up to \$200 million of federal funds for farmland water quality and habitat improvement efforts through the Conservation Reserve Enhancement Program.
- Increases funding for water quality protection efforts by 32% for rural nonpoint source pollution abatement projects and by 72% for urban nonpoint source pollution abatement, municipal flood control and riparian restoration projects.
- Enhances environmental cleanup and redevelopment efforts through expanded responsible and voluntary party exemptions from liability, additional site cleanup approval staff and implementation of the Brownfields Study Group recommendations.
- Improves the Petroleum Environmental Cleanup Fund Administration (PECFA) Program by authorizing \$270 million in revenue bonds to reduce state interest costs, increasing claimant

deductibles, reducing claimant interest rate cost reimbursements, implementing risk-based site assessment and cleanup processes and requiring competitive bidding for site cleanup activities.

- Provides over \$3 million for local land use planning activities, establishes statewide local land use goals and links local land use activities to those goals through the new Smart Growth program.
- Provides nonuser fee support of \$5 million for fish and wildlife programs from gaming compact revenues, and contains no increase in fish and wildlife fees.
- Increases public access to Lake Michigan and recreational opportunities in the City of Milwaukee by providing \$9 million for development of Lakeshore State Park, the first new state park in 25 years.

Education and Training

- Creates a new Work-Based Learning Board, chaired by the Governor, which will consolidate and strengthen efforts to expand work-based learning activities statewide and adds \$4 million GPR biennially to increase opportunities for students in the youth apprenticeship program.
- Provides \$28 million GPR to the University of Wisconsin System (UWS) in fiscal year 2000-2001 to freeze tuition for Wisconsin resident undergraduate students for the 2000-2001 school year.
- Provides a \$19 million GPR biennial increase to the UW-Madison to allow the UW System's flagship campus to attract the best and brightest Wisconsin high school graduates, hire and retain the best faculty, continue cutting edge research and help maintain Wisconsin's competitiveness in the global economy.

- Provides \$16 million over the biennium in new GPR to support UW systemwide initiatives to expand the use of instructional technology, provide increased opportunities for students and faculty to study abroad, enhance library services and holdings, increase diversity and increase funding for Area Health Education Centers.
- Provides the Board of Regents of UWS with more flexibility to set tuition to take advantage of an expanded educational marketplace and new opportunities and methods to deliver educational programs.
- Provides \$11.2 million over the biennium to increase financial aid programs for students at Wisconsin's public and private universities and colleges.
- Provides \$6.6 million to the Wisconsin Technical College System to create a new grant program that will provide \$500 annually, for up to two years, to every recent high school graduate who attends a technical college full-time in an associate degree or technical training program.
- Increases general aid funding to the technical college system by \$7.3 million over the biennium.
- Enhances the ability of Wisconsin technical colleges to expand and create programs and course sections in high skill occupational areas to address skilled workforce needs by providing \$7.2 million GPR in two new grant programs.
- Maintains the state's commitment to fund two-thirds of school costs by providing increases in state school aid of \$237 million for the 1999-2000 school year and an additional \$239 million in fiscal year 2000-01.
- Significantly expands the Student Achievement Guarantee in Education (SAGE) program to lower class size by providing \$47.2 million (a 260% increase) in new GPR over the biennium, adding an estimated 400 schools to the program.

- Increases funding for school district special education programs by \$53 million GPR over the biennium.
- Provides \$5 million in fiscal year 2000-2001 to establish alternative education programs for students who are not achieving in traditional educational environments.
- Increases the low-spending revenue limit exemption for school districts from the 1998-99 level of \$6,100 per pupil to \$6,300 in 1999-2000 and \$6,500 in 2000-2001.
- Adjusts the allowable increase in school district revenue limits from \$209 per pupil in 1998-99 to an estimated \$212 in 1999-2000 and \$217 in 2000-2001.
- Makes permanent the 75% hold harmless provision for school districts experiencing declining enrollment.
- Provides \$2 million to increase aid for public library systems by 11.3% over the biennium.
- Expands opportunities for middle and high school age minority students to attend precollege programs at Wisconsin postsecondary institutions by providing a \$1.4 million GPR increase over the biennium to the UW System and DPI for precollege programs.

Human Resources

- Provides \$9.8 million GPR over the biennium to fully fund existing Community Option Program (COP) placements and to add 581 additional placements.
- Provides an additional \$11.3 million GPR to fund the Family Care pilot this biennium.
- Increases the SSI Caretaker Supplement program from \$100 to \$250 for the first child and from \$100 to \$150 for each additional child.
- Provides \$56.6 million GPR over the biennium to fully fund the BadgerCare program, which is available to all low-income children and their parents not covered by Medical Assistance.

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- Provides \$7.9 million GPR over the biennium to fund a 5% nursing home wage pass-through initiative directed to nurse assistants.
 - Provides \$3.7 million GPR over the biennium to increase reimbursement for personal care workers from \$11.50 per hour to \$12.25 per hour.
 - Provides \$50 million in Temporary Assistance for Needy Families (TANF) funds to create several new initiatives, including the Workforce Attachment Fund, Early Child Excellence Centers and Community Youth Grant programs to assist TANF families at all stages of life.
 - Expands W-2 child care eligibility in several ways, including reducing the co-payment amount to no more than 12% of a family's income, increasing eligibility to 185% of the federal poverty level, excluding certain types of income, eliminating the asset test and covering disabled children up to age 19.
 - Includes provisions that protect the confidentiality of health care information of patients and providers.

Justice

- Increases funding for programs that assist victims of crime by \$6.3 million over the biennium and creates the Office of Victim Services in the Department of Corrections.
- Provides resources to monitor, treat and evaluate sex offenders and to prosecute sex predators.
- Provides funding to staff the new 500-bed Supermax prison at Boscobel, the 750-bed Redgranite Correctional Facility, the 600-bed Milwaukee Probation and Parole hold/AODA facility, and initial start-up costs for the 375-bed New Lisbon Correctional Facility.
- Provides funding for 2,616 contract prison beds to help relieve prison overcrowding.

- Provides capital funding to expand, improve and acquire correctional facilities, including funding for two 150-bed work houses.
- Authorizes 6.0 FTE assistant district attorney positions in Milwaukee County to be designated as special assistant U.S. attorneys to prosecute gun violations in federal courts under Project Ceasefire.
- Increases resources for law enforcement including investments in new DNA analysis methods at the state crime labs, expansion of the state DNA data bank to include all convicted felons, and provision of an additional \$576,400 over the biennium for law enforcement training.
- Increases resources for criminal justice information systems to upgrade and maintain these systems, including additional funding for the Department of Corrections, the Circuit Court Automation Program (CCAP), the State Public Defender, the automation of district attorneys' offices and the development of integrated justice information systems projects.
- Increases funding for Youth Aids by providing an additional \$6 million GPR over the biennium.
- Increases funding for the Serious Juvenile Offender (SJO) program by providing an additional \$4,160,200 GPR over the biennium.
- Increases funding for Circuit Court Support Payments by providing an additional \$4,500,000 GPR over the biennium.

State Government Operations

- Provides \$232,000 GPR annually for grants to local housing organizations to fund projects similar to Madison's Operation Fresh Start program.

- Provides \$1.5 million (SEG) to continue automating information systems in the Department of Employee Trust Funds to improve service to employers and participants.
- Creates a private employer health care coverage program and purchasing alliance, providing small businesses a means to offer group health coverage for their employees.
- Adds \$420,000 GPR to continue state support of the Department of Military Affairs' Youth Challenge program for young adults aged 16 to 18 who are high school dropouts or truants who will not graduate from high school.
- Redefines Wisconsin residency requirements making more veterans eligible to receive benefits from most state veterans programs.
- Adds \$213 million in bonding authority for the veterans home loan program.
- Authorizes bonding and operating support for a second veterans home in Southeast Wisconsin.
- Increases funding by \$568,600 biennially for the veterans health care aid grant program, \$218,200 for employment and training programs and \$104,200 for subsistence aid grants.

There are also several budget provisions I did not veto that warrant discussion.

1. Summer School Enrollment – Beginning in 2000-01, the bill allows school districts to increase their revenue limits to recognize 40% of their summer school enrollment. Notwithstanding this increase, I will propose rolling back the increase to 25% in future legislation because I believe this lower percentage more accurately reflects the increased spending authority school boards require to provide summer instruction.

2. **Public Library System Aids** – The budget provides \$2,000,000 GPR over the biennium to increase public library systems aid. I am approving this aid with the expectation that the Northern Waters Library Service apply any systems aid increase it receives to the continuation of bookmobile services within the library system's boundaries.

3. **School Start Date** – The budget prohibits school boards from beginning the school term prior to September 1, unless the school board holds a public hearing on the issue and passes a resolution specifying a date earlier than September 1. While I am concerned about the provision allowing school boards to opt out of the requirement, in an effort to resolve the stalemate that delayed passage of this bill, I agreed to sign this provision into law without any changes. However, I will be introducing legislation to modify the opt-out mechanism in a manner that protects educational quality for students and equitably balances the prerogatives of school boards and the interests of the state's tourism industry. In addition, I urge school boards not to opt out of the September 1 start date due to the need for consistent start dates statewide.

4. **Respite Care** – The budget bill contains funding for a private nonprofit organization to conduct life-span respite care projects in five regions of the state. I have not vetoed the funding despite my reservations about creating a new long-term care service when one of the objectives of Family Care is to consolidate current funding for long-term care programs. Thus, I am directing the Department of Health and Family Services secretary to coordinate this new respite care program with the Family Care pilots.

5. **Video Gambling Machines** – Currently there is inconsistent enforcement of video gambling machine laws across the state. In response, the Legislature has now reduced the penalty

for having five or fewer of these machines in a tavern. While operating gaming machines in taverns is illegal, it should not rise to the level of imprisonment, especially in an already crowded prison system. I also intend to come back with a proposal to reduce the number of gaming machines that would fall under the misdemeanor penalty from five to three. This change should create more uniformity in the prosecution of minimal gaming activities and make the penalty fit the crime. In the future, I still feel gaming machines should be licensed, regulated and taxed in Wisconsin.

6. TIF Laws – I am concerned with the frequency of case-by-case exemptions from the tax incremental financing (TIF) law contained in this budget and in prior legislation. Resorting to such case-by-case exceptions and exemptions undermines the serious purpose of the original law – targeted and focused economic development. Such frequent tampering with the law’s general provisions suggests the tax incremental finance law needs reform. I am requesting the Department of Revenue secretary to convene a working group to study the TIF law and recommend needed revisions.

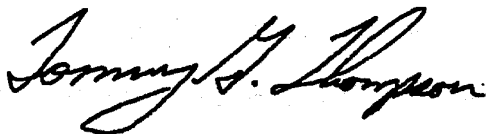
7. Light Rail –The budget contains a bipartisan agreement that prohibits local governments from expending certain federal and state transportation funding for contracts related to a light rail transit system. This provision sunsets at the end of the 1999-2001 biennium and responds to the multiple perspectives concerning any implementation of this transit alternative in Milwaukee. Furthermore, this provision does not apply to either the Kenosha trolley system that is under construction nor the study of transit alternatives associated with the Highway 12 agreement in Dane and Sauk counties. In addition, as an independent authority, the Wisconsin Center district is not limited by this provision in its efforts to conduct a downtown Milwaukee connector study.

I also intend, in cooperation with Wisconsin's Congressional delegation, to make it clear to the U.S. Department of Transportation (USDOT) that the \$241 million of federal Interstate Cost Estimate funding must be released in a timely manner to support several key Milwaukee projects, including reconstruction of the Sixth Street Viaduct. Federal legislation released one-half of these funds to state oversight and the other half to joint state and local oversight. In keeping with federal law, implementation of the agreement reached on use of this funding should not be hindered by USDOT.

I also believe while the final product of the budget deliberations was positive, the budget process left much to be desired and needs to be improved. I will consider proposing changes to the process in my next budget.

The budget I am signing represents a transition from the 20th Century to the 21st Century. The budget also provides a foundation for our state's future, a future with unlimited potential in which our taxes are competitive with other states, our schools are the best in the nation and all our citizens find productive employment. That future begins today.

Respectfully submitted,

A handwritten signature in black ink, reading "Tommy G. Thompson". The signature is written in a cursive, flowing style.

TOMMY G. THOMPSON
Governor

Date: October 27, 1999

VETO MESSAGE

TABLE OF CONTENTS

	<u>Page</u>
A. EDUCATION AND TRAINING	1
ARTS BOARD	1
1. Arts Board Grant Programs	1
EDUCATIONAL COMMUNICATIONS BOARD	1
2. Public Broadcasting Committee	1
HIGHER EDUCATIONAL AIDS BOARD	2
3. Talent Incentive Program (TIP) and Wisconsin Higher Education Grant (WHEG) for University of Wisconsin System (UWS) Students	2
4. Tuition Grant Program	3
PUBLIC INSTRUCTION	3
5. Neighborhood Schools Initiative	3
6. SAGE Program Eligibility and Bonding Program	6
7. Foreign Language Requirement	7
8. High School Graduation Test	7
9. Revenue Limit Increase for Positive Tax Increment of a Tax Incremental District	8
10. Foreign Language Instruction Grants	8
11. Minority Group Pupil Scholarships	9
12. Milwaukee Parental Choice Program Pupil Income Eligibility	9
13. Agricultural Education Consultant Position	9
14. Direct Instruction Program Grant	10
STATE HISTORICAL SOCIETY	10
15. Heritage Trust Program	10
TEACH WISCONSIN	11
16. Funding for K-12 Instructional Web Site	11
17. Training and Technical Assistance Grants	11
18. 2001-2003 Biennial Budget Requirements	12
19. Federal E-Rate Reporting Requirements	12
20. Federal E-Rate Appropriations	13
UNIVERSITY OF WISCONSIN HOSPITAL AND CLINICS AUTHORITY	13
21. Bonding Authority Limitations	13
UNIVERSITY OF WISCONSIN SYSTEM	13
22. Plan for Increased Enrollment	13
23. Lawton Minority Undergraduate Grant Appropriation	14
24. Advanced Opportunity Program	15
25. GPR Position Flexibility	15

	<u>Page</u>
26. Area Health Education Centers	16
27. Information Technology Student Retention Plan and Report	16
28. Ginseng Research Grants	17
29. Study of Programs in Marathon County	17
30. Stray Voltage Research	17
31. Wisconsin Humanities Council	18
WISCONSIN TECHNICAL COLLEGE SYSTEM	18
32. Agricultural Education Consultant	18
33. Rules for Wisconsin Technical College System Grant Programs	19
B. ENVIRONMENTAL AND COMMERCIAL RESOURCES	20
AGRICULTURE, TRADE AND CONSUMER PROTECTION	20
1. Conservation Reserve Enhancement Program	20
2. Pesticide Database	20
3. Agricultural Chemical Cleanup Fund – GPR Appropriation	21
4. Purchase of Development Rights Pilot Program	21
5. Financial Assistance for Paratuberculosis Testing	21
6. Weights and Measures Enforcement in Certain Towns	22
7. Telecommunications Complaint Reporting Requirements	22
8. Federal Funding for Agricultural Export Marketing	23
COMMERCE	23
9. PECFA – Deductibles	23
10. PECFA – Interest Reimbursements	23
11. PECFA – Site Priority Classification	24
12. PECFA – Risk Based Analysis Rule Deadline	24
13. PECFA – Criteria for Waiver of Site Bidding Process	25
14. PECFA – Usual and Customary Costs	25
15. Home Heating Oil Tank	26
16. Private Sewage Replacement and Rehabilitation Program	26
17. Brownfields Grant Program	26
18. Wisconsin Development Fund Earmarks	27
19. Grant for Manufacturing Technology Training Center	27
20. Loan to City Brewery in La Crosse	28
21. Biotechnology Development Finance Company	28
22. Community Development Block Grant Earmarks	28
23. Grant to CAP Services, Inc.	29
24. Audit of State Economic Development Strategy	29
25. Development Zones – Effective Dates	29
LAND USE	30
26. Soil Surveys and Mapping	30
27. Model Land Development Ordinances	30
28. Easement Transaction Information	31
29. Dane County Regional Planning Commission	31

	<u>Page</u>
NATURAL RESOURCES	32
30. Recycling	32
31. Sustainable Urban Development Zone Pilot Program	35
32. Land Recycling Loan – City of Kenosha	36
33. Brownfields Staff	36
34. Vehicle Environmental Impact Fee	37
35. Environmental Remediation Tax Incremental Financing (ER TIF) – Eligible Costs	37
36. Evaluation of Brownfields Redevelopment Program	37
37. Brownfields Case Studies	38
38. Bibliography of Groundwater Contamination	38
39. Brownfields – Department of Transportation Requirements	38
40. Emissions Fee Surcharge	39
41. PCB Indemnification	39
42. Approval of Court-Ordered Settlements	39
43. Safe Drinking Water Revenue Bonding Authority	40
44. Wisconsin Fund Loan	41
45. Stewardship Funds for Condemned Property	41
46. Stewardship Grant Calculations	41
47. Stewardship Program Requirements	42
48. Nonpoint Program Modifications	43
49. Watershed Center and River Protection Grant Program Staffing	44
50. Gathering Waters	44
51. Parks Account Transfer	45
52. Transfer to the Fish and Wildlife Account	45
53. Fish and Wildlife Administrative Cost Limits	45
54. All-Terrain Vehicle Account Transfer	46
55. McDill Lake District Funding	46
56. Recreational Grant Earmarks	46
57. Rib Mountain Chalet	47
58. Mead Wildlife Area Interpretive Center	47
59. Group Deer Hunting	48
60. Bonus Deer Issuance Fee Effective Date	48
61. Position Creations and Reallocation	49
62. Pheasant Game Farm Study	49
63. St. Croix Scenic Development	50
64. Federal Excess Personal Property Program	50
65. Public Relations Training	51
66. Tourism Funding	51
TOURISM	51
67. Grant to America's Black Holocaust Museum	51
TRANSPORTATION	52
68. Local Segregated Transportation Accounts	52
69. Mass Transit Aid Formula Changes	52
70. Federal Discretionary Grant Award Limit	53
71. Federal Discretionary Grant Earmarks	53

72.	Bicycle and Pedestrian Facility Grant Appropriation	53
73.	County Highway Improvement Program	54
74.	Airport Perimeter Deer Fencing	54
75.	Passenger Rail Station Improvement Grant Program	55
76.	Railroad Crossing Improvement Projects	55
77.	Intelligent Transportation Systems	55
78.	State Highway Rehabilitation – Eligible Expenditures	56
79.	Meehan Station Historical Site	56
80.	Tolles Road	56
81.	Village of Clear Lake Box Culvert	57
82.	Prohibition on Certain Land and Development Right Purchases	57
83.	USH 10 Corridor Study	57
84.	License Plate Rebasing	58
85.	Motor Vehicle Dealership License Provisions	58
86.	Milk Truck Weight Limits	59
87.	“Celebrate Children” License Plate Applications	59
	WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY	59
88.	Farm Assets Reinvestment Management (FARM) Loan Guarantees	59

