



STATE OF WISCONSIN Assembly Journal

Ninety-Fourth Regular Session

WEDNESDAY, October 27, 1999

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

AMENDMENTS OFFERED

Assembly amendment 1 to **Assembly Bill 402** offered by Representative F. Lasee.

Assembly amendment 1 to **Assembly Bill 414** offered by committee on **Health**.

Assembly substitute amendment 1 to **Assembly Bill 431** offered by committee on **Judiciary and Personal Privacy**.

Assembly amendment 2 to **Assembly Bill 487** offered by committee on **Judiciary and Personal Privacy**.

Assembly substitute amendment 1 to **Assembly Bill 496** offered by committee on **Children and Families**.

Assembly amendment 1 to Assembly substitute amendment 1 to **Assembly Bill 496** offered by committee on **Children and Families**.

INTRODUCTION AND REFERENCE OF PROPOSALS

Read first time and referred:

Assembly Bill 561

Relating to: the possession of barbed hooks while fishing.
By joint committee for review of Administrative Rules.
To committee on **Natural Resources**.

Assembly Bill 562

Relating to: creating a southeast Wisconsin crime abatement task force.
By committee on Criminal Justice.
To committee on **Criminal Justice**.

Assembly Bill 563

Relating to: the creation of a new type of financial institution; the powers of and requirements applicable to these financial institutions; providing an exemption from emergency rule procedures; and granting rule-making authority.

By Representatives Jeskewitz, Rhoades, Kelso, Ward, Riley, F. Lasee, Huebsch, Plale, Jensen, Kestell, Ladwig, Staskunas, Montgomery, Hahn, Spillner, Owens,

Ziegelbauer, Vrakas, Gronemus, Stone, Duff, Kedzie, Miller, Hoven, Leibham, Olsen, Hundertmark, Reynolds, Suder, Pettis, Walker, Klusman, Sykora, Grothman, Kreibich and Lassa; cosponsored by Senators Moore, Fitzgerald, Welch, Darling, Rosenzweig, Lazich, Rude, Drzewiecki, Farrow and Zien.

To committee on **Financial Institutions**.

Assembly Bill 564

Relating to: providing a public school for a pupil that is accessible by the pupil's disabled parent.

By Representatives Sinicki, Black, Berceau, Young, Boyle, Pocan, Miller, Riley and Richards; cosponsored by Senators Grobschmidt and Drzewiecki.

To committee on **Education**.

Assembly Bill 565

Relating to: requiring insurance coverage of the diagnosis and treatment of infertility and prohibiting collective bargaining by the state with respect to the requirement.

By Representatives Wasserman, Black, Bock, Musser and Reynolds; cosponsored by Senators Grobschmidt, Darling and Risser.

To committee on **Health**.

Assembly Bill 566

Relating to: employe supervision by real estate brokers and requiring the exercise of rule-making authority.

By Representatives Wieckert, Spillner, Sykora, Porter, Hahn, Schooff, Vrakas, Kestell, F. Lasee, Pocan and Meyer; cosponsored by Senators Clausing, Fitzgerald, Roessler and Rude.

To committee on **Housing**.

Assembly Bill 567

Relating to: granting high school diplomas to certain veterans.

By Representatives Plouff, Musser, Sherman, Bock, Goetsch, Gronemus, Gunderson, Gundrum, Hebl, Huber, Hundertmark, Kreuser, Krug, Ladwig, J. Lehman, Meyer, Miller, Montgomery, Olsen, Pettis, Riley, Ryba, Seratti, Suder, Sykora, Turner, Wasserman and Waukau; cosponsored by Senators Moen, Breske, Chvala, Fitzgerald, Erpenbach, Clausing, Darling, Welch, Farrow, Rude, Drzewiecki, Wirch, Zien, Burke and Decker.

To committee on **Education**.