C. HUMAN RESOURCES 60

	BOARD ON AGING AND LONG-TERM CARE	60
1.	Ombudsman Position	60

	HEALTH AND FAMILY SERVICES	60
2.	Kinship Care	60
3.	Supplemental Security Income	62
4.	Special Needs Adoption Placements	62
5.	Child Abuse and Neglect Consent Decrees	63
6.	Community Based Residential Facilities	63
7.	Report on Huntington’s Disease	64
8.	Community Integration Program (CIP 1B)	64
9.	Uniform Compliance Checks	64
10.	Administrative Funding for the Blind and Visually Impaired	65
11.	Healthy Families Program	66
12.	Nursing Home Wage Pass-Through	66
13.	Supplemental Outpatient Hospital Payments	66
14.	Medical Assistance Asset Test	67
15.	Irrevocable Burial Trusts and Medical Assistance (MA) Eligibility	67
16.	Medical Assistance (MA) School-Based Services	68
17.	BadgerCare Outreach	68
18.	Nocturnal Enuresis Feasibility Study	69
19.	Tobacco Control Board	69
20.	Women, Infants and Children (WIC) Electronic Benefits Transfer	71
21.	Community Health Centers and the Minority Health Program	71
22.	Consolidated Contracts	72
23.	Newborn Hearing Screening Program	72

	<u>Page</u>
24. Birth and Developmental Outcome Program	73
25. Health Insurance Risk Sharing Plan (HIRSP)	73
26. Caregiver Background Checks Recidivism Study	73
27. Income Augmentation Contract	74
28. Data Collection Proposals	74
29. Five-Year Age Increments	75
30. Social Security Numbers on State Documents	75
INSURANCE	75
31. Point-of-Service Option	75
32. Obstetric Services Referrals	76
WORKFORCE DEVELOPMENT	76
33. W-2 Agency Profits - County Community Reinvestment	76
34. W-2 Agency Performance Standards	77
35. Statewide Advisory Group	77
36. Full and Appropriate Engagement in W-2 Contracts	78
37. Nonentitlement Modifications	78
38. W-2 Pay Period	79
39. Technical College Substitution for W-2 Work	79
40. Child Care Assistance Employment Requirements	80
41. Child Care and Development Block Grant Funds	81
42. Effective Dates - Child Care Eligibility Changes	81
43. Credit Establishment and Repair	82
44. Campaign for a Sustainable Milwaukee	82
45. Milwaukee Jobs Initiative	82
46. Runaway Services	83
47. Joint Committee on Finance TANF Expenditure Review Authority	83
48. Administration of Medical Assistance	84
49. Unified Program Eligibility	85
50. Public Assistance Eligibility Determination	86
51. Medical Assistance Outstationing	86
52. Public Assistance Funerals and Burials	86
53. Public Assistance Overpayments	87
54. Legal Custody and Physical Placement of Children	87
55. Family Literacy Grants	89
56. Prevailing Wage Law – Contractor Records	89
57. Reorganization of the Division of Vocational Rehabilitation	89
58. Transition to Workforce Investment Act	90
D. JUSTICE	91
CIRCUIT COURT	91
1. Family Court Counseling Fee	91
CORRECTIONS	91
2. Inmate Telephone Solicitation and Access to Personal Information	91
3. Private Business/Prison Employment Program	92

	<u>Page</u>
4. Community Intervention Program	92
5. Serious Juvenile Offender Program	93
CRIMINAL PENALTIES	93
6. Fiscal Estimates for Proposed Penalty Bills	93
DISTRICT ATTORNEYS	94
7. Additional Prosecutor Positions	94
8. Bureau of Justice Information Systems	94
JUSTICE	95
9. Training for Tomorrow	95
10. Collection of Information at Motor Vehicle Stops	95
11. Telecommunications Advocate	96
12. Wausau Crime Lab Expansion Study	97
13. Report on Environment Enforcement Training	97
14. Methamphetamine Intelligence Analyst	97
OFFICE OF JUSTICE ASSISTANCE	98
15. Grants Specialist Position Report	98
STATE PUBLIC DEFENDER	98
16. Representation in Children in Need of Protective Services (CHIPS) and Juveniles in Need of Protective Services (JIPS) Cases	98
SUPREME COURT	99
17. Appropriation Modifications	99
E. STATE GOVERNMENT OPERATIONS	100
ADMINISTRATION	100
1. Consolidation of State Vehicle Fleet Operations	100
2. State Vehicle Purchase	100
3. State Agency Dues Lapse	100
4. Federal Interest Reimbursements	101
5. Census Awareness Program	101
6. National and Community Service Board – Technical	101
BUILDING PROGRAM	102
7. Restrictions on Acquisition of Leases	102
8. Agency Work Plans for Capital Building Maintenance	102
9. State Fair Park Racetrack Projects	103
10. Wausau State Office Facility Study	103
11. Grant to Heritage Military Music Foundation	103
12. Design-Build Construction Projects	104
EMPLOYMENT RELATIONS	104
13. Division Administrator Appointment Authority	104

	<u>Page</u>
MILITARY AFFAIRS	105
14. Number of Level A Regional Emergency Response Teams	105
15. Civil Air Patrol Infrared Camera Equipment	105
MISCELLANEOUS PROVISIONS	105
16. Legal Notices in Newspapers	105
REGULATION AND LICENSING	106
17. Effective Dates	106
VETERANS AFFAIRS	107
18. Staff Pay Survey Implementation	107
F. TAX, FINANCE AND LOCAL GOVERNMENT	108
ADMINISTRATION	108
1. Public Benefits Program Administration	108
2. Division of Gaming – Tribal Gaming Computer System	108
3. Division of Gaming – Unclaimed Prizes Retained by Racetrack Licensee	108
ALCOHOL AND TOBACCO TAXES AND REGULATION	109
4. Changes to the Wisconsin Fair Dealership Law	109
5. Liquor Tax and Members of the Military	109
6. Distributor Cigarette Discount	110
7. Native American Tax on Tobacco Products	110
CORPORATE FRANCHISE AND INCOME TAX	111
8. Treatment of Corporate Partners and Limited Liability Company (LLC) Members	111
9. Sourcing of Receipts of Sales of Services	111
10. Dividends Received Deductions	111
FINANCIAL INSTITUTIONS	112
11. Access Fees for Computer Databases	112
GENERAL PROVISIONS	112
12. Required General Fund Balance – Increase to 1.2%	112
INCOME TAXES	113
13. Income Tax Exclusion for Mass Transit Fringe Benefits	113
14. Individual Income Tax Credit for Military Income	113
15. Miscellaneous Itemized Deductions	113
16. School Property Tax Rent Credit	114
INDIAN GAMING	114
17. Legislative Approval of Tribal Gaming Compacts	114
18. Office of Justice Assistance Tribal Law Enforcement Assistance Grant Program	114

19.	Department of Health and Family Services Grant Program for Tribal Health Centers	115
20.	Department of Veterans Affairs Services to American Indian Veterans	115
21.	Tourism Marketing Grant Program	116
22.	Department of Natural Resources Drinking Water Study	116
23.	Department of Natural Resources Elk Management	117
24.	Department of Natural Resources Crane Management	117
25.	Commerce – Gaming Economic Development and Diversification Grant Programs	117
26.	University of Wisconsin System Aquaculture Demonstration Facility	118
STATE OF WISCONSIN INVESTMENT BOARD		118
27.	Bonus Compensation	118
BOARD OF COMMISSIONERS OF PUBLIC LANDS		119
28.	Information Technology Initiatives	119
29.	Revised Investment Authority for Certain Board Investments	119
REAL ESTATE TRANSFER TAX		120
30.	Real Estate Transfer Forms and Filing Requirements	120
SALES AND USE TAX		121
31.	Exemption for Maintenance of Railroad Tracks and Rights-of-Way	121
SHARED REVENUE AND TAX RELIEF		121
32.	Tax Exemption Reporting Fee	121
33.	Use-Value – Definition of Agricultural Land	122
34.	Use-Value Administrative Rules	122
35.	Automatic Teller Machines	122
36.	Tax Incremental Financing – Village of Gillman	123
37.	Premier Resort Area – Eagle River	123
38.	Small Municipalities Shared Revenue	123
39.	Shared Revenue Payments	124
40.	Payments for Municipal Services	125
41.	Lottery Credit and Property Tax Relief	125

A. EDUCATION AND TRAINING

ARTS BOARD

1. Arts Board Grant Programs

Sections 172 [as it relates to s. 20.215 (1) (e)] and 9105 (1c)

Section 9105 (1c) provides \$150,000 GPR in fiscal year 1999-2000 to a nonprofit performing arts foundation to improve handicapped accessibility. I am partially vetoing section 9105 (1c) to return the level of funding for this purpose to that approved by the Joint Committee on Finance. I am requesting the Department of Administration secretary to place \$100,000 into unallotted reserve in fiscal year 1999-2000 in appropriation s. 20.215 (1) (b) to lapse to the general fund. I am providing a lower one-time increase for this initiative, because I am concerned about the use of the state budget to circumvent the authority of the Arts Board to set priorities and establish standards for awarding grants. Grants should be awarded under a system that objectively evaluates all grant applicants. Furthermore, in the future, Arts Board funds should be used to directly support the arts, not to provide capital improvements to facilities.

Section 172 [as it relates to s. 20.215 (1) (e)] provides \$50,000 GPR in fiscal year 1999-2000 and \$50,000 GPR in fiscal year 2000-2001 to the Milwaukee Foundation, Inc. for investment in the High Point Fund. I am vetoing section 172 [as it relates to s. 20.215 (1) (e)] to delete the \$50,000 GPR provided for this purpose in fiscal year 2000-2001. I believe that this funding should be provided on a one-time basis. I am not making a judgment on the worthiness of the High Point Fund, only on the process used to award the funds. The decision regarding which arts activities receive grants should rest with the Arts Board. The High Point Fund is eligible to compete for grants from the Arts Board. It should be noted that the Arts Board gives at least 5% of its grants to minority artists and organizations.

EDUCATIONAL COMMUNICATIONS BOARD

2. Public Broadcasting Committee

Section 9113 (1mm)

This provision creates a committee to study the restructuring of public broadcasting and the costs of digital television conversion. The committee is authorized to submit legislation for restructuring public broadcasting and funding the transition to digital television by January 15, 2000.

I am partially vetoing this provision to remove the January 15, 2000, submission date. It is unrealistic to expect the public broadcasting restructuring committee to prepare detailed legislation concerning the reorganization of public broadcasting and the funding

of digital television in such a short period of time. Deleting the submission date will give the committee the opportunity to prepare the best possible plan.

HIGHER EDUCATIONAL AIDS BOARD

3. Talent Incentive Program (TIP) and Wisconsin Higher Education Grant (WHEG) for University of Wisconsin System (UWS) Students

Sections 172 [as it relates to ss. 20.235 (1) (fd) and 20.235 (1) (fe)], 242g, 242r, 918g, 918r and 9458 (6g)

Section 172 [as it relates to s. 20.235 (1) (fd)] provides \$4,311,400 GPR in fiscal year 1999-2000 and \$4,725,300 GPR in fiscal year 2000-2001 for TIP grants. Section 172 [as it relates to s. 20.235 (1) (fe)] provides \$18,900,300 GPR in fiscal year 1999-2000 and \$20,714,700 GPR in fiscal year 2000-2001 for WHEG for UWS students. Although there is no language in the budget bill that authorizes these increases, the purpose of this funding was included in the Conference Committee amendment to the budget bill.

Sections 242g and 242r change the appropriations for TIP and WHEG for UWS students from biennial, sum certain to sum sufficient appropriations. Sections 918r and 918g alter the method for determining the funding for each program by increasing the appropriations by the highest percentage increase in resident undergraduate tuition charged at a UWS institution in the prior school year.

These programs provide financial assistance to resident undergraduate students enrolled at least half time at Wisconsin colleges and universities; both programs grant awards based on a student's financial need.

I am partially vetoing the increases to the TIP and WHEG programs to reflect the impact of the tuition freeze for UWS resident undergraduate students in fiscal year 2000-2001. By lining out the Higher Educational Aids Board's s. 20.235 (1) (fd) appropriation and writing in a smaller amount that deletes \$102,200 GPR provided for TIP in fiscal year 1999-2000 and \$221,500 GPR in fiscal year 2000-2001, I am vetoing the part of the bill which funds this provision. I am still providing a 14% increase over the biennium for TIP grants, since the program includes students who attend private colleges and Wisconsin Technical College System schools, where tuition will not be frozen in 2000-2001, as well as UWS campuses. I am requesting the Department of Administration secretary not to allot these funds.

By lining out the Higher Educational Aids Board's s. 20.235 (1) (fe) appropriation and writing in a smaller amount that deletes \$1,814,400 of the \$20,714,700 GPR provided for WHEG in fiscal year 2000-2001, I am vetoing the part of the bill which funds this provision. The resulting zero percent increase in funding for the WHEG program between fiscal year 1999-2000 and fiscal year 2000-2001 reflects a tuition freeze for resident undergraduate students attending UWS institutions in 2000-2001. Further, holding students harmless from any tuition increase is comparable to a 20% to 25% increase in the WHEG appropriation in most other years. I am requesting the Department of Administration secretary not to allot these funds.

I object to sections 242g, 242r, 918g, 918r and 9458 (6g), because making these appropriations sum sufficient limits the Governor's and the Legislature's flexibility to address issues that may affect the level at which these programs are most appropriately funded. By vetoing these sections, both the TIP and the WHEG program will continue to operate as biennial appropriations.

4. Tuition Grant Program

Section 172 [as it relates to s. 20.235 (1) (b)]

Section 172 [as it relates to s. 20.235 (1) (b)] provides \$20,466,000 GPR in fiscal year 1999-2000 and \$21,424,200 GPR in fiscal year 2000-2001 for the Tuition Grant (TG) program. The TG program provides financial assistance to resident undergraduate students enrolled at least half time at private colleges and universities in Wisconsin; the program grants awards based on a student's financial need. Although there is no language in the budget bill that authorizes this increase, the purpose of this funding was included in the Conference Committee amendment to the budget bill.

I object to these increases because they are not consistent with anticipated tuition increases at Wisconsin's private colleges and universities over the next two years. By lining out the Higher Educational Aids Board's s. 20.235 (1) (b) appropriation and writing in a smaller amount that deletes \$803,800 GPR provided for this purpose in fiscal year 1999-2000, and \$385,600 GPR provided for this purpose in fiscal year 2000-2001, I am vetoing the part of the bill which funds this provision. This will provide a 14% increase over the biennium, an amount which should reflect expected tuition increases for the 1999-2001 period. Furthermore, I am requesting the Department of Administration secretary not to allot these funds.

PUBLIC INSTRUCTION

5. Neighborhood Schools Initiative

Sections 14g, 15m, 40k, 1630d, 2108s, 2143p, and 9158 (7tw).

These sections relate to the financing, planning, legislative oversight and implementation of the Neighborhood Schools Initiative. The intent of the initiative is to allow the board of directors of the Milwaukee Public Schools (MPS) to expand the number of neighborhood schools in the district and to reduce the number of MPS students that are involuntarily bussed within the school district. These provisions create a hold harmless provision limiting the reduction of intradistrict transportation aids the Milwaukee Public Schools (MPS) will receive under the special transfer (Chapter 220) program, require MPS to submit a report to the Legislature describing its plan for increasing the number and capacity of neighborhood schools in the district, create a Milwaukee School Construction Board to review the report drafted by MPS, place limits on the school facilities that can be constructed under the initiative and specify minority contracting requirements for construction funded under the initiative.

I am partially vetoing section 2143p to eliminate language that provides an inflationary adjustment to the intradistrict transportation aid received by MPS under the hold harmless provision included in the section. I am partially vetoing this section because the intent of the hold harmless provision, to provide a stable funding stream the district can use to retire the debt issued to finance the construction of neighborhood schools, can be met without indexing MPS' intradistrict transportation aid. Given that MPS currently does not spend all of its intradistrict Chapter 220 aid on actual transportation costs, the current level of funding is adequate to cover annual debt service on the \$170,000,000 in bonding authority provided under this initiative.

I am partially vetoing section 9158 (7tw) [as it relates to public hearings held by the MPS board] and vetoing section 2108s in its entirety because the detailed meeting requirements contained in these sections are overly prescriptive. The MPS board has assured me it intends to solicit broad public input from employees, parents and the greater Milwaukee community as it prepares its plan for reducing involuntary busing and opening neighborhood schools. Yet the board, as the duly elected representatives of the people of Milwaukee, knows best when, where and how to schedule hearings and listening sessions on this initiative. Setting in statute requirements for a specific number of hearings is an excessive infringement on local control that could affect the board's ability to prepare its proposal in time to meet the timelines spelled out elsewhere in this section.

I am also partially vetoing section 9158 (7tw) [as it relates to s. 121.85(2) through (5) of the statutes] to remove the requirement the MPS board include in its report a plan for complying with current Chapter 220 provisions. I object to this requirement because the bill does not alter existing Chapter 220 requirements and the additional reporting requirement is an unnecessary mandate.

In addition, I am partially vetoing section 9158 (7tw) [as it relates to the Milwaukee school construction board] and vetoing sections 14g, 15m and 40k in their entirety to eliminate the Milwaukee school construction board. I object to these provisions because this new entity will create an unnecessary level of oversight and will undermine the authority of the elected Board of Directors of MPS. I have been impressed with the changes already instituted by the new school board and I am willing to give them time to pursue reforms that will produce the well-trained, highly skilled graduates Milwaukee needs. The voters of the City of Milwaukee have embraced a platform of change to place MPS on the right track, and I trust them and their representatives on the board to implement this plan to improve the delivery of education to every child under their care.

I am also partially vetoing section 9158 (7tw) [as it relates to Senate or Assembly education committee hearings] to remove a provision that allows a member of either the Senate or Assembly education committees to call a hearing on the report submitted by the MPS board to the Joint Committee on Finance (JCF). I object to this provision because the bill already provides for adequate review by the Legislature, as the board must submit its plan for neighborhood schools to JCF. Furthermore, vetoing this provision does not limit the ability of either committee to call a hearing on this matter if it so chooses at any time. I expect the members of the MPS board to hold extensive meetings with the Milwaukee legislative delegation and the members of the Senate and Assembly committees as the Neighborhood Schools Initiative progresses. Regular and

complete consultations with legislators and members of the general public will ensure the plan has the necessary support and input to make the board's vision a success.

Because of the delayed passage of the budget bill, I am partially vetoing section 9158 (7tw) [as it relates to deadlines for submission and review of the Special Transfer Aid report] by striking the digit "1" in two places, thereby providing the MPS board with an additional month to deliver its report to the JCF and allowing the JCF an additional month to review the report. The late approval of the budget has already shortened the amount of time the MPS board has to develop and write its plan. An extra month is a reasonable extension under the circumstances to allow the board to garner the public comment and perform the financial and strategic analysis required to produce the document.

I am partially vetoing section 1630d [as it relates to the allowable uses of bonds issued under this provision] to expand the types of schools the district can construct with the proceeds of bonds authorized under this section. While I am sensitive to the concerns of some in the Milwaukee community about the types and locations of schools the board might create in its neighborhood schools plan, the bill as drafted would have unnecessarily restricted the board's ability to find creative and cost-effective ways to meet its goals. I am greatly encouraged the new MPS board and superintendent have embraced innovation and greater options for Milwaukee families and vowed to compete on the strength of the district's programming. The board should have the flexibility to make school construction decisions best suited to the needs of its students. I am preserving the restriction on modular schools, however, to reassure the representatives and parents of Milwaukee that the children of the city deserve first-class, permanent structures as they return to schools in their own neighborhoods.

Finally, I am also partially vetoing section 1630d [as it relates to minority contracting] because I find the targets specified in the bill nearly impossible to meet. While I fully support the goals of this provision, I am concerned that attempting to meet the percentages set forth in the bill could unnecessarily delay the completion of these critical construction projects. I have had extensive discussions with the MPS board and superintendent on this matter, and they assure me they will follow their declared policies to ensure a fair proportion of the total purchases and contracts or subcontracts for the Neighborhood Schools Initiative go to historically underutilized businesses. The board has expressed a willingness to pursue a goal that at least 30% of the aggregate dollar amount of contracts awarded to construct or renovate neighborhood schools go to businesses owned by minorities and women. In addition, the board has a strong commitment to increasing the participation of minority and women employees in its construction projects. The board has also expressed a willingness to set a goal that at least 30% of the workers hired to complete the neighborhood schools facilities plan be women and members of minority groups. I am willing to support legislation that includes minority contracting language related to this initiative that is similar to language in effect for other recent state building projects in Milwaukee. In an era in which nearly half of our skilled tradesmen will be retiring in the next five years, the MPS board has also assured me it understands its responsibility to make sure its schools train the workers needed to solve this looming labor shortage and fulfill these important minority contracting and participation goals.

6. SAGE Program Eligibility and Bonding Program

Sections 172 [as it relates to ss. 20.255 (1) (a) and 20.255 (2) (ac)], 2096, 2099, 2100 and 2140

These provisions authorize the Department of Public Instruction (DPI) to expand the Student Achievement Guarantee in Education (SAGE) program by entering into a third round of 5-year achievement guarantee contracts with school districts, provide the department with additional positions to administer the program, appropriate funding for the SAGE bonding program and exclude funding for that program from the definition of state school aids.

I am partially vetoing section 2140 to include funding under DPI's s. 20.255 (2) (cs) appropriation in the definition of "state school aids." I am partially vetoing section 2140 because the purpose of the SAGE bonding program and the distribution of program funding are similar to categorical aid programs that are included in the current law definition of "state school aids." By lining out DPI's s. 20.255 (2) (ac) appropriation and writing in a smaller amount that deletes \$1,000,000 GPR in fiscal year 2000-2001, I am reducing the general equalization aids appropriation to reflect the impact of this change on the funding required to meet the state's commitment to fund two-thirds of partial school revenues. I am also requesting the Department of Administration secretary not to allot these funds. This is a technical change to reflect the proper calculation of the funding needed to meet the state's commitment to fund two-thirds of school costs.

I am partially vetoing section 2099 because, as worded, it would limit participation in the third round of SAGE contracts to school districts, other than the Milwaukee Public Schools (MPS), which contain a school whose enrollment is at least 65% low-income. I am partially vetoing the section to remove the 65% low-income threshold. I am also partially vetoing the section to remove the exclusion of MPS. I am vetoing section 2100 in its entirety because the partial veto of section 2099 eliminates the need for this section. I am also partially vetoing section 2096 to expand eligibility for the program to all school boards regardless of the percentage of their students that meet the program's low-income standard. These vetoes will remove the arbitrary barrier to allowing schools to participate in the program as intended by the Legislature.

Finally, section 172 [as it relates to s. 20.255 (1) (a)] provides \$112,800 GPR in fiscal year 1999-2000 and \$205,500 GPR in fiscal year 2000-2001 for an additional 3.0 FTE GPR positions to administer the SAGE program. Although there is no language in the budget bill that authorizes this increase, the purpose of this funding was included in the Conference Committee amendment to the bill.

By lining out DPI's s. 20.255 (1) (a) appropriation and writing in a smaller amount that deletes the \$318,300 GPR provided for this purpose in fiscal year 1999-2000 and fiscal year 2000-2001, I am vetoing the part of the bill which funds these 3.0 FTE GPR positions. While the bill expands the SAGE program, the department does not require a permanent staff increase to accommodate these workload changes. If the initial expansion of the program creates increased workload, the department should consider an internal reallocation of staff resources to meet the short-term staffing needs. I am

also requesting the Department of Administration secretary not to allot these funds. Furthermore, I am requesting the secretary not to authorize 3.0 FTE GPR positions.

7. Foreign Language Requirement

Section 2128m

This provision eliminates the current law requirement that school districts provide regular foreign language instruction in the 7th and 8th grades.

I am vetoing section 2128m in its entirety to restore the current law foreign language instruction requirement. Wisconsin children must be prepared to participate in the global economy. I support school districts' efforts to provide foreign language instruction, which provides our students with the tools they need to succeed in the global economy. In addition, to help school districts expand foreign language instruction, I am directing the Technology for Educational Achievement in Wisconsin (TEACH) Board to expand the criteria it uses to award TEACH training and technical assistance grants to give additional weight to proposals that incorporate plans to use educational technology to deliver foreign language instruction.

8. High School Graduation Test

Section 2086h

This section provides that school boards and charter school operators must adopt a written policy specifying criteria, in addition to current law requirements, for granting a high school diploma. The criteria must include the pupil's score on the high school graduation test, the pupil's academic performance, the recommendations of teachers and any other criteria specified by the school board.

I am partially vetoing this section to remove the provision allowing a school board to include additional criteria in their graduation policies. I object to this provision because nonacademic criteria should play no role in the determination of a school board to award diplomas. Our students will be asked to compete in an ever-changing global workplace and our responsibility is to prepare them to succeed in that environment. I proposed a high school graduation examination on our core academic subjects to provide accountability at the secondary school level, and school boards should use this tool along with other academic criteria to evaluate whether their students have earned diplomas.

9. Revenue Limit Increase for Positive Tax Increment of a Tax Incremental District

Sections 2108m, 2126m, 2135t, 2139 and 2158m

These provisions allow an annual revenue limit exemption for school districts that include within their boundaries a Tax Incremental District (TID) that is terminated prior to its expiration date. The provisions allow a school board to create a capital improvement fund and to deposit in the fund the school district's portion of the positive tax increment of a TID that is terminated prior to the maximum number of years for the TID. The school district could deposit this sum each year beginning in the year TID is terminated until the year after the year the TID would have terminated if it had existed for the maximum number of years allowable under law. The school district's revenue limit would be increased by a sum equal to the positive tax increment that is deposited in the fund.

I am partially vetoing sections 2108m, 2135t and 2139, and vetoing sections 2126m and 2158m in their entirety to eliminate these provisions. I object to these provisions because the revenue limit exemption they create is too broad. A technical error in the language would create a general revenue limit exemption rather than the limited exemption intended by the Legislature. I also object to the broad applicability of the provision. Notwithstanding these objections, I support legislation that is crafted to address the specific school construction needs of the Kenosha Unified School District and I will work with legislative leaders to address this issue. The impact of TIDs and tax incremental financing (TIF) plans on school district financing is a complex issue that requires a comprehensive review. The impact of TIF law on school districts should be included in the work plan of the working group that the Department of Revenue secretary convenes to study the TIF law.

10. Foreign Language Instruction Grants

Sections 172 [as it relates to s. 20.255 (2) (fL)], 262p and 2042e

These provisions establish a foreign language instruction grant program at the Department of Public Instruction (DPI) providing \$350,000 GPR beginning in fiscal year 2000-2001.

I am vetoing these provisions because they do not reflect my intent to have the TEACH Wisconsin Board assist in the development of an innovative and efficient delivery system for foreign language instruction using distance learning and other educational technology. For Wisconsin to compete globally, students must develop their foreign language skills throughout their elementary, middle and high school years, and in the most technologically advanced way. In its current form, this provision will not allow us to maximize the use of cutting edge distance education strategies. I am not opposed to traditional classroom instruction, but to reach all students, especially those in low-enrollment rural districts, foreign language instruction needs to develop new methods of delivery. While vetoing these provisions does not restore the foreign language instruction grant program at TEACH, I am directing the TEACH Board to incorporate

innovative foreign language instruction criteria into the competitive grant process for training and technical assistance grants.

11. Minority Group Pupil Scholarships

Section 172 [as it relates to s. 20.255 (3) (fz)]

This provision increases funding for minority group pupil scholarships by \$950,000 GPR in fiscal years 1999-2000 and 2000-2001.

I am vetoing this provision because it nearly doubles the expenditure authority for this appropriation in each year of the biennium. By lining out the Department of Public Instruction's s. 20.255 (3) (fz) appropriation for minority group pupil scholarships and writing in smaller amounts that delete \$475,000 GPR in each fiscal year, I am vetoing the part of the bill which funds this provision. Despite the veto, the minority group pupil scholarships program will still receive a 45% increase. I am also requesting the Department of Administration secretary not to allot these funds.

12. Milwaukee Parental Choice Program Pupil Income Eligibility

Sections 2109m and 9339 (7c)

These provisions modify the eligibility criteria for the Milwaukee Parental Choice Program (MPCP) to allow a pupil to participate in the program if the pupil's family income, averaged over a four-year period, does not exceed an amount equal to 1.75 times the federal poverty level.

I am vetoing these provisions in their entirety to restore the current law eligibility requirements because, while I support the intent of these provisions, as drafted they would create a substantial administrative burden for MPCP schools, students and their families and could exclude some students currently enrolled in the program. I will work with the Legislature to pass legislation that allows MPCP students to remain eligible for the program even if their family's income rises above 1.75 times the poverty threshold, but ensures that the focus of the program remains on providing a wide range of educational options to students whose choices are constrained by the economic situations of their families.

13. Agricultural Education Consultant Position

Sections 172 [as it relates to s. 20.255 (1) (q)], 252p and 9139 (2g)

These sections create a sum certain appropriation in the Department of Public Instruction funded from the agricultural chemical cleanup fund to provide funding for an agricultural educational consultant at the department.

I am partially vetoing section 172 [as it relates to s. 20.255 (1) (q)] and vetoing sections 252p and 9139 (2g) to remove the 1.0 FTE SEG position and funding. While I support efforts to expand agricultural education, the agricultural chemical cleanup fund is not an appropriate source of funding for this purpose. The segregated fund was created to provide reimbursement of charges associated with the cleanup of agricultural chemical discharges. Funds that are deposited in the agricultural chemical cleanup fund come from fees and surcharges paid by sellers of agricultural chemicals. Furthermore, DPI already has 2.0 FTE, GPR-funded, agriculture education consultants.

14. Direct Instruction Program Grant

Section 2042m

This provision directs the Department of Public Instruction to award a grant of \$280,000 annually, from fiscal year 1999-2000 to fiscal year 2002-2003, to the University of Wisconsin - Milwaukee to conduct a direct instruction pilot program. The grant funding would come from the department's PR-F appropriation under s. 20.255 (1) (m).

I am partially vetoing section 2042m to reduce the annual grant award to \$80,000. I am partially vetoing this provision because the department, at present, does not have adequate discretionary federal funds to award the higher grant amount without adversely affecting other educational priorities. Notwithstanding this partial veto, I believe that the proposed direct instruction pilot program has the potential to add significantly to our understanding of how the interaction of school reforms can improve student learning. Furthermore, I strongly encourage the department to seek additional federal or private funding to support this important research effort, and I intend to revisit this issue in future legislation.

STATE HISTORICAL SOCIETY

15. Heritage Trust Program

Sections 172 [as it relates to s. 20.245 (3) (a) and (e)], 247g, 628, 628b, 641m, and 946m

This provision establishes a Heritage Trust Program, establishes definitions regarding the program, and sets limits upon grants made to the trust and grants for preservation. As described in section 946m, the Heritage Trust Program would have provided the State Historical Society (SHS) with bonding revenue to make grants for historic preservation and would have also used bonding revenue to establish a trust for historic preservation.

I am vetoing this provision because it could have a negative impact on the state's ability to issue bonds. The state has a strategic plan for using its bonding authority with proposals undergoing multiple levels of review. The Heritage Trust Program did not undergo this review, nor was a review done of how this program would fit into the state's

overall debt management. Furthermore, approval of this program would increase the state's authorized bonding level at a time when many believe it is approaching its limit.

I am vetoing sections 247g and 172 [as it relates to s. 20.245 (3) (e)] because these sections provide \$50,000 GPR in fiscal year 2000-2001 in a sum sufficient appropriation for the payment of bond interest and principal and section 641m because it provides a schedule for the amount of authorized debt that the state can assume for this purpose. I am also partially vetoing sections 628 and 628b, which reference s. 20.245 (3) (e).

Section 172 [as it relates to s. 20.245 (3) (a)] provides \$25,000 GPR in fiscal year 1999-2000 and \$50,000 GPR in fiscal year 2000-2001 for an additional 1.0 FTE position to administer the Heritage Trust Program. Although there is no language in the budget bill that authorizes this increase, the purpose of this funding was included in the Conference Committee amendment to the bill. By lining out SHS's s. 20.245 (3) (a) appropriation and writing in a smaller amount that deletes the \$75,000 GPR provided for this purpose in fiscal years 1999-2000 and 2000-2001, I am vetoing the part of the bill which funds the 1.0 FTE position.

TEACH WISCONSIN

16. Funding for K-12 Instructional Web Site

Section 9148 (2g)

This provision authorizes the TEACH Wisconsin Board to allocate \$502,000 GPR in fiscal year 1999-2000 to the University of Wisconsin System (UWS) for the development and maintenance of an Internet site which would instruct K-12 teachers on the integration of technology into the classroom. The web site would be maintained until September 1, 2001.

I am partially vetoing this provision because providing \$502,000 GPR to UWS for this purpose would reduce needed resources for training and technical assistance for cooperative educational service agencies (CESAs) and educational consortia, who are the primary beneficiaries of this program. The effect of this partial veto will be to provide \$52,000 GPR to UWS during the biennium. Furthermore, I am directing the University of Wisconsin-Milwaukee to use this funding to partner with the TEACH Board, the Wisconsin Technical College System and the Department of Public Instruction to provide web-based instruction for educators.

17. Training and Technical Assistance Grants

Sections 172 [as it relates to s. 20.275 (1) (et)], 273n, 955m, 955p and 9148 (2x)

Sections 172 and 273n modify the educational technology training and technical assistance grant appropriation from a biennial to an annual appropriation. Section 955p requires the TEACH Wisconsin Board to consult with the Department of Public Instruction (DPI) prior to awarding training and technical assistance grants. Sections

955m and 9148 (2x) authorize the TEACH Wisconsin Board to promulgate emergency rules for the purpose of implementing the training and technical assistance grant program, and to submit the proposed rules to the Joint Committee on Information Policy (JCIP) for a 14-day passive review.

I am partially vetoing sections 172 and 273n to restore this appropriation as a biennial appropriation. The effect of this veto will be to retain the TEACH Board's flexibility in awarding training and technical assistance grants to educators.

I am vetoing section 955p because it unnecessarily hinders and delays the TEACH Wisconsin staff's ability to award training and technical assistance grants. While I encourage the TEACH Board to seek input from DPI when appropriate, I oppose mandating this consultation in statute.

I am vetoing sections 955m and 9148 (2x) in order to remove the requirements that the TEACH Board promulgate rules, and submit them to JCIP under the 14-day passive review process. The effect of these vetoes will be to delete the emergency rule-making and passive review requirements. Given the delay in the budget's passage, new rule-making requirements will only impede the TEACH staff's ability to complete the competitive grant process in a fair and timely manner.

18. 2001-2003 Biennial Budget Requirements

Section 9148 (1w)

This provision requires the TEACH Wisconsin Board to submit a biennial budget request which includes information concerning the long-term size, funding needs, funding sources and duration of the telecommunications access program.

I am vetoing this provision because the TEACH Board has developed performance-based budgeting information as part of its biennial budget submission. Requiring the TEACH Board to submit additional information about the telecommunications access program creates additional work and unnecessary duplication.

19. Federal E-Rate Reporting Requirements

Section 953g

This provision would require the TEACH Wisconsin Board to submit an annual report to the Department of Administration, the Joint Committee on Finance and the Public Service Commission on the status of federal E-rate discounts, which are used to discount telecommunications services, Internet access, and internal connections for eligible schools and libraries.

I am vetoing this provision because the TEACH Board already has to meet significant reporting requirements as part of its statutory obligations. Information about the federal

E-rate program can be included in existing reporting requirements and does not require a separate report.

20. Federal E-Rate Appropriations

Sections 172 [as it relates to s. 20.275 (1) (gf), (gg) and (gh)], 274m, 274r, 274t, 279m, 280m, 281m and 2329

These provisions create three continuing appropriations for the receipt of federal E-rate funding, and stipulate that federal E-rate funding received should be used to offset state spending for educational technology.

I am vetoing these provisions because they unnecessarily restrict the TEACH Wisconsin Board's decision-making abilities regarding federal E-rate funding. Given the current uncertainty surrounding the federal E-rate program, the TEACH Board will need as much flexibility as possible to meet changes that might occur at the federal level. In vetoing these provisions, I am directing the TEACH Board not to use federal E-rate funding for additional staff, but instead to offset state spending on telecommunications access subsidies to the extent possible.

UNIVERSITY OF WISCONSIN HOSPITAL AND CLINICS AUTHORITY

21. Bonding Authority Limitations

Sections 2367e, 2367m, 2367o, 2367q, 2368m and 2368r

These provisions restrict the University of Wisconsin Hospital and Clinics Authority (UWHCA) from issuing bonds or incurring indebtedness through the Wisconsin Health and Educational Facilities Authority for the purpose of purchasing a health maintenance organization (HMO) or insurance company.