REFERENCE BUREAU CORRECTIONS

Assembly Substitute Amendment 1 to **Assembly Bill 312**

1. Page 4, line 18: delete “All of the following” and substitute “. All of the following”.

EXECUTIVE COMMUNICATIONS

State of Wisconsin
Office of the Governor
Madison

October 27, 2001

To the Honorable Members of the Assembly:

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

<u>Bill Number</u>	<u>Act Number</u>	<u>Date Approved</u>
AB 133 (partial veto)	... 9	October 27, 2001

Respectfully submitted,
TOMMY G. THOMPSON
Governor

GOVERNOR’S VETO MESSAGE

State of Wisconsin
Office of the Governor
Madison

October 27, 1999

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 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 farmer 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.
- 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,
TOMMY G. THOMPSON
 Governor

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20. Loan to City Brewery in La Crosse
21. Biotechnology Development Finance Company
22. Community Development Block Grant Earmarks
23. Grant to CAP Services, Inc.
24. Audit of State Economic Development Strategy
25. Development Zones – Effective Dates

LAND USE

26. Soil Surveys and Mapping
27. Model Land Development Ordinances
28. Easement Transaction Information
29. Dane County Regional Planning Commission

NATURAL RESOURCES

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

TOURISM

67. Grant to America’s Black Holocaust Museum

TRANSPORTATION

68. Local Segregated Transportation Accounts
69. Mass Transit Aid Formula Changes
70. Federal Discretionary Grant Award Limit
71. Federal Discretionary Grant Earmarks
72. Bicycle and Pedestrian Facility Grant Appropriation
73. County Highway Improvement Program
74. Airport Perimeter Deer Fencing
75. Passenger Rail Station Improvement Grant Program
76. Railroad Crossing Improvement Projects
77. Intelligent Transportation Systems
78. State Highway Rehabilitation – Eligible Expenditures
79. Meehan Station Historical Site
80. Tolles Road
81. Village of Clear Lake Box Culvert
82. Prohibition on Certain Land and Development Right Purchases
83. USH 10 Corridor Study
84. License Plate Rebasing
85. Motor Vehicle Dealership License Provisions
86. Milk Truck Weight Limits
87. “Celebrate Children” License Plate Applications

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

88. Farm Assets Reinvestment Management (FARM) Loan Guarantees

C. HUMAN RESOURCES

BOARD ON AGING AND LONG-TERM CARE

1. Ombudsman Position

HEALTH AND FAMILY SERVICES

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

23. Newborn Hearing Screening Program
24. Birth and Developmental Outcome Program
25. Health Insurance Risk Sharing Plan (HIRSP)
26. Caregiver Background Checks Recidivism Study
27. Income Augmentation Contract
28. Data Collection Proposals
29. Five-Year Age Increments
30. Social Security Numbers on State Documents

INSURANCE

31. Point-of-Service Option
32. Obstetric Services Referrals

WORKFORCE DEVELOPMENT

33. W-2 Agency Profits – County Community Reinvestment
34. W-2 Agency Performance Standards
35. Statewide Advisory Group
36. Full and Appropriate Engagement in W-2 Contracts
37. Nonentitlement Modifications
38. W-2 Pay Period
39. Technical College Substitution for W-2 Work
40. Child Care Assistance Employment Requirements
41. Child Care and Development Block Grant Funds
42. Effective Dates – Child Care Eligibility Changes
43. Credit Establishment and Repair
44. Campaign for a Sustainable Milwaukee
45. Milwaukee Jobs Initiative
46. Runaway Services
47. Joint Committee on Finance TANF Expenditure Review Authority
48. Administration of Medical Assistance
49. Unified Program Eligibility
50. Public Assistance Eligibility Determination
51. Medical Assistance Outstationing
52. Public Assistance Funerals and Burials
53. Public Assistance Overpayments
54. Legal Custody and Physical Placement of Children
55. Family Literacy Grants
56. Prevailing Wage Law – Contractor Records
57. Reorganization of the Division of Vocational Rehabilitation
58. Transition to Workforce Investment Act