I am vetoing these provisions because a restriction of this sort could have a negative impact on the bond ratings UWHCA receives for any of its bond issues. While UWHCA has no plans to purchase an HMO or insurance company with this bonding authority, it is important for the authority to be able to obtain the most favorable rate possible for its bonds.

UNIVERSITY OF WISCONSIN SYSTEM

22. Plan for Increased Enrollment

Sections 172 [as it relates to s. 20.865 (4) (a)] and 9154 (3d)

Section 172 [as it relates to s. 20.865 (4) (a)] provides \$4,800,000 GPR in fiscal year 2000-2001 to the Joint Committee on Finance (JCF) appropriation for GPR general program supplementation. This funding is provided so JCF may supplement the

University of Wisconsin System (UWS) appropriation s. 20.285 (1) (a) if enrollment for the 2000-2001 academic year increases by 1000 students systemwide. Section 9154 (3d) specifies that UWS must enroll 300 students at UW-Madison and 700 additional students throughout the system in order to receive the supplemental funding under section 172.

I am vetoing section 172 [as it relates to s. 20.865 (4) (a)] to reduce the level of funding because the Board of Regents should explore more cost effective alternatives to increase access. To help achieve this, I am directing the board to spend at least \$1,000,000 on distance education-based strategies to increase access. Additionally, the board should explore ways to combine the resources under this initiative with the \$1,000,000 in new funding provided under the Diversity 2008 initiative to both increase access and diversity. By lining out the JCF's s. 20.865 (1) (a) appropriation and writing in a smaller amount that deletes \$1,000,000 of the \$4,800,000 GPR provided for this purpose in fiscal year 2000-2001, I am vetoing the part of the bill which funds this provision. Furthermore, I am requesting the Department of Administration secretary not to allot these funds.

I am partially vetoing section 9154 (3d) to remove the requirement that 300 students be enrolled specifically at the UW-Madison. UW-Madison has provided assurances that it will take an additional 300 students. I object to setting enrollment targets for individual campuses in the statutes.

23. Lawton Minority Undergraduate Grant Appropriation

Sections 172 [as it relates to s. 20.285 (4) (dd)], 297t, 894m and 9454 (1g)

Section 172 [as it relates to s. 20.285 (4) (dd)] provides \$2,638,000 GPR in fiscal year 1999-2000 and \$2,891,200 GPR in fiscal year 2000-2001 for the Lawton Minority Undergraduate Grant program. Although there is no language in the budget bill that authorizes this increase, the purpose of this funding was included in the Conference Committee amendment to the budget bill.

Section 297t changes the appropriation for the program from an annual, sum certain to a sum sufficient appropriation. Section 894m alters the method for determining the funding for the program by increasing the appropriation by the highest percentage increase in resident undergraduate tuition charged at a University of Wisconsin System (UWS) institution in the prior school year. The Lawton Minority Undergraduate Grant program provides financial assistance to undergraduate minority students enrolled at least half time at a UWS college or university.

I am partially vetoing the increase in fiscal year 2000-2001 to reflect the impact of the tuition freeze on UWS resident undergraduate students included in this bill. By lining out the UWS's s. 20.285 (4) (dd) appropriation and writing in a smaller amount that deletes \$253,200 of the \$2,891,200 GPR provided for this purpose in fiscal year 2000-2001, I am vetoing the part of the bill which funds this provision. Furthermore, I am requesting the Department of Administration secretary not to allot these funds. The resulting zero

percent increase in funding between fiscal year 1999-2000 and fiscal year 2000-2001 is consistent with the tuition freeze for resident undergraduate students attending UWS institutions in 2000-2001.

I object to sections 297t and 894m because making this appropriation sum sufficient and linking it to tuition increases limits the Governor's and the Legislature's flexibility to address issues that may affect the level at which this program is most appropriately funded. By vetoing these sections, the Lawton Minority Undergraduate Grant program will continue to operate as an annual appropriation.

24. Advanced Opportunity Program

Section 172 [as it relates to s. 20.285 (4) (b)]

Section 172 [as it relates to s. 20.285 (4) (b)] provides \$4,309,400 GPR in fiscal year 1999-2000 and \$4,568,000 GPR in fiscal year 2000-2001 for the Advanced Opportunity Program (AOP). Although there is no language in the budget bill that authorizes this increase, the purpose of this funding was included in the Conference Committee amendment to the budget bill.

I object to this increase because funding increases for AOP should be consistent with other financial aid programs administered by the University of Wisconsin System (UWS). UWS also administers a financial aid program for undergraduate minority students, which will receive no increase in funding between fiscal year 1999-2000 and fiscal year 2000-2001, to reflect the tuition freeze for resident undergraduate students attending UWS institutions in 2000-2001. By lining out UWS's s. 20.285 (4) (b) appropriation and writing in a smaller amount that deletes \$258,600 GPR provided for this purpose in fiscal year 2000-2001, I am vetoing the part of the bill which funds this provision. Furthermore, I am requesting the Department of Administration secretary not to allot these funds.

25. GPR Position Flexibility

Section 9154 (3t)

This section prohibits the Board of Regents from including in any certification to the Department of Administration for supplementation for compensation and fringe benefits under s. 20.928 (1) of the statutes any sum to pay costs of a position authorized under this section during the 1999-2001 biennium.

I am partially vetoing this section to ensure that the limitation concerning supplementation for compensation and fringe benefits will apply to all future biennial budgets, rather than just the 1999-2001 budget. Under the GPR position flexibility provision, the board's proposal to increase GPR positions by 1% may be approved only if the incremental costs for these positions are not to be included in any subsequent request submitted by the board under s. 16.42 (1) of the statutes. Deleting the reference to the 1999-2001 biennial budget will result in a more consistent policy for the board concerning GPR position flexibility.

26. Area Health Education Centers

Section 172 [as it relates to s. 20.285 (1) (b)]

Section 172 [as it relates to s. 20.285 (1) (b)] provides \$1,504,300 GPR in fiscal year 1999-2000 and \$1,504,300 GPR in fiscal year 2000-2001 for Area Health Education Centers (AHECs). Although there is no language in the budget bill that authorizes this increase, the purpose of this funding was included in the Conference Committee amendment to the budget bill.

This provision increases state funding for AHECs by nearly 90% over fiscal year 1998-1999. While the increase was provided in large part to offset a reduction in federal funding, the state should not be obligated to offset every reduction in federal funds. By lining out the University of Wisconsin system's s. 20.285 (1) (b) appropriation and writing in a smaller amount that deletes \$350,000 of the \$1,504,300 GPR provided annually for this purpose in fiscal years 1999-2000 and 2000-2001, I am vetoing the part of the bill which funds this provision. This still provides a 44% increase in GPR support for AHECs. I am also requesting the Department of Administration secretary not to allot these funds.

27. Information Technology Student Retention Plan and Report

Section 9154 (1d)

Section 9154 (1d) requires the University of Wisconsin System (UWS) to develop a retention plan that would help ensure that students who receive information technology training from the UWS and are employed as student workers in the UWS's information technology area are retained as employees in that area for the duration of their enrollment. The Board of Regents would be required to submit its plan to the Joint Committee on Finance (JCF) before November 1, 1999. This section further requires the board to report annually to JCF concerning the numbers of student information technology positions filled during the 1999-2000 fiscal year, as well as information related to salaries, training costs and turnover rates.

I am vetoing Section 9154 (1d) to eliminate the requirement that the UWS develop a student retention plan and report annually to JCF concerning student information technology workers because these provisions are unnecessary and burdensome. UWS already prepares an annual information technology plan, which includes a report on new student information technology positions. Furthermore, due to the late passage of the 1999-2001 budget bill, the board would not have sufficient time to develop and submit an adequate student retention plan by November 1, 1999, as required in section 9154 (1d).

28. Ginseng Research Grants

Section 172 [as it relates to s. 20.285 (1) (qd)], 295m and 9154 (2t)

Section 295m creates a new, biennial appropriation in the University of Wisconsin System (UWS) to provide one time funding in the 1999-2001 biennium for research concerning the properties of ginseng grown in Wisconsin. Section 172 [as it relates to s. 20.285 (1) (qd)] provides \$125,000 SEG annually for this research. The funding for this research comes from the agrichemical management fund.

I am vetoing this provision because, while I support efforts to improve the quality and profitability of ginseng farming in Wisconsin, the agrichemical management fund is not an appropriate source of funding for this purpose. The fund was created to address issues related to pesticide control and is funded through fees charged to providers of agricultural chemicals. To ensure that this valuable research is done, I am directing UWS to reallocate base resources to fund ginseng research.

29. Study of Programs in Marathon County

Section 887r

Section 887r directs the Board of Regents to study the feasibility of expanding the offering of 4-year and graduate degree programs in Marathon County, as soon as sufficient private or local government funds have been raised to pay for the study.

I am vetoing section 887r because it is unnecessary. UW-Stevens Point currently has collaborative degree-completion programs with UW-Marathon County. Furthermore, additional programs can be created to meet student's academic demands at UW-Marathon County. In addition, the Board of Regents has the authority to study this issue without a legislative directive.

30. Stray Voltage Research

Sections 172 [as it relates to s. 20.155 (1) (jm)], 222m, 891k and 997m

These sections provide \$200,000 PR annually for stray voltage research to be conducted by the University of Wisconsin System (UWS) and the Department of Health and Family Services (DHFS). Revenues will be generated through assessments on private utilities.

I am partially vetoing section 222m and vetoing section 997m to delete the stray voltage research program at DHFS. DHFS is not the appropriate agency to be conducting scientific research of this type. By lining out the Public Service Commission's s. 20.155 (1) (jm) appropriation and writing in a smaller amount that deletes \$25,000 of the \$200,000 PR provided annually for this purpose, I am vetoing the part of the bill which funds this provision. Furthermore, I am requesting the Department of Administration secretary not to allot these funds.

I am partially vetoing section 891k to delete the statutory priorities mandating how the UWS conducts stray voltage research. UWS researchers need flexibility to design research in a manner that will produce accurate and objective conclusions. I am confident that the Board of Regents will ensure that the research on stray voltage will address the most significant concerns of Wisconsin citizens.

31. Wisconsin Humanities Council

Section 172 [as it relates to s. 20.285 (1) (ff)]

Section 172 [as it relates to s. 20.285 (1) (ff)] provides \$125,000 GPR in fiscal year 1999-2000 and \$125,000 GPR in fiscal year 2000-2001 for the Wisconsin Humanities Council (WHC). Although there is no language in the budget bill that authorizes this increase, the purpose of this funding was included in the Conference Committee amendment to the budget bill.

I object to this increase because it is excessive. This provision increases funding for the WHC by 150% over fiscal year 1998-1999. By lining out the University of Wisconsin System's s. 20.285 (1) (ff) appropriation and writing in a smaller amount that deletes \$50,000 of the \$125,000 GPR provided annually for this purpose in fiscal years 1999-2000 and 2000-2001, I am vetoing the part of the bill which funds this provision. This will still provide a 50% increase over fiscal year 1998-1999. Furthermore, I am requesting the Department of Administration secretary not to allot these funds.

WISCONSIN TECHNICAL COLLEGE SYSTEM

32. Agricultural Education Consultant

Sections 172 [as it relates to 20.292 (1) (q)], 302p and 9147 (3w)

These sections create a sum certain appropriation in the Wisconsin Technical College System funded from the agricultural chemical cleanup fund to provide funding for an agricultural educational consultant at the Wisconsin Technical College System.

I am partially vetoing sections 172 [as it relates to s. 20.292 (1) (q)], 302p and 9147 (3w) to change the \$89,200 biennial funding for the 0.75 FTE agricultural education consultant position authorized in these sections from segregated revenue to general purpose revenue. While I believe that providing high quality post-secondary training programs in agriculture is vital to the future of farming in Wisconsin, the agricultural chemical cleanup fund is not an appropriate source of funding for this purpose. The segregated fund was created to provide reimbursement of charges associated with the cleanup of agricultural chemical discharges. Funds that are deposited in the agricultural chemical cleanup fund come from fees and surcharges paid by sellers of agricultural chemicals.

33. Rules for Wisconsin Technical College System Grant Programs

Sections 40t and 901r

Section 40t includes a provision that the Department of Administration (DOA) shall promulgate rules to establish the criteria for judging applications from technical college districts to develop or expand programs in occupational areas in which there is a high demand for workers. Section 901r includes a provision that the Wisconsin Technical College System Board (the board) shall promulgate rules to establish the criteria for judging applications from technical college districts to add course sections for courses where student demand exceeds capacity.

I am partially vetoing these sections to remove the requirement that DOA and the board must promulgate rules to establish the criteria for judging applications for these programs. The requirement to promulgate rules would hinder the ability of the Technical College System Board and DOA to quickly address new or changing workforce training needs.

B. ENVIRONMENTAL AND COMMERCIAL RESOURCES

AGRICULTURE, TRADE AND CONSUMER PROTECTION

1. Conservation Reserve Enhancement Program

Section 1933gm

This section requires the Department of Agriculture, Trade and Consumer Protection (DATCP) to work with the Department of Natural Resources (DNR) to administer the Conservation Reserve Enhancement Program (CREP), as approved by the Secretary of the U.S. Department of Agriculture. This section also creates several requirements for Wisconsin's participation in CREP, including a grassland component, the amount of land covered by permanent conservation easements and a prohibition on the land enrolled being used for bird, game, deer and fur farms.

I am partially vetoing this section because it unduly restricts the state's ability to work with the federal government to fashion a program that provides the most benefits to Wisconsin farmers and residents. In developing a proposal for my review, I urge DATCP to work with a wide range of interest groups, DNR and counties to create a program focused on full-time farming operations.

2. Pesticide Database

Sections 172 [as it relates to s. 20.115 (7) (uc)], 189e, 189g, and 1942mc

These sections appropriate \$250,000 SEG from the agricultural chemical management fund and \$150,000 SEG from the environmental fund for the Department of Agriculture, Trade, and Consumer Protection to contract for the development of a pilot pesticide sales and use database. The funds have been placed in a Joint Committee on Finance segregated appropriation for release upon submittal of a plan for the database.

I am partially vetoing these sections to delete funding from the agricultural chemical management fund, the requirement for the department to contract for database development and the due date of the plan because they are either inappropriate or overly restrictive. The agrichemical management fund is supported by user fees for the purpose of regulating chemical use related to agricultural production and commercial applications. The fund is also being drawn upon in this budget to support general fund programs.

The effect of this veto will be to reduce expenditures in the sum sufficient appropriation under s. 20.865 (4) (u) by \$250,000 in fiscal year 1999-2000. I am requesting the Department of Administration secretary to place \$250,000 SEG in fiscal year 1999-2000 into unallotted reserve in appropriation s. 20.865 (4) (u) to lapse to the segregated agrichemical management fund.

My vetoes will leave \$150,000 SEG for the department to study the development of a pesticide database. This funding is adequate to accomplish the goal. I request that the department seek consensus in developing a plan for review by the Joint Committee on Finance before December 31, 2000.

3. Agricultural Chemical Cleanup Fund – GPR Appropriation

Sections 184e, 1945e and 1945g

These sections eliminate the GPR appropriation for the agricultural chemical cleanup program.

I am vetoing these sections to restore the GPR appropriation because I object to removing the option of GPR funding for this program in the future. This program has historically been partially supported by GPR to reflect the general public benefit associated with cleanups of agricultural chemical spills.

4. Purchase of Development Rights Pilot Program

Sections 172 [as it relates to s. 20.115 (7) (dr)], 184c and 1580p

These provisions provide \$500,000 GPR in fiscal year 1999-2000 for the Town of Troy in St. Croix County to purchase development rights on agricultural land within the town. Section 1580p also authorizes the town to collect repayments of farmland preservation tax credits on parcels that are rezoned out of exclusive agricultural zoning. These sections sunset one year after the effective date of the budget bill.

I am vetoing these provisions because programs of this kind should be locally based and coordinated with other planning initiatives. The state currently provides several incentives, such as use value assessments, Stewardship Program grants and various tax credits, to local units of government and farmers to retain land in agriculture or open space. Local support and planning processes should determine the creation and focus of any preservation efforts. I also object to authorizing the town to recover farmland preservation tax credit repayments. Allowing local units of government to recover these payments would cause inconsistent treatment of land rezoned out of exclusive agricultural zoning and create an incentive for local units of government to rezone parcels out of agricultural use.

5. Financial Assistance for Paratuberculosis Testing

Section 172 [as it relates to s. 20.115 (2) (c)] and 1945s

This provision creates an appropriation for financial assistance to farmers for the first herd test for paratuberculosis disease in livestock.

I am partially vetoing section 172 [as it relates to s. 20.115 (2) (c)] to delete the \$100,000 GPR appropriation for fiscal year 1999-2000 because it is unnecessary. The Department of Agriculture, Trade and Consumer Protection will need time to develop an application and award process for this funding.

I am partially vetoing section 1945s to remove the reference to providing financial assistance for the first herd test because it is inequitable for farmers that have already tested their herds for paratuberculosis. I request the department in developing the rules for this program to establish a process for providing financial assistance to farmers that have already conducted herd tests.

6. Weights and Measures Enforcement in Certain Towns

Section 1950m

This section expands the definition of municipality for purposes of local weights and measures enforcement to include towns with population above 5,000.

I am vetoing this section because it is excessive. Small towns should not be forced to incur the cost of a weights and measures enforcement program simply because their population exceeds 5,000. However, I do recognize equity issues concerning weights and measures enforcement in certain urban towns and request the Legislature to enact separate legislation to address those specific issues.

7. Telecommunications Complaint Reporting Requirements

Sections 1930r, 9104 (1m), 9130 (2m), 9141 (5m) and 9404 (2m)

These sections require the Department of Agriculture, Trade and Consumer Protection to annually report on telecommunication services complaints to the Legislature. These sections also require the department to establish a memorandum of understanding with the Department of Justice and the Public Service Commission concerning coordination of each agency's efforts to address consumer complaints regarding telecommunication services.

I am vetoing these sections because they are excessive and unnecessary. The Department of Agriculture, Trade and Consumer Protection continues to diligently pursue all consumer complaint issues, including those related to telecommunication services. The department has sought to work closely with the Department of Justice concerning legal action against violators and has engaged the Public Service Commission in cooperative efforts concerning enforcement of consumer protection laws related to telecommunication services. Reports regarding coordination of effort and volume of complaints can be provided without directives from the Legislature.

8. Federal Funding for Agricultural Export Marketing

Section 1930j

This section requires the Department of Agriculture, Trade and Consumer Protection to seek a certain level of federal funding for agricultural export marketing each year.

I am vetoing this section because it is unnecessary. The department is continually seeking federal funds to assist Wisconsin's agriculture industry in marketing its products nationally and internationally.

COMMERCE

9. PECFA – Deductibles

Sections 1991c, 1992c and 1993f

These sections change the current deductible for owners of underground storage tanks that handle more than 10,000 gallons per month from \$2,500 plus 5% of eligible costs with a maximum deductible of \$7,500, to \$3,000 for eligible costs up to \$60,000 plus 3% of eligible costs exceeding \$60,000. These sections also change the current deductible for farm tanks to a fixed deductible of \$5,000.

I am partially vetoing these sections to establish a deductible of \$2,500 plus 5% of eligible costs for both retail and non-retail underground tanks and to return to a maximum \$7,500 deductible for farm tanks because PECFA claimants must contribute to the fundamental changes necessary toward making the program solvent. Additional deductibles, cleanup oversight and process changes, risk-based assessment of sites, and state bonding for claims have been the cornerstones of my PECFA reform package. Fully realizing an overhaul of the program requires greater participation by owners in financing cleanups and controlling costs.

My veto retains authority for the Department of Commerce to promulgate rules to address financial hardship by allowing a deductible of \$2,500 plus 5% of eligible costs with a maximum deductible of \$7,500. I request the department to move quickly to develop these rules and include local governments involved in brownfields redevelopment projects in the class of tank owners that can be considered for a lower deductible.

10. PECFA – Interest Reimbursements

Section 1986e

This section changes the interest rate for reimbursement under the PECFA program from the prime rate plus 1% to a sliding scale based on the applicant's total gross revenue. The sliding scale ranges from the prime rate plus 1% for an applicant with total

gross revenues of less than \$5,000,000 to the prime rate minus 4% for an applicant with gross revenues of more than \$45,000,000.

I am partially vetoing this section to establish a two-tier reimbursement structure because state taxpayers cannot continue to absorb significant interest cost subsidies to PECFA claimants. For an applicant with gross revenues of less than or equal to \$25,000,000 in the previous tax year, interest costs will be reimbursed at the prime rate minus 1%. For an applicant with gross revenues greater than \$25,000,000 in the previous tax year, interest costs will be reimbursed at 4%. With limited PECFA funds available to reimburse claims each year, it is appropriate for the state to focus its limited resources on assisting owners and operators of petroleum storage tanks with fewer financial resources in order to ensure loans can be obtained to conduct environmental remediation. Since large companies are often able to self-finance PECFA cleanup costs, a lower interest reimbursement rate for these companies will help the fund remain solvent.

11. PECFA – Site Priority Classification

Section 1995r

This section specifies that a PECFA site is classified as high-risk if it has at least one of the following characteristics: (1) a groundwater enforcement standard exceedence in soil that has a hydraulic conductivity greater than 1×10^{-5} cm/sec; (2) a preventive action limit exceedence in a private or public potable well; (3) a groundwater enforcement standard exceedence exists within 100 feet of a private well or 1,000 feet of a public well; (4) presence of free product; or (5) a groundwater enforcement exceedence exists in a “fractured” bedrock.

I am partially vetoing this section to eliminate the use of soil hydraulic conductivity as one of the characteristics because it describes the type of soil but not the level of risk at a site. Categorization of sites should be tied as closely to risk as possible. This will ensure that appropriate levels of oversight and effort are given to the cleanup of high-risk sites.

12. PECFA – Risk Based Analysis Rule Deadline

Section 9110 (3yu) (a)

This section requires the Department of Commerce to submit permanent rules specifying a method for determining the level of risk at a particular site by June 1, 2000. The Department of Commerce and the Department of Natural Resources must develop a rule that specifies a method to assess the level of risk at petroleum sites. The goal is to close low-risk sites that pose little or no risk to public health and target limited funds at high-risk sites that pose a danger to public health and the environment.

I am partially vetoing this section to remove the June 1, 2000, deadline because it unnecessarily hinders this important process. Given the high level of public interest and the need to ensure that risk-based analysis is consistent with the state’s groundwater

protection law, it is important that the departments be given enough time to develop a rule that ensures cost-effective and environmentally responsible cleanups.

13. PECFA – Criteria for Waiver of Site Bidding Process

Section 1983t

This section exempts a PECFA site from the bidding process if either the Departments of Commerce or Natural Resources identifies an emergency situation or contamination at a site that poses an imminent hazard to the public or environment, one department provides notice to the other department, or a site has a groundwater enforcement exceedence within a public utility or a private well. The provision also allows the Departments of Commerce and Natural Resources to disqualify bids that are unreasonable and bidders with poor past performance records.

I am partially vetoing this section to eliminate the authority to exempt a site from the bidding process due to an emergency or because the site poses an imminent hazard to the public or environment. I object to the provision because the existence of an emergency or imminent hazard should not invalidate the bidding process for a particular site. Often an emergency or imminent hazard is discovered during the site investigation stage and is addressed by the site owner well before the bidding process is initiated. Criteria for cleanup cost reimbursement associated with a specific emergency or an imminent hazard response are specified in the Department of Commerce's administrative rules. Exempting sites because of emergency situations or imminent hazards could allow many sites to be exempted from the bidding process and reduce the program's ability to realize all cost savings under this process.

14. PECFA – Usual and Customary Costs

Sections 1986m, 1986p, 9110 (3yu) (c) and 9110 (3yx)

These sections require the Department of Commerce to promulgate emergency rules establishing a usual and customary cost schedule by November 1, 1999; prohibit the use of the usual and customary schedule at sites that are bid; require an annual review of the effectiveness of the schedule; and repeal the requirement for the schedule on July 1, 2001.

I am partially vetoing section 9110 (3yu) (c) to eliminate the requirement that the Department of Commerce promulgate an emergency rule by November 1, 1999, because it does not provide sufficient time for the department to develop a rule given the late passage of the budget. I am also partially vetoing sections 1986m and 9110 (3yx) and vetoing section 1986p to eliminate the sunset of the usual and customary costs because these cost control measures, if effective, should be permanent. It does not make sense to require the department to establish a cost schedule and then repeal the requirement at the end of the biennium.

15. Home Heating Oil Tank

Section 1975m

This section exempts a homeowner with an aboveground or underground home heating oil tank with a capacity of less than 1,100 gallons from any administrative rules requiring closure and upgrade requirements and tightness testing on the tank, connected piping or ancillary equipment to prevent an inadvertent release of a stored substance.

I am partially vetoing this section to eliminate the closure and upgrade exemption because it prevents the Department of Commerce from ordering closures on out-of-service tank systems at residential properties. Out-of-service tanks can be a hazard to public health and the environment and should be properly closed when no longer in service.

16. Private Sewage Replacement and Rehabilitation Program

Sections 2216m, 2217m, 2219m, 2219p, 2221m, 2223m, 2224m, 2228m, 2231m, 2236r, 2237g, 2237i, 9310 (4x) and 9410 (4x)

These sections give the highest priority for private sewage replacement and rehabilitation grants to failing systems that discharge into groundwater or outstanding resource waters of the state.

I am vetoing these sections because the prioritization does not adequately reflect threats to public health. Outstanding resource waters are often located in areas far from significant human habitation and have few, if any, private sewage systems. Since the current highest funding priority category already includes discharge to outstanding resource waters and groundwater, the change in funding categories is not necessary. The current funding priority categories provide the Department of Commerce with sufficient flexibility to respond to public health concerns and should be maintained.

17. Brownfields Grant Program

Sections 195c, 212d, 2937r, 2938c, 2938f, 2939n, 2945m and 9310 (6bn)

These sections expand the Brownfields Grant Program to include assistance for addressing areawide groundwater contamination, require the Department of Commerce to reduce the weight afforded to job creation in the scoring of applications and direct that \$1,400,000 be allocated in fiscal year 2000-2001 for awards that do not directly create jobs.

I am vetoing these provisions because I object to shifting the focus of the program away from economic development. I proposed this grant program in the 1997-1999 biennial budget in order to leverage economic development in urban areas and small cities through the remediation and redevelopment of brownfields. My vetoes will retain a requirement to provide at least \$400,000 in fiscal year 2000-2001 for applications that

are evaluated without consideration to the number of jobs created or retained. This change responds to the department's efforts to modify the scoring criteria to reflect the indirect job creation and retention benefits of certain brownfields projects. In addition, there are many other programs and liability exemptions that are available to local governments and individuals, including many enacted in this budget, in support of brownfields cleanup and redevelopment efforts that will not have a direct economic impact.

18. Wisconsin Development Fund Earmarks

Sections 196 [as it relates to ss. 560.081 (3) and 560.083], 204, 2937d, 2937f and 2980m

These sections earmark, set aside or require funding through the Wisconsin development fund for financial assistance to the following: Main Street Program communities, public retail markets and the Wisconsin Procurement Institute.

I am partially vetoing sections 196, 204 and 2980m and vetoing sections 2937d and 2937f to delete earmarks for Main Street Program communities and public retail markets and to limit the Wisconsin Procurement Institute earmark to a one-time grant. I object to these earmarks because they are inconsistent with the primary focus of the Wisconsin development fund, compromise the award selection process and limit the Department of Commerce in its efforts to create and retain jobs in Wisconsin. I am retaining the authority for the department to provide a one-time \$100,000 grant to the Wisconsin Procurement Institute to reflect the critical need to increase Wisconsin's meager share of federal aid. Local communities, organizations, businesses and individuals associated with the identified programs can continue to compete for funding through the wide array of economic development assistance offered by the department.

19. Grant for Manufacturing Technology Training Center

Section 9110 (5)

This section allows the Department of Commerce to make a grant of not more than \$1,500,000 to a consortium in the Racine-Kenosha area for a manufacturing technology training center.

I am partially vetoing this section to remove references to the amount of the grant because my budget included funding for this important initiative at a level of \$1,000,000 and that is an adequate level of funding. The funding was intended to support the efforts of a public-private consortium in Racine and Kenosha counties to build a manufacturing technology training center. I proposed this funding because support for partnerships between education and business are critical to ensuring that Wisconsin workers and students can obtain high skill jobs. As such, I request that the department work with the consortium toward a financial assistance agreement that meets the fundamental goals of my initial proposal.

20. Loan to City Brewery in La Crosse

Section 9110 (7bt)

This section requires the Department of Commerce to make a loan of \$1,500,000 to the City Brewery in La Crosse.

I am partially vetoing this section to remove the reference to a loan amount of \$1,500,000 because it limits the department's flexibility in reaching a financial agreement with the company. The amount of the loan necessary to support business operations is unknown at this time. As such, I am requesting the department to work with the owners of City Brewery in developing a financial assistance agreement that will ensure job creation and retention in La Crosse.

21. Biotechnology Development Finance Company

Sections 196 [as it relates to s. 560.28 (2) (a)] and 2983c

These sections provide \$1,000,000 from the Wisconsin development fund to support the establishment of a biotechnology development finance company.

I am vetoing this provision because it is unnecessary. Since my budget was introduced over eight months ago, the State of Wisconsin Investment Board has committed \$50,000,000 to support the startup of biotechnology ventures. In addition, the certified capital company legislation has been implemented that will make up to \$50,000,000 in venture capital available to start-up firms, including emerging biotechnology companies. I have requested the Department of Commerce to spearhead and coordinate efforts to bring these resources and other pools of venture capital together in support of biotechnology business development efforts. In addition, the department expects to commit up to \$1,000,000 from the Wisconsin development fund in the form of grants and loans to start-up biotechnology firms.

22. Community Development Block Grant Earmarks

Sections 9110 (7b) and 9110 (8e)

These sections earmark funding from the federal Community Development Block Grant (CDBG) Program for a new water well in Rib Mountain and a domestic violence shelter in Janesville.

I am partially vetoing these provisions to remove the reference to the federal CDBG appropriation because it is inconsistent with federal rules and regulations concerning the awarding of CDBG funding. The state receives funding from the federal government based on a set of goals and objectives. Applications are then solicited from municipalities and awarded based on a competitive scoring process that must conform to federal regulations. Earmarking funds from this program is inconsistent with federal law and risks the loss of federal funding. Nevertheless, both of these are worthy projects.

My veto retains the requirement that the Department of Commerce provide funding for these projects through either the CDBG program, if consistent with federal requirements, or another financial assistance program.

23. Grant to CAP Services, Inc.

Section 9110 (7v)

This section directs the Department of Commerce to provide a grant of \$25,000 annually in fiscal years 1999-2000 and 2000-2001 to CAP Services, Inc.

I am partially vetoing this provision to limit the funding requirement to fiscal year 1999-2000 because on-going funding undermines an objective application review process and potentially reduces funding for other projects. Applicants should follow the competitive award process in order to ensure that the highest priorities are met through the most cost-effective means possible.

24. Audit of State Economic Development Strategy

Section 9131 (1x)

This section requests the Joint Legislative Audit Committee to consider requesting the Legislative Audit Bureau conduct a performance evaluation audit of the state's economic development program.

I am vetoing this provision because it is unnecessary. The Department of Commerce continues to work with the Legislature in ensuring continued economic growth for the entire state through efforts that support the creation and retention of high-skill, high-wage jobs.

25. Development Zones – Effective Dates

Section 9343 (2)

This section establishes effective dates for development zone tax credits. I am partially vetoing this section to remove a delayed effective date because this provision conflicts with another section of the bill that makes the changes effective January 1, 1999. My veto will ensure those businesses engaging in job creation and retention and environmental remediation will receive the tax benefits as soon as possible.

LAND USE

26. Soil Surveys and Mapping

Sections 110n, 110r, 114m, 172 [as it relates to s. 20.505 (1) (kt)], 509w, 509y, 527, 527e, 615, 617, 619, 621, 623, 625, 627, 3262m, 3262n, 9401 (2zu), 9401 (4), 9401 (5), 9401 (6zu) and 9401 (6zv)

Sections 114m, 172 [as it relates to s. 20.505 (1) (kt)], 527, 527e, 3262m, 3262n and 9401 (2zu) provide the Land Information Board (board) with authority to conduct soil surveys and mapping activities and to assess state agencies for the costs related to these activities. These sections also delay the sunset of the board by two years, to September 1, 2005. Sections 110n, 110r, 509w, 509y and 9401 (6zu) and (6zv) establish a date to repeal the comprehensive planning grants program. Sections 615, 617, 619, 621, 623, 625, 627 and 9401 (4) and (5) repeal the appropriations for the additional biweekly payroll and the 1999 pay rate or range adjustments on June 30, 2001.

I am partially vetoing sections 114m, 172 [as it relates to s. 20.505 (1) (kt)], 527 and 9401 (2zu) and vetoing sections 527e, 3262m and 3262n to remove the authority of the board to assess state agencies, allow the Department of Administration to work with the board on these activities and to retain the board's current September 1, 2003, sunset date. I object to the expansion of the board's powers to allow it to assess state agencies and to the delay in the required review and sunset of the board. The board has a dedicated revenue source to fund its activities and should not need to assess other agencies. Also, the review of the board and the Wisconsin Land Council (council) were coordinated to ensure a complete evaluation of the state's land information and land use policies and activities. Delaying the repeal of the Land Information Board will compromise a thorough review of the board and council's roles and responsibilities. I request the Department of Administration and the Land Information Board work cooperatively to complete the soil surveys and mapping activities.

I am vetoing sections 110n, 110r, 509w, 509y, 615, 617, 619, 621, 623, 625, 627 and 9401 (4), (5) and (6zu) and partially vetoing section 9401 (6zv) because the repeal dates are unnecessary. Funding for the comprehensive planning grants program to assist local units of government in creating and amending local comprehensive plans will be decided each biennium, which allows for more frequent reviews of the program's effectiveness. The statutory language of the appropriations for the additional biweekly payroll and the 1999 pay rate and range adjustments clearly limit the use of these appropriations.

27. Model Land Development Ordinances

Sections 172 [as it relates to s. 20.285 (1) (ep)] and 1606m

Section 1606m requires the University of Wisconsin-Extension (UW-Extension) to develop model ordinances for traditional neighborhood development and conservation subdivisions. The section also requires cities, villages and towns with populations of at

least 12,500, to enact ordinances which are substantially similar to the model ordinances developed by the UW-Extension. Section 172 [as it relates to s. 20.285 (1) (ep)] provides \$161,800 GPR in fiscal year 2000-2001 for 2.0 FTE GPR positions to create and implement a local planning educational program for local units of government. Although there is no language in the budget bill that authorizes this increase, the purpose of this funding was included in a Joint Committee on Finance amendment to the bill.

I am partially vetoing section 1606m to remove the requirement that the ordinance enacted by a city, village or town be substantially similar to the model ordinance. Model ordinances are useful guides for local units of government, but each locality is unique. Removing the word "substantially" provides cities, villages and towns more flexibility to enact ordinances which best serve their communities. By lining out the University of Wisconsin System's s. 20.285 (1) (ep) appropriation and writing in a smaller amount that deletes \$80,900 GPR in fiscal year 2000-2001, I am vetoing the creation of 1.0 FTE GPR position because it is excessive. This veto retains 1.0 FTE GPR position to create the local planning program and coordinate the educational efforts of existing UW-Extension staff, who currently provide assistance on land use issues to local units of government. I am also requesting the Department of Administration secretary not to allot these funds and not to authorize the 1.0 FTE GPR position.

28. Easement Transaction Information

Sections 43h and 43j

These sections require the Wisconsin Land Council (council) to collect information on conveyances of land rights. The council would also be required to maintain a directory of this information. These sections do not apply after August 31, 2003.

I am vetoing these sections because they create an unnecessary burden on parties to land transactions. However, this information is important to understanding land use patterns in Wisconsin. Therefore, I request the Wisconsin Land Council study the reasons for using these types of transactions and make recommendations as to the need for this information, including cost-effective methods of information gathering and management.

29. Dane County Regional Planning Commission

Section 9158 (8w) (b)

Section 9158 (8w) (b) establishes a new process for selecting the membership of the Dane County Regional Planning Commission. I am partially vetoing this section to clarify that there is only one association that represents both cities and villages in Dane County. That association should be providing a list of names to the Governor from which he will select three members to represent Dane County cities and villages on the Dane County Regional Planning Commission.