D. JUSTICE

CIRCUIT COURT

1. Family Court Counseling Fee

CORRECTIONS

2. Inmate Telephone Solicitation and Access to Personal Information
3. Private Business/Prison Employment Program
4. Community Intervention Program
5. Serious Juvenile Offender Program

CRIMINAL PENALTIES

6. Fiscal Estimates for Proposed Penalty Bills

DISTRICT ATTORNEYS

7. Additional Prosecutor Positions
8. Bureau of Justice Information Systems

JUSTICE

9. Training for Tomorrow
10. Collection of Information at Motor Vehicle Stops
11. Telecommunications Advocate
12. Wausau Crime Lab Expansion Study
13. Report on Environment Enforcement Training
14. Methamphetamine Intelligence Analyst

OFFICE OF JUSTICE ASSISTANCE

15. Grants Specialist Position Report

STATE PUBLIC DEFENDER

16. Representation in Children in Need of Protective Services (CHIPS) and Juveniles in Need of Protective Services (JIPS) Cases

SUPREME COURT

17. Appropriation Modifications

E. STATE GOVERNMENT OPERATIONS

ADMINISTRATION

1. Consolidation of State Vehicle Fleet Operations
2. State Vehicle Purchase
3. State Agency Dues Lapse
4. Federal Interest Reimbursements
5. Census Awareness Program
6. National and Community Service Board – Technical

BUILDING PROGRAM

7. Restrictions on Acquisition of Leases
8. Agency Work Plans for Capital Building Maintenance
9. State Fair Park Racetrack Projects
10. Wausau State Office Facility Study
11. Grant to Heritage Military Music Foundation
12. Design-Build Construction Projects

EMPLOYMENT RELATIONS

13. Division Administrator Appointment Authority

MILITARY AFFAIRS

14. Number of Level A Regional Emergency Response Teams
15. Civil Air Patrol Infrared Camera Equipment

MISCELLANEOUS PROVISIONS

16. Legal Notices in Newspapers

REGULATION AND LICENSING

17. Effective Dates

VETERANS AFFAIRS

18. Staff Pay Survey Implementation

F. TAX, FINANCE AND LOCAL GOVERNMENT

ADMINISTRATION

1. Public Benefits Program Administration
2. Division of Gaming – Tribal Gaming Computer System
3. Division of Gaming – Unclaimed Prizes Retained by Racetrack Licensee

ALCOHOL AND TOBACCO TAXES AND REGULATION

4. Changes to the Wisconsin Fair Dealership Law
5. Liquor Tax and Members of the Military
6. Distributor Cigarette Discount
7. Native American Tax on Tobacco Products

CORPORATE FRANCHISE AND INCOME TAX

8. Treatment of Corporate Partners and Limited Liability Company (LLC) Members
9. Sourcing of Receipts of Sales of Services
10. Dividends Received Deductions

FINANCIAL INSTITUTIONS

11. Access Fees for Computer Databases

GENERAL PROVISIONS

12. Required General Fund Balance – Increase to 1.2%

INCOME TAXES

13. Income Tax Exclusion for Mass Transit Fringe Benefits
14. Individual Income Tax Credit for Military Income
15. Miscellaneous Itemized Deductions
16. School Property Tax Rent Credit

INDIAN GAMING

17. Legislative Approval of Tribal Gaming Compacts
18. Office of Justice Assistance Tribal Law Enforcement Assistance Grant Program
19. Department of Health and Family Services Grant Program for Tribal Health Centers
20. Department of Veterans Affairs Services to American Indian Veterans
21. Tourism Marketing Grant Program
22. Department of Natural Resources Drinking Water Study
23. Department of Natural Resources Elk Management
24. Department of Natural Resources Crane Management
25. Commerce – Gaming Economic Development and Diversification Grant Programs
26. University of Wisconsin System Aquaculture Demonstration Facility

STATE OF WISCONSIN INVESTMENT BOARD

27. Bonus Compensation

BOARD OF COMMISSIONERS OF PUBLIC LANDS

28. Information Technology Initiatives
29. Revised Investment Authority for Certain Board Investments

REAL ESTATE TRANSFER TAX

30. Real Estate Transfer Forms and Filing Requirements

SALES AND USE TAX

31. Exemption for Maintenance of Railroad Tracks and Rights-of-Way

SHARED REVENUE AND TAX RELIEF

32. Tax Exemption Reporting Fee
33. Use-Value – Definition of Agricultural Land
34. Use-Value Administrative Rules
35. Automatic Teller Machines
36. Tax Incremental Financing – Village of Gilman
37. Premier Resort Area – Eagle River
38. Small Municipalities Shared Revenue
39. Shared Revenue Payments
40. Payments for Municipal Services
41. Lottery Credit and Property Tax Relief

VETO ITEMS

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 (Imm)

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) (me).

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) (ft)]

Section 172 [as it relates to s. 20.285 (1) (ft)] 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) (ft) 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 agricultural chemical 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 agricultural 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 1855rn

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.

86. Milk Truck Weight Limits

Sections 2761r and 9350 (10c)

These sections modify a current law provision that allows milk trucks to carry heavier than authorized loads under certain conditions. The provision specifies that the normal allowable weight for such vehicles may be exceeded by 2,000 pounds for groups of three or more consecutive axles that are just under nine and one-half feet apart.

I am vetoing this section because the change is in conflict with federal transportation laws. The proposed change, as written, allows for the exemption to occur on portions of I-39. The Federal Highway Administration has already indicated that if this provision is enacted, it could jeopardize the state's national highway system apportionment. I request the Department of Transportation to develop legislation to implement this provision in a way that conforms to federal law.

87. "Celebrate Children" License Plate Applications

Section 2726v

This section requires the Department of Transportation to forward all applications for "Celebrate Children" license plates, without charging a fee, to the department's special license plate unit.

I am vetoing this provision because it is unnecessary. The department is working to clarify internal policies for processing special license plate applications.

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

88. Farm Assets Reinvestment Management (FARM) Loan Guarantees

Sections 2393c and 9325 (1g)

This provision modifies the calculation of the maximum loan guarantee under the FARM program from one based on the

original loan amount to one based on the outstanding principal of the loan.

I am vetoing this provision because it unnecessarily reduces the amount of assistance available to agricultural producers. My budget doubled the maximum loan guarantee under the FARM program. This change would undercut that expansion at the expense of Wisconsin farmers.

C. HUMAN RESOURCES

BOARD ON AGING AND LONG-TERM CARE

1. Ombudsman Position

Section 172 [as it relates to ss. 20.432 (1) (a) and (k) and 20.435 (4) (b)]

Section 172 [as it relates to s. 20.432 (1) (a) and (k) and s. 20.435 (4) (b)] appropriates \$42,500 GPR and \$21,200 PR in fiscal year 1999–2000 to fund 2.00 FTE ombudsmen positions and \$96,000 GPR and \$48,000 PR in fiscal year 2000–2001 to fund 3.00 FTE ombudsmen positions. Although there is no language in the budget bill that authorizes this increase, the Legislature passed a motion and an amendment during its deliberations to authorize funding for the new ombudsmen positions.

I object to the expansion of funding for the ombudsman program at the level approved by the Legislature. I am willing to approve an increase of \$42,500 GPR and \$21,200 PR in fiscal year 1999–2000 and \$74,700 GPR and \$37,400 PR in fiscal year 2000–2001 to fund 2.00 FTE new ombudsmen positions. The addition of 2.00 FTE positions is sufficient to carry out the current level of ombudsman services with an adjustment for caseload projections for the 1999–2001 biennium. I am vetoing the part of the bill that adds an additional ombudsman in fiscal year 2000–2001 by decreasing the Board on Aging and Long-Term Care's s. 20.432 (1) (a) appropriation by \$16,000 GPR in fiscal year 2000–2001 and s. 20.432 (1) (k) appropriation by \$10,600 PR in fiscal year 2000–2001 and the Department of Health and Family Services' s. 20.435 (4) (b) appropriation by \$5,300 GPR in fiscal year 2000–2001. This veto is part of a larger write-down in the Department of Health and Family Services' Medical Assistance appropriation. I am requesting the Department of Administration secretary not to allot these funds and not to authorize the 1.00 FTE position in fiscal year 2000–2001.