NATURAL RESOURCES

30. Recycling

Sections 81g, 82pm, 82pr, 84m, 172 [as it relates to ss. 20.143 (1) (tm), 20.285 (1) (tb), and 20.370 (2) (hr), (6) (bu), and (8) (iw)], 215f, 311h, 1619, 1817be, 1817bf, 1817bh, 1817bi, 2560g, 2560h, 2562e, 2562m, 2563dt, 2563ed, 2563eh, 2569k, 2569m, 2927m, 9110 (7rm), 9110 (8h), 9136 (2e), 9136 (2g), 9358 (7m), and 9436 (11m)

These sections make the following changes to the state's recycling program:

- Impose a 3.3% surcharge on tax liabilities of companies with gross receipts greater than \$1,000,000, with a maximum payment of \$20,000.
- Impose a recycling tipping fee of \$2.00 per ton on solid waste and \$0.30 per ton on high-volume industrial waste.
- Increase the environmental repair tipping fee by \$0.023 per ton on all solid waste other than high-volume industrial waste.
- Increase municipal recycling grants from \$24,000,000 SEG to \$37,800,000 SEG annually.
- Change the current recycling grant distribution formula to a per capita formula based on a percentage of a municipality's population using curbside or drop-off collection of recyclable materials beginning with fiscal year 2000-2001.
- Provide \$1,000,000 SEG in fiscal year 2000-2001 under the Department of Commerce for recycling market development contracts and assistance.
- Specify that the 2.0 FTE SEG project positions authorized to manage the recycling market development grants, loans and contracts be made permanent and require that these positions include a loan portfolio manager and a commodity specialist.
- Provide funding to the Department of Natural Resources (DNR) for staff, supplies and computer system upgrades.
- Provide funding to the University of Wisconsin-Extension for 3.0 FTE SEG positions associated with recycling education and technical assistance.
- Provide \$200,000 SEG in fiscal year 1999-2000 for the Department of Natural Resources to conduct a landfill remediation study.
- Require all agencies with purchasing authority to prohibit the purchase of printer toner cartridges that cannot be remanufactured or recycled by any company other than the original manufacturer.

Sections 1817be, 1817bf, 1817bh, 1817bi, 2569k, 2569m, and 9436 (11m) establish a recycling surcharge on the tax liability of corporations, create a recycling tipping fee on solid waste and increase the environmental repair tipping fee. I object to these provisions because they place an unreasonable tax burden on businesses. I am vetoing section 2569m and partially vetoing sections 1817be, 1817bf, 1817bh, 1817bi, 2569k and 9436 (11m) to accomplish the following: (1) reduce the \$2 recycling tipping fee to 30 cents per ton of solid waste, eliminate the 2.3 cent per ton increase in the environmental repair fee and eliminate the 30 cent per ton recycling tipping fee for high-volume industrial waste; (2) increase the gross receipts threshold for the recycling surcharge from \$1,000,000 to \$4,000,000; (3) reduce the recycling surcharge rate from 3.3% to 3% for corporations and from 0.2607% to 0.2% for other filers; and (4) restore the previous maximum surcharge payment of \$9,800. These changes are expected to reduce the business tax and fee increases associated with this proposal by over 50%. While my vetoes reduce the tipping fee to 30 cents, I would consider a more reasonable fee level that is responsive to concerns about out-of-state waste.

Section 172 [as it relates to s. 20.370 (6) (bu)] provides an additional \$13,800,000 SEG annually for grants to municipalities for recycling programs. Although there is no language in the bill that authorizes this increase, the purpose of this funding was included in a Conference Committee budget motion. I object to this increase in funding because it is excessive. The current law appropriation of \$24,000,000 SEG represents a significant level of funding given the fact that the program was due to sunset in 2000. By lining out DNR's s. 20.370 (6) (bu) appropriation and writing in a smaller amount that deletes \$13,300,000 SEG annually, I am vetoing the part of the bill that funds part of this provision. I am also requesting the Department of Administration secretary not to allot these funds. My vetoes retain a \$500,000 SEG annual increase (for a total of \$24,500,000 SEG annually) in municipal recycling grants to maintain the current law funding level and provide an offset to the anticipated impact of the 30 cent recycling tipping fee on local government finances.

Sections 2560g, 2560h, 2560i, 2562e, 2562m, 2563dt, 2563ed and 2563eh establish a proportional grant distribution mechanism for 1999 and per capita distribution formula in 2000 and thereafter. I am vetoing sections 2560h, 2562m, 2563dt, 2563ed and 2563eh and partially vetoing sections 2560g and 2562e to change the current distribution formula to a proportional distribution based on 1999 awards. I object to creating a per capita distribution formula without a full discussion of the impact on local governments and through this veto seek to reduce the administrative burden on the local governments and the Department of Natural Resources. I request the Department of Natural Resources to establish in administrative rules, a procedure for providing grants to communities that did not receive a grant in 1999, but apply for assistance in 2000 or 2001.

Sections 172 [as it relates to s. 20.143 (1) (tm)], 215f, 2927m and 9110 (7rm) provide \$1,000,000 SEG in fiscal year 2000-2001 for recycling market development programs in the Department of Commerce and authorize the expenditure of these funds for a materials exchange program. I am partially vetoing these sections to eliminate the \$1,000,000 SEG and the references to a materials exchange program because the additional resources are unnecessary. This program, including the materials exchange

program, can be supported through the estimated \$4,600,000 in recycling market development loan repayments.

Section 9110 (8h) authorizes 2.0 FTE SEG permanent positions for a loan portfolio manager and a commodity specialist. I am partially vetoing this section to remove the specific position descriptions because it is excessive. The Department of Commerce needs maximum flexibility in allocating staff resources in support of an aggressive recycling market development program.

Section 9136 (2g) directs the DNR to submit a 2001-2003 biennial budget request that is reduced by \$325,000 SEG from base year amounts to reflect a one-time increase in funding for computer system upgrades. I am vetoing this section as well as the funding for the computer upgrades because they are unnecessary. The department should seek to maximize existing resources in addressing computer technology needs. Therefore, I am requesting the Department of Administration secretary to place \$325,000 SEG into unallotted reserve in fiscal years 1999-2000 and 2000-2001 in appropriation s. 20.370 (2) (hq) to lapse to the recycling fund.

Sections 172 [as it relates to ss. 20.370 (8) (iw)] provides \$199,800 SEG in fiscal years 1999-2000 and 2000-2001 to DNR for limited-term employe and supplies costs. Although there is no language in the bill that authorizes this increase, the purpose of this funding was included in a Conference Committee budget motion. I object to this increase because it is excessive. DNR will retain authority for 19.0 FTE SEG positions in this budget which is more than sufficient to address program workload. By lining out the DNR's s. 20.370 (8) (iw) appropriation and writing in a smaller amount that deletes \$175,000 SEG for this purpose in fiscal year 2000-2001, I am vetoing the part of the bill which funds part of this provision. I am also requesting the Department of Administration secretary not to allot these funds.

Section 172 [as it relates to s. 20.285 (1) (tb)] provides \$100,000 in fiscal year 1999-2000 and \$200,000 in fiscal year 2000-2001 to the University of Wisconsin-Extension (UWEX) for 3.0 FTE SEG positions. I object to this increase because it is excessive. UWEX will retain authority for 4.5 FTE SEG positions in this budget to address recycling education and technical assistance responsibilities. By lining out the University of Wisconsin's s. 20.285 (1) (tb) appropriation and writing in a smaller amount that deletes \$100,000 SEG in fiscal year 1999-2000 and \$200,000 in fiscal year 2000-2001 for this purpose, I am vetoing the part of the bill which funds this provision. I am also requesting the Department of Administration secretary not to allot these funds and not to authorize the 3.0 FTE SEG positions.

Sections 172 [as it relates to s. 20.370 (2) (hr)], 311h and 9136 (2e) provide \$200,000 SEG in fiscal year 1999-2000 for the Department of Natural Resources to conduct a study on landfill remediation. I am vetoing this provision because it is unnecessary. DNR currently has information on closed landfills and continues to work through existing programs to identify and remediate closed landfills that pose a threat to public health or the environment.

Sections 81g, 82pm, 82pr, 84m, 1619 and 9358 (7m) prohibit the purchase of printer toner cartridges that cannot be remanufactured or recycled by anyone other than the original manufacturer. I am vetoing this provision because it limits the flexibility of state agencies in making sensible purchasing decisions.

I remain committed to the ethic of recycling and reuse to ensure a healthy environment. However, that ethic must be balanced against the need to ensure a sound Wisconsin economy. The taxes and fees included in this budget to support local government spending for recycling are unreasonable. My vetoes seek to strike a balance by increasing local funding above current law levels, retaining a small tipping fee and reducing the formerly temporary recycling surcharge.

31. Sustainable Urban Development Zone Pilot Program

Sections 172 [as it relates to s. 20.370 (6) (es)], 332m, 1684d, 1709c, 1719g [as it relates to s. 71.07 (2dy), s. 71.28 (1dy) and s. 71.47 (1dy)], 1719m, 1722bd, 1740c, 1743d, 1747m, 1748bm, 1749k, 1756h, 1760q, 1798 [as it relates to s. 71.07 (2dy), s. 71.28 (2dy) and s. 71.47 (2dy)], 2649h, 9150 (3v) and 9343 (22c)

These sections create a Sustainable Urban Development Zone Pilot Program, including funding to support the investigation and cleanup of brownfields properties and targeted tax credits. The pilot program is to be developed by the Department of Natural Resources working in conjunction with the Departments of Administration, Commerce, Health and Family Services, Revenue, and Transportation. Funding of \$2,450,000 SEG is also allocated to the cities of Beloit, Green Bay, La Crosse, Milwaukee and Oshkosh.

I am partially vetoing sections 172, 1719g, 1798 and 2649h and vetoing the remaining sections because the pilot program has excessive requirements, the tax credits are unnecessary due to existing programs and the use of all-terrain vehicle account revenues for this pilot program is inconsistent with the goals of the all-terrain recreational vehicle program.

Through my vetoes, funding for the all-terrain vehicle account will continue to be used in a manner consistent with the intended purpose for collecting these user fees. In addition, a new tax credit program is unnecessary because the enterprise development zone program administered by the Department of Commerce has been expanded to include at least ten zones for environmental remediation purposes. I also believe that the pilot program can be adequately developed through the cooperative efforts of the Departments of Natural Resources, Commerce and Administration, with additional assistance available as needed from other state agencies. Regarding the allocation of funds to the specified cities, I request the Department of Natural Resources to work with those communities in addressing the shortfall of funding associated with vetoing the appropriation of all-terrain vehicle revenues.

32. Land Recycling Loan – City of Kenosha

Section 9136 (4x) (a)

This section earmarks \$3,000,000 from the land recycling loan program for the City of Kenosha and exempts the city from all financial requirements under the loan program.

I am partially vetoing this section to remove the \$3,000,000 earmark and the exemption from financial requirements because I am concerned about earmarking this amount of money in this manner. My veto retains the requirement to provide a loan to Kenosha for brownfields cleanup and redevelopment, and my administration will work with the Mayor of Kenosha to help accomplish its goals.

33. Brownfields Staff

Section 172 [as it relates to s. 20.370 (2) (dh) and (mq)]

These sections appropriate \$243,000 PR for 5.0 FTE PR positions and \$291,600 SEG for 6.0 FTE SEG positions in fiscal year 1999-2000 and \$292,500 PR for 5.0 FTE PR positions and \$351,000 SEG for 6.0 FTE SEG positions in fiscal year 2000-2001. This funding provides the Department of Natural Resources (DNR) with additional resources to implement the various changes and new initiatives in the budget related to brownfields. Although there is no language in the budget bill that authorizes this increase, the purpose of this funding was included in a Joint Committee on Finance budget motion.

I am partially vetoing these sections because I object to the increase in the number of positions related to this program. The department received 18.0 FTE positions in the 1997-1999 biennial budget for brownfields program activities and should use those resources as effectively as possible. By lining out the Department of Natural Resources' s. 20.370 (2) (dh) appropriation and writing in a smaller amount that deletes \$243,000 PR provided for this purpose in fiscal year 1999-2000 and writing in a smaller amount that deletes \$175,500 PR in fiscal year 2000-2001, I am vetoing the part of the bill which funds part of this provision. By lining out the Department of Natural Resources' s. 20.370 (2) (mq) appropriation and writing in a smaller amount that deletes \$291,600 SEG provided in fiscal year 1999-2000 and deletes \$175,500 SEG provided in fiscal year 2000-2001, I am vetoing the part of the bill which funds the remainder of this provision. I am also requesting the Department of Administration secretary not to allot these funds and not to authorize the 5.0 FTE PR and 6.0 FTE SEG positions in fiscal year 1999-2000 and the 3.0 FTE PR and 3.0 FTE SEG positions in fiscal year 2000-2001.

The net effect of my veto will result in a 7.0 FTE position increase above the 18.0 FTE positions provided to DNR in the 1997-1999 biennial budget for the brownfields program. I request the department to streamline the level of effort needed at PECFA sites, in response to other changes in the budget, so that staff and resources can be effectively utilized for brownfields redevelopment.

34. Vehicle Environmental Impact Fee

Section 2734hg

This section increases the vehicle environmental impact fee from \$5 to \$6 and eliminates the fee sunset date. Under current law, the fee is imposed on new car titles and used car title transfers and will sunset on July 1, 2001. The fees are deposited in the segregated environmental fund.

I am partially vetoing this section to maintain the repeal date of July 1, 2001, because I object to making the vehicle environmental impact fee permanent. I am concerned with the number and amount of fees currently being assessed on Wisconsin taxpayers and believe that the Legislature should review the need for the fee in the next biennial budget.

35. Environmental Remediation Tax Incremental Financing (ER TIF) – Eligible Costs

Section 1632

This section expands eligible costs under ER TIF to include restoration of air, surface water and sediments affected by environmental pollution; cancellation of delinquent property taxes; acquisition costs; demolition costs; and the removal of underground storage tanks and abandoned containers.

I am partially vetoing this provision to exclude the cancellation of delinquent property taxes from the eligible cost criteria because it will result in taxpayers paying for delinquent taxes twice – first through the county levy and second as a TIF cost.

36. Evaluation of Brownfields Redevelopment Program

Section 2611d

This section requires the Departments of Revenue, Transportation, Administration, Natural Resources and Commerce to evaluate the effectiveness of the brownfields initiative and submit a report to the Legislature by June 30 of each year.

I am partially vetoing this section to remove the Department of Revenue and the Department of Transportation from the reporting requirement and to remove the report date because these provisions are excessive. The brownfields initiative is a long-term effort requiring extensive environmental cleanup and redevelopment activities. Its effectiveness and success will depend on the program's ability to develop public and private partnerships over time. As such, a requirement for an annual report evaluating the effectiveness of the brownfields program will provide minimal insights and simply add workload to state agencies. I also believe that the Departments of Natural Resources, Commerce and Administration can conduct a comprehensive review of brownfields programs in consultation with other agencies. However, I concur that periodic evaluation

of these programs and their effectiveness is integral to successful implementation. Therefore, I request that the agencies provide a report to the Governor and the Legislature on July 1, 2002, and every four years thereafter.

37. Brownfields Case Studies

Section 9154 (2m)

This section requests the LaFollette Institute at the University of Wisconsin-Madison to study the expected costs and returns of brownfields and greenfields development.

I am vetoing this section because it is unnecessary. The Department of Commerce and the Department of Natural Resources can make such requests without a statutory requirement.

38. Bibliography of Groundwater Contamination

Section 9136 (6h)

This section directs the Department of Natural Resources (DNR) to create a bibliography of information on groundwater contamination. The budget also provides \$50,000 SEG annually to fund this effort.

I am vetoing this provision because it is not a priority expenditure of limited brownfields funding. The department can utilize existing resources and partnerships with other agencies and the University of Wisconsin System to develop a bibliography. New resources for brownfields should be targeted toward conducting actual cleanup of contaminated sites and to encourage economic development. Therefore, I am requesting the Department of Administration secretary to place \$50,000 SEG into unallotted reserve in each of fiscal years 1999-2000 and 2000-2001 in DNR's s. 20.370 (2) (mq) appropriation to lapse to the environmental fund.

39. Brownfields – Department of Transportation Requirements

Sections 1820m, 1830gd [as it relates to s. 85.61], 1854m and 1855L

These sections require the Department of Transportation to market programs in transportation facility improvement, enhancements, economic assistance and development, and infrastructure loan programs to optimize their use in the cleanup and redevelopment of brownfields properties.

I am vetoing this provision because it is unnecessary. The Department of Transportation is already working to coordinate all of its relevant programs with brownfields redevelopment efforts. As such, statutory directives regarding cooperative efforts are unnecessary and could potentially limit the department from maximizing the investment of transportation resources in brownfields projects.

40. Emissions Fee Surcharge

Section 2557c

This section creates a new surcharge fee beginning in 2001 that will be assessed on the owner or operator of a stationary source of air contaminant emissions for which an operating permit is required. The annual fee is \$2.86 per ton of actual emissions, in the preceding year, of all air contaminants on which the current operating permit fee is based.

I am partially vetoing this section to remove the digit "2" to reduce the surcharge fee from \$2.86 per ton of actual emissions to \$0.86 per ton because it is excessive. The inclusion of an additional fee will unnecessarily detract from a positive business climate in Wisconsin. My veto reduces revenues for the Department of Natural Resources' Air Management Program by \$608,100 PR. Therefore, I am requesting the Department of Administration secretary to place \$608,100 PR in unallotted reserve in fiscal year 2000-2001 in DNR's s. 20.370 (2) (bg) appropriation to lapse into the general fund.

41. PCB Indemnification

Section 2648c

This section authorizes the Department of Natural Resources (DNR) to enter into indemnification agreements with municipalities related to liability resulting from the disposal of polychlorinated biphenyls (PCBs) and the treatment of leachate with PCBs from the Great Lakes basin and requires that any indemnification agreement must be approved by the Governor, the Attorney General, the DNR secretary and the governing body of the municipality. DNR also has the authority to place a limit on the state's liability in the indemnification agreement.

I am partially vetoing this section to delete the Attorney General and the DNR secretary from having to approve the indemnification agreement and to eliminate DNR's authority to place a limit on the state's liability because it may delay cleanup efforts and reduce gubernatorial and legislative authority related to these agreements. DNR can continue to negotiate in good faith with municipalities regarding the landfilling of materials containing PCBs.

42. Approval of Court-Ordered Settlements

Sections 643p, 643s and 9136 (11m)

These sections require Joint Committee of Finance (JCF) approval of all funds encumbered and expended from any court-ordered settlements and direct agencies to submit to JCF an annual report on the expenditures made from these funds. Also, these provisions require the Department of Natural Resources to lapse any remaining fund balance in the *State v. Menards, Inc.* Trust Fund to the common school fund on December 31, 2002.

I am vetoing these sections because they are excessive and unnecessary. I object to these provisions because court-ordered settlements include numerous stipulations regarding use of the award. As such, JCF oversight is unnecessary. If implemented, these provisions will not only increase administrative workload but also reduce program efficiency for all agencies.

43. Safe Drinking Water Revenue Bonding Authority

Sections 172 [as it relates to s. 20.320 (2) (q), (r) and (u)], 303w, 303x, 303y, 2509p [as it relates to the safe drinking water program], 2509q [as it relates to the safe drinking water program], 2510d [as it relates to the safe drinking water program] and 2510m [as it relates to the safe drinking water program]

These sections authorize the issuance of revenue bonds and establish debt service appropriations to provide state subsidized loans for upgrades and replacement of municipal drinking water systems.