HEALTH AND FAMILY SERVICES

2. Kinship Care

Sections 172 [as it relates to s. 20.435 (3) (kc)], 397g, 1134h, 1142g, 1145g, 1145gm, 1145h, 1145j, 1145m, 1145p, 1145t, 1278g [as it relates to s. 49.175 (1) (ze) 1.], 1433x, 1491m, 1521dm and 9123 (10e)

Sections 397g, 1134h, 1145gm, 1145t, 1278g [as it relates to s. 49.175 (1) (ze) 1.], 1433x, 1491m and 1521dm expand the eligibility for kinship care payments to relatives of a person 18 years of age and older if that person is enrolled in, and

regularly attends, a secondary education classroom program leading to a high school diploma, has not been absent from that program without an acceptable excuse for part or all of any day on which that program is held during the month preceding the month in which the kinship care payment is made and a kinship care payment was made on behalf of that person immediately prior to his or her 18th birthday. In addition, the agency making the kinship care payment is required to monitor the classroom attendance of the person under the relative's care.

I am vetoing these sections because I object to the expansion of the kinship care program to individuals 18 years of age and older. In addition to concerns I have about funding for this expansion, counties and the Department of Health and Family Services (DHFS) will have an increased administrative workload in monitoring school attendance, which would have to be done to ensure compliance with the program.

Sections 1142g, 1145g, 1145h, 1145j, 1145m and 1145p provide that an individual who is denied kinship care payments or the continuation of those payments based on information obtained in the individual's background investigation may petition DHFS for a review of the action based on the current review process for denial of kinship care payments on other grounds.

I am vetoing these sections because I object to a kinship care relative having to go through the DHFS review process. Current law allows the kinship care relative to appeal the denial of benefits based on information from the background investigation directly to the director of the county social services or human services agency or an individual designated by the DHFS secretary. This appeals process allows the relative to get a decision in a more timely manner than the formal process provided for in these sections.

Sections 172 [as it relates to s. 20.435 (3) (kc)] and 9123 (10e) require DHFS to allocate \$500,000 PR in fiscal year 1999–2000 to supplement the kinship care allocations to counties and the Bureau of Milwaukee Child Welfare in DHFS (bureau) in order to prevent the need to place a kinship care relative on a waiting list. If a county or the bureau requests supplemental funding and DHFS determines that the funding is necessary to eliminate a waiting list, DHFS must allocate the funding to the requesting county or the bureau. In addition, if the \$500,000 is encumbered before July 1, 2001, DHFS is required to request a supplemental appropriation from the Joint Committee on Finance under s. 16.515.

I am vetoing this provision because I see no need to establish a reserve for kinship care payments. The biennial budget provides a level of funding that fully funds the projected kinship care caseload. In addition, DHFS has the administrative flexibility to reallocate funding among counties if waiting lists become a problem. By lining out the DHFS s. 20.435 (3) (kc) appropriation and writing in a smaller amount that deletes \$500,000 PR in fiscal year 1999–2000, I am vetoing the part of the bill which funds this program. I am also requesting the Department of Administration secretary not to allot these funds and the Department of Workforce Development secretary not to transfer these funds to DHFS.

3. Supplemental Security Income

Sections 1483t, 1483u, 1483v, 1483w, 1483x, 1483y, 1483ym, 1483z, 1483zb, 1484b and 1484c

Sections 1483t, 1483y and 1483ym allow a custodial parent to receive a payment for the support of a dependent child when the parent does not receive a federal or state supplemental security income payment. I am vetoing these sections because I am concerned that these parents will receive special treatment not afforded other recipients of the state's supplemental payment who must receive a federal payment in order to receive a state payment.

Sections 1483t, 1483u, 1483v, 1483w, 1483x, 1483z, 1483zb, 1484b and 1484c expand the caretaker supplement program to include payments for the support of grandchildren. I am vetoing sections 1483t, 1483u, 1483v, 1483w, 1483x, 1483z, 1483zb and 1484c and partially vetoing section 1484b because I object to the expansion of this program to grandchildren. In addition to concerns I have that the Legislature provided no funding for this expansion, the receipt of a caretaker supplement payment should be based on the relationship between the parent and the child. Elsewhere in the bill is a provision that increases the monthly payment the custodial parent receives for the support of the dependent child from \$100 to \$250 for the first child and from \$100 to \$150 for each additional child.

4. Special Needs Adoption Placements

Sections 1131g, 1131k, 1131L, 1131m, 1131r, 1131s, 1148m, 1148p, 1160d, 1160g, 1189p, 1192g, 1192j, 1192m, 3044j, 3197j, 9323 (12g) and 9323 (12h)

These sections provide that: (1) in making an adoptive placement for a special needs child, the placing agency may not consider the location of a proposed adoptive parent's residence as a factor in making the placement, unless the agency determines that consideration of residency is necessary to ensure the child's best interest in light of his or her special needs; (2) if the placing agency considers the location of the prospective adoptive parents' residence as a factor in placing a child with special needs, the agency must document in the child's permanency plan the reasons why that consideration is necessary; (3) if the placing agency does not consider the location of the prospective adoptive parents' residence as a factor in placing a child with special needs and the child is placed more than 60 miles from his or her home, the agency must document in the child's permanency plan the reasons why consideration is not necessary; and (4) if consideration of the proposed adoptive parent's residence is necessary to ensure the best interests of the child in light of the child's need for care or treatment to meet the special needs, the child's permanency plan must include documentation of the reasons why such consideration is necessary.

I am vetoing these provisions because they will result in Wisconsin being out of compliance with Title IV-E of the Federal Social Security Act, which provides that a state may not deny or delay a child's adoptive placement when an

approved family is available outside the jurisdiction that is responsible for the child's case. If the placement is denied or delayed because of jurisdictional considerations, the state loses its eligibility for federal Title IV-E reimbursement. I will support legislation that amends the state's children code to add the federal jurisdiction provisions to ensure that an adoption placement is not delayed or denied solely because of the residence of the proposed adoptive parent.

5. Child Abuse and Neglect Consent Decrees

Sections 1131gt and 9309 (6g)

These sections extend from six months to one year the time that a consent decree under the children's code is in effect unless the child, parent, guardian, legal custodian or expectant mother is discharged sooner by the judge or juvenile court commissioner. I am vetoing these sections because extension of the period of time that a consent decree is in effect may lengthen the time that a child and family are in the child welfare system and may delay achieving permanency for the child.

6. Community Based Residential Facilities

Sections 1045, 1045d, 1045g, 1048m, 1059, 1059g and 1064

Sections 1045d and 1048m require the Department of Health and Family Services (DHFS) to establish a pilot project in Chippewa County to effect all of the following: (a) provide that Chippewa County cannot deny Community Options Program (COP) services to an eligible individual who resides in a Community Based Residential Facility (CBRF) solely because the maximum total amount of funding for persons residing in CBRFs has been reached; (b) in discussing the cost effectiveness of a placement in a CBRF, Chippewa County shall consider all state and federal funds needed for all options considered; and (c) provide that Chippewa County may use COP GPR funds to provide services in any CBRF that has 20 or fewer beds. I am vetoing the provision that Chippewa County cannot deny COP services to an eligible individual who resides in a CBRF solely because the maximum total amount of funding for persons residing in CBRFs has been reached, since I want the county to maintain its current flexibility to determine what percentage of COP funds it plans to use to support individuals residing in CBRFs.