I am partially vetoing sections 172, 2509p, 2509q, 2510d and 2510m and vetoing sections 303w, 303x and 303y to remove the authority to issue revenue bonds for leveraging the existing drinking water loan program because it is excessive. I object to the level of future financial commitments resulting from general obligation bond authorizations in this budget. Leveraging the subsidized loan program through issuance of revenue bonds requires substantial additional issuance of GPR-supported general obligation bonds to provide the subsidy. While I included \$3,870,000 in GPR-supported general obligation bond authority in my budget to match approximately \$19,000,000 in federal safe drinking water revolving fund capitalization grants, the Legislature almost tripled that amount of general obligation bonding authority in establishing a subsidized revenue bond program. This rate of increase cannot be sustained without seriously undermining executive and legislative flexibility in allocating general fund revenues. In light of this veto, I am requesting that the Building Commission withhold issuance of the \$10,210,000 in additional GPR-supported general obligation bonding authority provided to subsidize revenue bonds under the proposed program expansion.

I recognize the serious constraints facing municipal drinking water systems in meeting new federal requirements toward ensuring safe drinking water. I urge local governments, in concert with the appropriate state agencies, to work with Congress in appropriating the funding necessary to adequately capitalize state revolving funds for safe drinking water loans. In addition, under state and federal law, I have the authority to transfer an amount up to 33% of the safe drinking water revolving loan federal capitalization grant from the clean water fund to the safe drinking water fund for additional loans. I am requesting that the Department of Administration, in consultation with the Department of Natural Resources, review the status of both funds and ascertain a reasonable level of funding to transfer in support of additional safe drinking water loans.

44. Wisconsin Fund Loan

Section 2490x

This section provides a \$770,000 loan at 0% interest rate from the Wisconsin fund to a municipality for the replacement of a failed wastewater treatment system. The provision specifies that the loan must be forgiven if a federal grant for the project cannot be obtained or, if a grant was obtained, forgive the loan balance in excess of the grant.

I am partially vetoing this section to eliminate the loan forgiveness requirement because an amount in excess of the grant should be repaid to the state. Furthermore, the Wisconsin fund is no longer active. While I understand the need to fund local wastewater projects, this program should not be used for new projects. I intend to propose eliminating any residual bonding in the Wisconsin fund in the next biennial budget and will oppose any future efforts to use this bonding authority for new initiatives.

45. Stewardship Funds for Condemned Property

Section 663gm

This section repeals the current law prohibition on the Department of Natural Resources' providing grants to counties or other local units of government for the acquisition or development of land acquired through condemnation.

I am vetoing this section to retain the current prohibition on the expenditure of Warren Knowles-Gaylord Nelson Stewardship Program funds. I object to the use of state funds to support the condemnation of property for recreational or conservation purposes. Land for these purposes should be purchased at fair market value from willing sellers. Although I cannot create a similar provision for the Warren Knowles-Gaylord Nelson Stewardship 2000 Program in the budget bill, I request that the department make funding these types of grants a lower priority and pursue legislation to include this prohibition in the reauthorized Stewardship Program.

46. Stewardship Grant Calculations

Section 663u [as it relates to s. 23.0917 (7) (d)]

Under the Warren Knowles-Gaylord Nelson Stewardship 2000 Program, grants for land acquisition will be calculated based on the acquisition cost of the land. For most properties, the acquisition cost is the fair market value of the land. For properties owned by the seller for less than three years, the acquisition cost is the sum of the current owner's acquisition price and an annual adjustment. Section 663u [as it relates to s. 23.0917 (7) (d)] creates an annual adjustment increase of 7.5%.

I am partially vetoing this provision to limit the adjustment increase to 5% because a 7.5% annual increase is excessive. A 5% adjustment will better leverage Stewardship Program funds and allow the Department of Natural Resources to support more grants.

Reducing the percentage will also lower the risk of the Stewardship Program creating artificially high land prices in areas where property values are not growing at a rate of 7.5% or higher.

47. Stewardship Program Requirements

Section 663u [as it relates to s. 23.0917 (9), (10) and (11)]

These provisions require the Department of Natural Resources to do the following under the Warren Knowles-Gaylord Nelson Stewardship 2000 Program:

- Promulgate rules to provide incentives to local units of government to submit grant applications for projects or activities which are consistent with local or regional land use plans and zoning ordinances;
- Submit, by January 1, 2005, a report to the Joint Committee on Finance and the Governor including information on land price changes during the first four years of the program and options to maintain or restore the program's financial ability to purchase land; and
- Provide signs on all land purchased in whole or in part with Stewardship Program funds.

I am vetoing these provisions because I object to the infringement on executive branch authority to manage programs and because they are unnecessary. The department currently reviews grant applications under several criteria which take into account the importance of the property for recreational and conservation purposes. These criteria and the requirement for a local match for grants ensure that local projects are planned. If the ability to purchase land declines, the department has the authority to study the reasons for the decline and suggest solutions. Also, the department and grant recipients may erect signs on their property at their own discretion. Certain sites may not be appropriate for signing and, for larger properties created through multiple acquisitions, the cost of erecting signs may become prohibitive.

48. Nonpoint Program Modifications

Sections 1r, 1t, 3gm, 172 [as it relates to s. 20.370 (6) (dr) and (7) (da)], 303m, 303p, 303pm, 303q, 303s, 303t, 303u, 318g, 318j, 331d, 331e, 333p, 333r, 341h, 341k, 528t, 528v, 593f, 628, 628b, 629s, 632f, 632h, 706q, 706s, 707, 1649, 2495p, 2496m, 2502v, 2504e, 2504p, 2504q, 2504r, 2506f, 2506g, 2506h, 2506i, 2506j, 2506k, 2506L, 2506m, 2506q, 2509m, 2509p [as it relates to the urban storm water loan program], 2509q [as it relates to the urban storm water loan program], 2510d [as it relates to the urban storm water loan program], 2510m [as it relates to the urban storm water loan program], 2511, 2511c, 2511e, 2511f, 2511g, 2511i, 2511k, 2512e, 2512g, 2512j and 9136 (7g)

These sections create the urban storm water loan program and provide bonding authority and funding for the urban nonpoint and municipal flood control and riparian restoration programs. Section 1r also requires the Department of Natural Resources (DNR) and the Department of Agriculture, Trade and Consumer Protection (DATCP) to present to the Joint Committee on Finance a schedule to transfer funds between the two agencies.

I am vetoing section 1r because it is unnecessary. The Legislature amended the budget bill to transfer the relevant funds from DNR to DATCP.

I am vetoing sections 1t, 3gm, 303m, 303q, 303s, 303u, 318g, 318j, 341k, 528t, 528v, 593f, 706q, 706s, 2495p, 2496m, 2502v, 2504e, 2504p, 2504q, 2504r, 2506f, 2506g, 2506h, 2506i, 2506j, 2506k, 2506L, 2506m, 2506q, 2509m, 2511c, 2511e, 2511f, 2511g, 2511i, 2511k, 2512e, 2512g, 2512j and 9136 (7g) and partially vetoing sections 303p, 303pm, 303t, 341h, 629s, 707, 1649, 2509p [as it relates to the urban storm water loan program], 2509q [as it relates to the urban storm water loan program], 2510d [as it relates to the urban storm water loan program], 2510m [as it relates to the urban storm water loan program] and 2511 to remove the creation of the urban storm water loan program within the clean water fund. I object to creating this program because it is unnecessary. Urban storm water projects are already eligible for loans under the clean water fund program. Also, the current program has no limit on the amount of funding available for storm water loans. The proposed program would limit urban storm water loans to \$20,000,000. Although the veto of the separate storm water program requires urban storm water projects to compete with other applicants to the clean water fund program, all projects are expected to be funded. To date, all applicants to the clean water fund program have been funded, and this situation is not expected to change.

I am partially vetoing sections 172 [as it relates to s. 20.370 (6) (dr) and (7) (da)], 331d, 331e, 333p, 628, 628b, 632f and 632h and vetoing section 333r because the level of bonding authority and funding for the urban nonpoint and municipal flood control and riparian restoration programs is excessive. The veto will retain a total of \$17,000,000 over the biennium (\$13,000,000 of bonding authority for cost-share grants and \$2,000,000 SEG annually for local assistance grants) for urban and municipal projects. This level of funding represents a significant increase over the approximately \$10,000,000 in funding provided in the 1997-1999 biennium for urban storm water and

nonpoint source pollution abatement projects. This is a substantial 70% increase in the state's commitment of funding for these programs.

49. Watershed Center and River Protection Grant Program Staffing

Sections 172 [as it relates to s. 20.370 (9) (mu)], 684g and 890m

Sections 684g and 890m require the Department of Natural Resources (DNR) to provide \$150,000 SEG annually to the University of Wisconsin System for the establishment and operation of a watershed management center at the University of Wisconsin-Stevens Point (UW-Stevens Point). Section 172 [as it relates to s. 20.370 (9) (mu)] provides \$42,700 SEG in fiscal year 1999-2000 and \$50,800 SEG in fiscal year 2000-2001 for 1.0 FTE SEG two-year project position to support the river protection grant program. Although there is no language in the budget bill that authorizes this increase, the purpose of this funding was included in the Joint Committee on Finance amendment to the bill.

I am vetoing sections 684g and 890m to remove the requirement that DNR provide funding to UW-Stevens Point and that UW-Stevens Point establish a watershed management center. I object to this provision because it is not a cost-effective use of state funds. I am not clear on the purpose or the benefits of the proposed center. I remain committed to local watershed efforts as evidenced through the creation of the river protection grant program and the significant increase in funding for nonpoint source pollution abatement projects. Therefore, I am vetoing this provision and requesting the Department of Administration secretary to place \$150,000 into unallotted reserve in fiscal years 1999-2000 and 2000-2001 in DNR's s. 20.370 (4) (aq) appropriation to lapse to the conservation fund.

By lining out the department's s. 20.370 (9) (mu) appropriation and writing in smaller amounts that delete the \$42,700 SEG in fiscal year 1999-2000 and \$50,800 in fiscal year 2000-2001 provided for the 1.0 FTE SEG two-year project position, I am vetoing the part of the bill which funds this 1.0 FTE SEG position. Creation of this position is unnecessary. The department has adequate staff to administer this local assistance program. I am also requesting the Department of Administration secretary not to allot these funds and not to authorize the 1.0 FTE SEG two-year project position.

50. Gathering Waters

Sections 172 [as it relates to s. 20.370 (5) (aw)], 665rc and 665re

Sections 665rc and 665re require, rather than allow, the Department of Natural Resources to provide an annual grant to a nonprofit conservation corporation which provides support to nonprofit conservation organizations. Section 665rc also increases the amount of the grant from \$75,000 to \$250,000. Section 172 [as it relates to s. 20.370 (5) (aw)] provides additional funding to cover the increase to the grant. The intent is that this grant be provided to Gathering Waters.

I am vetoing these sections because the amount of the annual grant is excessive. A grant of \$150,000 would be a more appropriate grant award. Doubling the amount of state funding provides a significant increase for the organization's activities. By lining out the department's s. 20.370 (5) (aw) appropriation and writing in smaller amounts that delete \$100,000 SEG annually provided for this purpose in fiscal years 1999-2000 and 2000-2001, I am vetoing the part of the bill which funds this grant to reflect a more appropriate annual grant amount of \$150,000. I also request the department make a \$150,000 annual grant to Gathering Waters. I am also requesting the Department of Administration secretary not to allot these funds.

51. Parks Account Transfer

Section 9236 (3fx) (af)

This provision transfers \$1,630,000 SEG from the parks account of the conservation fund to the general fund in fiscal year 1999-2000.

I am partially vetoing this provision to remove the digit "1" to reduce the transfer to \$630,000 SEG because it is excessive. Parks account revenues fund the majority of the operations costs of Wisconsin's state parks and trails. Retaining the \$1,000,000 in the parks account will allow the Department of Natural Resources to continue to improve services for Wisconsin state park visitors, without increasing the cost of their visit or camping experience.

52. Transfer to the Fish and Wildlife Account

Sections 172 [as it relates to s. 20.370 (8) (mc)] and 334m

These provisions create a sum sufficient appropriation to transfer, beginning in fiscal year 2000-2001, \$500,000 GPR to the fish and wildlife account of the conservation fund.

I am partially vetoing section 172 [as it relates to s. 20.370 (8) (mc)] and vetoing section 334m because the transfer is excessive. Fish and wildlife activities are traditionally funded by hunters and anglers through license fee revenues. The budget bill includes a transfer of \$2,500,000 annually from the Native American gaming compact revenues to the fish and wildlife account. The gaming compact funding, without the additional GPR transfer, represents a significant first-time investment of nonuser fee revenue for fish and wildlife activities.

53. Fish and Wildlife Administrative Cost Limits

Section 702g

This section limits administrative spending from the fish and wildlife account of the conservation fund to 16% of total account expenditures. Under this section, administrative costs relate to the administration of the Department of Natural Resources,

its divisions and bureaus, the provision of support services to the department, and the issuance of hunting and fishing licenses and other department approvals.

I am partially vetoing this section to remove costs associated with bureau administration and the issuance of licenses and other approvals from the 16% spending limitation. I am removing these costs from the limitation because they are integral to the management of the fish and wildlife resources of the state. Warden and field staff supervisors improve resource management by coordinating fieldwork and providing accountability. Limiting spending on license and approval issuance would reduce services provided to residents and visitors who hunt and fish in Wisconsin.

54. All-Terrain Vehicle Account Transfer

Section 9236 (4c)

This provision transfers \$625,000 SEG from the all-terrain vehicle account of the conservation fund to the general fund.

I am vetoing this provision because the transfer would reduce funding available for all-terrain vehicle projects and could result in an increase in the registration fee for these vehicles. All-terrain vehicle projects are fully funded by all-terrain vehicle account revenues, and the proposed transfer would limit the resources available for these projects.

55. McDill Lake District Funding

Section 9136 (9d)

This provision allocates \$250,000 from the recreational boating facilities aids to the McDill Inland Lake Protection and Rehabilitation District for the dredging of McDill Lake. The provision also specifies that the allocated funds would be subtracted from the aids appropriation before the statutory allocation of funding between Great Lakes and inland waters projects is calculated.

I am partially vetoing this provision to require that the allocated funds be subtracted after the split is calculated. The decision of the Legislature to fund a particular inland lake project should not negatively impact Great Lakes projects.

56. Recreational Grant Earmarks

Sections 671m [as it relates to s. 23.197 (2m)] and 9136 (9s)

These provisions earmark funding for development of a recreational corridor and an erosion control study. Section 671m [as it relates to s. 23.197 (2m)] provides up to \$100,000 from the Warren Knowles-Gaylord Nelson Stewardship 2000 Program for a grant to the City of Janesville for development of the Rock River recreational corridor.

Section 9136 (9s) earmarks \$50,000 from recreational boating facilities aids for a grant to Kenosha County for an erosion control study at Kemper Center.

I am partially vetoing section 671m [as it relates to s. 23.197 (2m)] to remove the earmark of funding for the Rock River recreational corridor. The earmark of funding for this project is excessive. Under the budget bill, the City of Janesville will receive a separate grant of \$350,000 from recreational boating facilities aids for development of a riverfront parkway. I am vetoing section 9136 (9s) because it undermines the authority of the Waterways Commission to decide which studies should be conducted. Under current law, the commission is authorized to cause studies to be conducted and to spend its monies directly to complete such studies.

57. Rib Mountain Chalet

Section 671m [as it relates to s. 23.197 (3m)]

This section creates several specific Stewardship Program projects, including rebuilding the chalet at Rib Mountain State Park. The chalet project would be funded with \$500,000 from the property development component of either the Warren Knowles-Gaylord Nelson Stewardship Program or the Warren Knowles-Gaylord Nelson Stewardship 2000 Program.

I am partially vetoing this provision to reduce the \$500,000 funding level to \$50,000. Although the chalet may need replacement in the future, \$500,000 of funding is excessive at this time. Rib Mountain State Park has been used as a ski hill since 1938 and, given its urban setting and central Wisconsin location, has the potential for a wide variety of recreational uses. I recognize that ski operations, like all businesses, need to change over time and that the current ski operation is becoming less economically viable. Therefore, I request the Department of Natural Resources to evaluate year-round recreational use of the park and make recommendations to maximize park visitor opportunities and allow the ski hill to become a profitable enterprise.

58. Mead Wildlife Area Interpretive Center

Sections 172 [as it relates to s. 20.285 (1) (a)], 633m and 671h

These sections provide bonding authority for the construction of an interpretive center at the Mead Wildlife Area. The bonding authority would be released at a rate of \$3 for every \$2 of private donations received by the Department of Natural Resources. These sections also provide \$12,000 GPR in fiscal year 1999-2000 and \$16,000 GPR in fiscal year 2000-2001 for an additional 0.5 FTE GPR position at the University of Wisconsin-Stevens Point (UW-Stevens Point) for educational and informational activities at the center. Although there is no language in the budget bill that authorizes this position and funding increase, the purpose of this funding was included in the Joint Committee on Finance's amendment to the bill.

I am vetoing sections 633m and 671h to remove the bonding authority for the construction of the interpretive center because the provisions are unnecessary and infringe on the Department of Natural Resources' and the Natural Resources Board's authority to decide which projects, and associated funding, will provide the best recreational and conservation education opportunities for Wisconsin's residents and visitors. By lining out the University of Wisconsin System's s. 20.285 (1) (a) appropriation and writing in smaller amounts that delete \$12,000 GPR in fiscal year 1999-2000 and \$16,000 GPR in fiscal year 2000-2001, which provide funding for 0.5 FTE GPR position, I am vetoing the part of the bill which funds the educational and informational support activities for the center. The UW-Stevens Point received a conservation program coordinator position under a separate Joint Committee on Finance amendment to the bill and that position will be able to provide services to the center after its completion. I am also requesting the Department of Administration secretary not to allot these funds and not to authorize the 0.5 FTE GPR position.

59. Group Deer Hunting

Sections 730h and 730j

These sections allow bow hunters to group hunt for antlerless deer. Group bow hunting for deer would be allowed for the 2000 and 2001 deer hunting seasons.

I am vetoing these sections because the extension of group deer hunting privileges to bow hunters is unnecessary. Bow hunting for deer is traditionally a solitary pursuit. To improve chances of harvesting a deer, bow hunters reduce the number of factors that may alert a deer to their presence, including wearing camouflaged clothing and hunting individually. These factors make group bow hunting for deer unnecessary and a safety concern.

60. Bonus Deer Issuance Fee Effective Date

Section 9436 (9d)

This provision delays the effective date of the issuance fee for bonus deer permits.

I am vetoing this provision because I object to delaying the expansion of the number of locations at which deer hunters may obtain bonus deer permits. This veto allows the Department of Natural Resources to authorize its license sales agents to collect and retain an issuance fee for bonus deer permits issued for the fall 1999 deer hunting season.