Sections 1045, 1059 and 1064 allow a county to waive the COP assessment, in accordance with guidelines established by DHFS, prior to a person's admission to a CBRF. In addition, these sections provide that a person seeking admission to a CBRF on a private pay basis may waive the assessment, unless the person is expected to become eligible for Medical Assistance within six months of the assessment. Sections 1045g and 1059g prohibit a county department or aging unit from denying COP services to an individual who has refused an assessment. I am vetoing sections 1045g and 1059g and the provisions that an individual can waive the COP assessment because the information obtained from the assessment is important in choosing the most appropriate and cost effective services for the individual.

7. Report on Huntington’s Disease

Section 9123 (8t)

This section requires the Department of Health and Family Services (DHFS), by January 1, 2000, to submit a report to the Joint Committee on Finance on services provided to individuals with Huntington’s disease. Specifically, the report must include, for each county of the state, the following: (a) the number of individuals with any type of disability receiving services through the Community Options Program (COP) and the Community Integration Program (CIP) and county revenues; (b) the number and percentage of individuals with Huntington’s disease receiving services through these programs; and (c) the types of services that individuals with any type of disability, including Huntington’s disease, received under these programs. I am vetoing this section because I am concerned about the increased cost to counties that administer the COP and CIP programs. DHFS classifies Huntington’s disease as dementia and requires no separate reports. Counties would have to undertake a special data collection effort to obtain information on individuals with this disease.

8. Community Integration Program (CIP 1B)

Section 172 [as it relates to s. 20.435 (4) (b)]

Section 172 [as it relates to s. 20.435 (4) (b)] appropriates \$181,700 GPR in fiscal year 1999–2000 and \$539,800 GPR in fiscal year 2000–2001 to fund 50 new CIP 1B placements in fiscal year 1999–2000 and an additional 50 new CIP 1B placements in fiscal year 2000–2001. Although there is no language in the budget bill that authorizes this increase, the Legislature passed a motion and an amendment during its deliberations to authorize funding for the new CIP 1B placements.

I object to the expansion of funding for this program at the level approved by the Legislature. I am willing to approve an increase of \$181,700 GPR in fiscal year 1999–2000 and \$359,900 GPR in fiscal year 2000–2001. I am vetoing that part of the bill which funds 50 new CIP 1B slots in fiscal year 2000–2001 by decreasing the Department of Health and Family Services’ s. 20.435 (4) (b) appropriation by \$179,900 GPR in fiscal year 2000–2001. This veto is part of a larger write-down of the Medical Assistance appropriation. I am also requesting the Department of Administration secretary not to allot these funds. Elsewhere in the bill is funding for 581 additional Community Options Program placements in fiscal year 2000–2001, a portion of which will be used for community services for developmentally disabled individuals.

9. Uniform Compliance Checks

Section 2485j [as it relates to s. 254.916 (1) (a) and (c), (3) (f), (12) and (13)]

Section 2485j [as it relates to s. 254.916 (1) (a)] defines the authority of the Department of Health and Family Services (DHFS) under Chapter 254, Investigation of the Sale or Gift of Cigarettes or Tobacco Products to Minors, including the requirement that in using statistically sound sampling

techniques in designing annual surveys, DHFS must stratify the sample so as to measure compliance by type of retail outlets, excluding a barroom. I am vetoing the provision that excludes barrooms from the sample because, under 42 USC 300x–021, DHFS has included taverns in its sample of outlets and federal regulations require states to maintain consistency in their samples from year-to-year.

Section 2485j [as it relates to s. 254.916 (3) (f)] requires that, excluding investigations conducted under 42 USC 300x–021 and 21 CFR part 897, detailed information concerning the investigation must be reported to DHFS and to the retailer. I am vetoing the provision requiring that investigation results be reported to DHFS because the reports are not necessary for the department’s efforts to collect data to comply with federal law.