61. Position Creations and Reallocation

Sections 172 [as it relates to s. 20.370 (1) (mu), (4) (mu) and (9) (mu)] and 671n

Section 172 [as it relates to s. 20.370 (1) (mu), (4) (mu) and (9) (mu)] provides \$82,600 SEG in fiscal year 1999-2000 and \$110,000 SEG in fiscal year 2000-2001 for an additional 2.75 FTE SEG positions in the Department of Natural Resources (DNR). The positions consist of:

- 1.0 FTE SEG fisheries biologist position for the Ladysmith service center;
- 1.0 FTE SEG wildlife biologist position for Marathon County; and
- 0.75 FTE SEG program assistant position for the Medford ranger station.

Although there is no language in the budget bill that authorizes these increases, the purposes of this funding were included in Joint Committee on Finance and Senate amendments to the bill. Section 671n requires the department to permanently locate a facilities repair worker at the MacKenzie Environmental Center.

By lining out DNR's appropriations and writing in smaller amounts that delete the following amounts from:

- s. 20.370 (1) (mu), \$32,300 SEG in fiscal year 1999-2000 and \$43,000 SEG in fiscal year 2000-2001;
- s. 20.370 (4) (mu), \$32,300 SEG in fiscal year 1999-2000 and \$43,000 SEG in fiscal year 2000-2001; and
- s. 20.370 (9) (mu), \$18,000 SEG in fiscal year 1999-2000 and \$24,000 SEG in fiscal year 2000-2001,

provided for these purposes, I am vetoing the parts of the bill which fund these 2.75 FTE SEG positions. I am also vetoing section 671n to remove the requirement that DNR locate a facilities repair worker at the MacKenzie Environmental Center on a permanent basis. I object to having the Legislature manage agency programs and reduce departmental flexibility by directing the allocation of staff. To address ongoing concerns regarding facility maintenance at the MacKenzie Center, I request that the department expedite the reallocation of a facilities repair worker to the center. I am also requesting the Department of Administration secretary not to allot the funds and not to authorize the 2.75 FTE SEG positions.

62. Pheasant Game Farm Study

Section 784g

This section requires the Department of Natural Resources to study the impacts of pheasant game farms on wild pheasant populations and submit the results of the study

and recommendations to protect and enhance wild populations to the Legislature by October 1, 2000.

I am vetoing this section because it is unnecessary. The department manages wild pheasant populations and monitors changes to these populations. If wild pheasant populations are declining, DNR has the authority to study the relationship between game farms and wild populations.

63. St. Croix Scenic Development

Section 9136 (11d)

This provision provides \$10,000 SEG in fiscal year 1999-2000 for an urban forestry grant to the City of Hudson for scenic development along the St. Croix River adjacent to a wastewater treatment plant.

I am vetoing this provision because it sets an undesirable precedent by expanding the use of the urban forestry grant program to a project that does not relate to tree management or education. I also object to the waiver of the required 50% match. Therefore, I am vetoing this provision and requesting the Department of Administration secretary to place \$10,000 into unallotted reserve in fiscal year 1999-2000 in appropriation s. 20.370 (5) (bw) to lapse to the conservation fund.

64. Federal Excess Personal Property Program

Section 172 [as it relates to s. 20.370 (1) (mu)]

Section 172 [as it relates to s. 20.370 (1) (mu)] provides \$224,400 SEG annually to support the Department of Natural Resources' (DNR) involvement in the Federal Excess Personal Property (FEPP) program. Although there is no language in the budget bill that authorizes this increase, the purpose of this funding was included in the Conference Committee amendment to the bill.

By lining out DNR's s. 20.370 (1) (mu) appropriation and writing in smaller amounts that delete the \$224,400 SEG annually provided for this purpose in fiscal years 1999-2000 and 2000-2001, I am vetoing the part of the bill which funds the support for the department's involvement in the FEPP program. This amount of funding is excessive and unnecessary. This funding is in addition to \$85,000 SEG annually requested by DNR and which was recommended by myself and the Joint Committee on Finance to support the fire department grant program and the FEPP program. I am also requesting the Department of Administration secretary not to allot these additional funds.

65. Public Relations Training

Section 672p

This section requires the Department of Natural Resources (DNR) to provide, at least once a biennium, an in-service training course on the topic of natural resources and public relations. The course must be modeled on a course offered by the University of Wisconsin-Stevens Point.

I am vetoing this section because legislative directive is not the appropriate place to set agency training goals. However, public relations are important in all areas of government. Most agencies work with members of the public on a daily basis. DNR, in particular, has the ability to impact how individuals live, work and recreate. I will ensure that all agencies, especially DNR, incorporate public relations and customer services courses into their training programs.

66. Tourism Funding

Section 684m

This section prohibits the Department of Natural Resources (DNR) from expending funds to support a program or activity of the Department of Tourism.

I am vetoing this section because it unduly limits DNR's ability to work in conjunction with another state agency to promote Wisconsin's natural resources and recreational opportunities.

TOURISM

67. Grant to America's Black Holocaust Museum

Section 342

Section 342 allocates \$50,000 in each fiscal year for grants to America's Black Holocaust Museum in the City of Milwaukee.

I am partially vetoing this section to remove the requirement to provide funding in each fiscal year because providing this funding on a one-time basis is consistent with the way we've treated other similar programs in the budget bill. I am very supportive of the need to present current and future generations with the historical reality of slavery and the African-American experience. However, the Department of Tourism has a tourism marketing campaign that promotes African-American destinations, including the Black Holocaust Museum. As such, an ongoing direct grant is duplicative and could reduce funding available for future grants to other cultural attractions, including multicultural sites.

TRANSPORTATION

68. Local Segregated Transportation Accounts

Sections 1849d and 1863md

These sections require each local unit of government to create a segregated account for local highways and mass transit to which all state and federal funds for local highways and mass transit, including local match amounts, would have to be deposited. In addition, the sections specify that revenues in the accounts can only be spent on local highways and mass transit expenses. If these requirements are not met, the Department of Transportation (DOT) must withhold state aid until the requirements are met, for a maximum of 180 days, after which time the aid will be forfeited.

I am partially vetoing sections 1849d [as it relates to s. 86.20 (6m) (a) 2.] and 1863md [as it relates to s. 86.30 (11) (a) 2.] to remove the requirement that segregated accounts include local matching funds or local general revenues for highway and transit purposes because this places an unnecessary constraint on local governments.

I am partially vetoing sections 1849d [as it relates to s. 85.20 (6m) (b)] and 1863md [as it relates to s. 86.30 (11) (b)] to specify the department may withhold state aid to noncompliant local governments because the department has no cost-effective mechanism to continuously monitor and track compliance.

I am partially vetoing sections 1849d [as it relates to s. 85.20 (6m) (c)] and 1863md [as it relates to s. 86.30 (11) (c)] because the Department of Revenue (DOR) is better situated to develop local government accounting rules that are not in conflict with other mandated accounting practices. I am requesting DOR to promulgate rules in consultation with local governments and DOT to implement these provisions. Furthermore, the rules should include alternative withholding provisions that will ensure local government compliance.

69. Mass Transit Aid Formula Changes

Sections 1834, 1847m and 1848

These sections establish a new formula for the distribution of transit aid. Four tiers, one each for systems in Milwaukee, Madison, medium-sized cities, and smaller municipalities, are created. Within each tier, state aid will be distributed so that the combination of state and federal aid provides an equal percentage of the operating expenses of each system in the tier. These sections also clarify that maintenance expenses are considered operating expenses for the purpose of distributing state aid and the Department of Transportation (DOT) may require systems receiving federal aid directly to notify the department of the amount of federal aid that will be used for operating expenses (the Madison and Milwaukee tiers are exempt from these requirements).

I am partially vetoing these sections to remove the exemption of the Madison Metro and Milwaukee County transit systems from notifying DOT of anticipated service expansions,

maintenance costs and the amount of federal aid applied toward operating costs because it is inequitable and contrary to a cost-efficient use of state transit aid. These changes will assist in establishing uniformity in distributing state aid between systems but will not affect the amount of aid to be paid to the Madison and Milwaukee systems.

70. Federal Discretionary Grant Award Limit

Sections 1830gb, 1852f, 1852gd and 9350 (4z)

These sections prohibit the Department of Transportation from approving transportation enhancement and surface transportation discretionary grants beyond the current biennium in which the grants will be awarded or in excess of available funding under the biennial budget act.

I am vetoing these sections because they unnecessarily limit the department's authority to allocate federal funding for enhancement and discretionary grant projects. This provision could reduce the department's ability to secure critical federal funding for local community transportation projects by limiting the number of projects the department may submit as eligible for funding in a given year.

71. Federal Discretionary Grant Earmarks

Sections 9150 (2g) and 9150 (3g)

Section 9150 (3g) requires the Department of Transportation (DOT) to approve the Kinnickinnic River Bike Trail Project for federal funding before approving any other project for federal funding. In addition, section 9150 (2g) requires DOT to allocate \$190,400 FED for the Flambeau River Recreational Bridge Project from the transportation enhancement activities appropriation.

I am partially vetoing section 9150 (2g) to remove the grant amount for the Flambeau River Recreational Bridge Project and partially vetoing section 9150 (3g) to remove top priority for the Kinnickinnic River Bike Trail Project because these provisions limit the department's flexibility in conducting an objective award process. While both of these projects are important, both should be awarded funding based on merit relative to other applications.

72. Bicycle and Pedestrian Facility Grant Appropriation

Sections 172 [as it relates to s. 20.395 (2) (ox)], 346t, 346w, 346y, 347d, 1830, 1830gc, 1830gd, 1852g, 1852j, 1852k and 9150 (10z)

These sections provide \$9,755,000 FED annually in a new appropriation for bicycle and pedestrian facilities grants and reduce funding by the following amounts: \$4,998,400 FED annually from the transportation enhancements appropriation, \$3,124,600 FED annually from the congestion mitigation and air quality improvement appropriation, and

\$1,632,000 FED annually from the surface transportation discretionary grants appropriation. In addition, the sections specify that grants made for planning, design or construction of bicycle and pedestrian facilities must be made from the new appropriation and the sum of grants awarded may not exceed the amount of funding appropriated in the 1999-2001 biennium.

I am vetoing this provision because it could restrict the amount of funding that can be allocated for bicycle and pedestrian facilities programs. Bicycle and pedestrian facilities represent a vital component of Wisconsin's varied transportation options. I am committed to continued increases in the allocation of Wisconsin's federal transportation funding toward these programs. Since the three appropriations reduced to fund the proposed appropriation are continuing, I request the Department of Administration secretary to restore those amounts through the allotment process.

73. County Highway Improvement Program

Section 9150 (2bgm)

This section requires the Department of Transportation to promulgate emergency rules associated with authorizing county highway departments to conduct improvement work under the county highway improvement program. Furthermore, the section requires the department to submit proposed permanent rules related to these provisions no later than the first day of the seventh month beginning after the effective date of the bill.

I am partially vetoing this section to remove the 45-day requirement for promulgating an emergency rule because it does not provide the department with adequate time to confer with local governments and members of the transportation industry. The seven-month time frame will give the department sufficient time for public participation prior to submitting the proposed rule to the Legislative Council.

74. Airport Perimeter Deer Fencing

Section 9150 (7d)

This section requires the Department of Transportation to provide a 20% match for any federal funds received during the 1999-2001 fiscal biennium for the construction of airport perimeter deer fencing.

I am vetoing this provision because the state and local units of government would be required to fund more than is required under the federal distribution formula and available federal funding would not be maximized.

75. Passenger Rail Station Improvement Grant Program

Section 1830j

This section provides funding for grants to construct or rehabilitate passenger railroad stations along existing or proposed passenger rail routes.

I am partially vetoing this section to remove the requirement that the Department of Transportation promulgate rules because it represents an unnecessary administrative burden. Furthermore, the Blue Ribbon Task Force on Passenger Rail Service is currently assessing the state's passenger rail service options and will be making recommendations on service needs. Therefore, I am requesting the Department of Administration secretary to place \$60,000 SEG in fiscal year 1999-2000 in unallotted reserve in appropriation s. 20.395 (2) (ct) until the Blue Ribbon Task Force on Passenger Rail issues its final report.

76. Railroad Crossing Improvement Projects

Section 9150 (9g)

This provision requires the Department of Transportation to allocate state funds for the installation of railroad crossing gates at two locations in Stevens Point in Portage County. In addition, the City of Stevens Point is required to pay at least 10% of the installation costs.

I am partially vetoing this section to delete the Stevens Point projects because it circumvents the requirement for the department and the Office of the Commissioner of Railroads (OCR) to prioritize railroad crossing needs. In addition, I am requesting the department and OCR to review the list of projects ordered by the OCR. Prior to completion of this review, I am requesting the Department of Administration secretary to place \$250,000 SEG in unallotted reserve in fiscal years 1999-2000 and 2000-2001 in DOT's s. 20.395 (2) (gr) appropriation. This action will ensure that critical railroad crossings in the state receive prompt attention from the department and OCR.

77. Intelligent Transportation Systems

Sections 172 [as it relates to s. 20.395 (3) (gq), (gv), and (gx)], 351g, 351h, 351j, 1819j and 9150 (7j)

These sections require the Department of Transportation to conduct a study and report to the Joint Committee on Finance on a method of funding intelligent transportation systems by transferring funds from the Major Highways, State Trunk Highway Rehabilitation and the State Trunk Highway Maintenance programs. In addition, the department may only encumber funds for intelligent transportation systems from one of three newly created appropriations unless the system is integrated and installed as part of a highway project that includes construction or improvement in addition to the intelligent transportation system.

I am vetoing these sections because they unnecessarily limit the department's authority to allocate state and federal funding to address state highway program needs. I concur with the need to ensure that highway user fee revenues are maximized in the improvement and rehabilitation of state highways. While I disagree with the need for new appropriations, I request the department develop a process for tracking and reporting on expenditures for these types of projects.

78. State Highway Rehabilitation – Eligible Expenditures

Section 1818p

This section specifies that the cost to maintain or replace curb and pavement markings and the cost to operate, maintain or replace highway signs, traffic signals and highway lighting may not be paid through the state highway rehabilitation program unless these activities are done in conjunction with a resurfacing, reconditioning or reconstruction project on a state trunk highway.

I am vetoing this section because it unnecessarily limits the Department of Transportation's authority to allocate state funding to address critical highway needs. I agree that state highway rehabilitation funds should not be used on a regular basis for activities that are strictly maintenance and traffic related in nature. I am requesting the department to closely monitor expenditure of state highway rehabilitation funds for maintenance and traffic activities and establish clear criteria for this type of expenditure.

79. Meehan Station Historical Site

Sections 348 and 9150 (7e)

This section requires the Department of Transportation to allocate funds from the state trunk highway rehabilitation, state funds appropriation for directional signs, an historical marker, land acquisition activities, landscaping and historic information materials relating to the Meehan Station historic site in Portage County.

I am vetoing this provision because it limits the flexibility of the department to objectively allocate limited highway rehabilitation funding to meet highway system priorities.

80. Tolles Road

Section 9150 (7g)

This section directs the Department of Transportation to study whether Tolles Road in Rock County should be added to the state trunk highway system and report the results of the study to the Governor and Legislature by June 30, 2000.

I am vetoing this section because it is unnecessary. The department recently conducted a review of this road and determined that the traffic volume did not meet department standards to reclassify this roadway as a state trunk highway.

81. Village of Clear Lake Box Culvert

Section 9150 (2i)

This provision requires the Department of Transportation (DOT) to use state highway rehabilitation funds to replace the grade level railroad crossing under USH 63 near the village of Clear Lake in Polk County, with a box culvert to accommodate the passage of snowmobiles under the highway.

I am partially vetoing this provision to remove the reference to a DOT appropriation because the cost of this project should be shared between highway and snowmobile users. I request DOT work with the Department of Natural Resources in reaching an equitable cost-share agreement for this project.

82. Prohibition on Certain Land and Development Right Purchases

Section 1855m

This section prohibits the Department of Transportation from encumbering or expending funds from the appropriations for the state highway program for purposes related to the purchase of land, easements or the development rights to land unless the purchase is done in association with a highway improvement project and the land is within one-quarter of a mile of the centerline or proposed centerline of the highway. This provision does not apply to the purchase of land as compensatory mitigation for another wetland or the purchase of land in compliance with an agreement or relocation order made prior to the effective date of the bill.

I am partially vetoing this section to remove references to the highway centerline and improvement because it is overly restrictive. This partial veto retains the spirit of the Legislature's intent while addressing the flexibility needed by the department in constructing and improving state highways.

83. USH 10 Corridor Study

Section 9150 (10e)

This section requires the Department of Transportation to conduct a study of potential improvements to the segment of USH 10 between Marshfield and Osseo, including the addition of passing lanes or community bypasses, the reconstruction of segments to eliminate hazardous curves or hills and the widening of lanes and shoulders, and report the results of the study to the Governor and Legislature by January 1, 2001.

I am partially vetoing the section to delete the reporting date because the department needs additional time to conduct this study due to the delayed budget enactment and limited departmental resources. Instead, I am requesting the department to submit the study by June 30, 2001.

84. License Plate Rebasing

Sections 2721 and 2724

These sections require the Department of Transportation to develop new license plate designs by July 1, 2000, and every sixth year thereafter for motor vehicles. In addition, the department is required to begin issuing license plates with a new plate design over a five-year period, beginning with registrations effective July 1, 2000, for regular automobile plates and several other plate types.

I am partially vetoing the provisions for license plate design and reissuance to delay the requirement to redesign the plate because it limits the department's flexibility. While it is important we proceed with the replacement of aging or faded plates, the public has been divided on the design for a new plate. I request the Department of Transportation proceed with the five-year replacement schedule using the current plate design. When a new design has been selected, the department will substitute that design and establish a new design every sixth year thereafter. This will allow the department to begin replacing the oldest plates but still require that a new plate design be developed. Furthermore, a regular permanent replacement cycle is retained in the statutes.

85. Motor Vehicle Dealership License Provisions

Section 2342abw [as it relates to s. 218.01 (2c) (cm) 5.]

This section specifies that the prohibition against a factory holding an ownership interest in a dealership does not apply to a dealership trading solely in a line make of new motor vehicles with a gross weight of less than 8,500 pounds.

I am vetoing this section because it unnecessarily expands the provisions under which a manufacturer can own or operate a dealership. This legislation was established to assist small business entrepreneurs in acquiring ownership of an automobile dealership with the assistance of the vehicle manufacturer. I understand that interested parties continue to seek consensus on the appropriate level of restrictions regarding the acquisition and holding of dealerships by manufacturers. My veto will establish conditions that will, hopefully, foster consensus on this issue.