Section 2485j [as it relates to s. 254.916 (1) (c) and (12)] exempts surveys conducted by local units of government that have not entered into contracts with DHFS under 42 USC 300x–021 and 21 CFR part 897 from provisions of Chapter 254 and provides that no local surveys may be used for the purpose of issuing warnings or citations or any other enforcement mechanism. I am vetoing these provisions because one of the purposes in creating Chapter 254 was to strengthen compliance checks across the state to achieve a statewide goal of reducing the use of tobacco products by minors. In addition, I am concerned that the provision that precludes local municipalities from using the results of compliance checks for law enforcement purposes may curtail the ability of local governments in enforcing state law prohibiting tobacco sales to minors.

Section 2485j [as it relates to s. 254.916 (13)] exempts the City of Madison or the local health department or local law enforcement agency of the City of Madison from all provisions of Chapter 254. I am vetoing this provision because no county, town, village or city should have a special exemption from the requirements of Chapter 254.

10. Administrative Funding for the Blind and Visually Impaired

Section 172 [as it relates to s. 20.435 (6) (kd)], 226c [as it relates to ss. 20.435 (6) (kd) and 196.218 (5) (a) 10.], 445g and 2332n

These sections provide \$100,000 in each year from the universal fund for administrative services under the rehabilitation teaching program for blind and visually impaired persons. I am vetoing these provisions because I am concerned about broadening the use of the universal fund for activities not directly related to telecommunications, such as salary and fringe benefit costs for rehabilitation teachers. The Department of Health and Family Services (DHFS) did not ask for additional funding for rehabilitation teachers in its biennial budget request. However, I want blind and visually impaired persons to receive the same level of services in fiscal year 1999–2000 and fiscal year 2000–2001 that they received in fiscal year 1998–1999. Thus, I am directing the secretary of DHFS to use base resources to continue the fiscal year 1998–1999 level of services.

11. Healthy Families Program

Section 1099g

This section requires the Department of Health and Family Services (DHFS) to distribute \$100,000 in each year to Kenosha Area Family and Aging Services, Inc. for the provision of home visiting services for mothers who are under 18 years of age. I am vetoing this section because I object to providing additional funding for home visiting programs. [1997 Wisconsin Act 293](#) created a home visiting grant program and required DHFS to evaluate the program. It is premature to expand these programs until the evaluation determines whether home visiting programs are effective in reducing the incidence of child abuse and neglect. I am requesting the Department of Administration secretary to place \$100,000 GPR in fiscal year 1999–2000 and \$100,000 GPR in fiscal year 2000–2001 in unallotted reserve in appropriation s. [20.435 \(3\) \(bc\)](#) to lapse to the general fund.

12. Nursing Home Wage Pass-Through

Section 9123 (9m) (b), 9123 (9m) (bg), 9123 (9m) (bm) and 9123 (9m) (c)

Section 9123 (9m) (b), (bg), (bm) and (c) provide a wage pass-through supplement to nursing homes to increase the wages or salaries and fringe benefits or increase staff hours of housekeeping and laundry workers, dietitians, and food workers.

I am vetoing section 9123 (9m) (b), (bg) and (bm), and partially vetoing section 9123 (9m) (c), to eliminate the wage pass-through for housekeeping and laundry workers, dietitians, and food workers because this increase has not been sufficiently justified. Many nursing homes contract for dietary consulting services, and to a lesser extent, laundry and food service workers. Therefore, the wage pass-through may not apply to workers in those areas because the nursing home does not pay their wages directly. In light of evidence of high turnover rates and the threat of declining patient care as a result of low wages for nurse’s assistants, it makes sense at this time to direct scarce state resources to those workers who provide direct care.

I am requesting that the Department of Administration secretary place \$1,722,500 GPR in fiscal year 1999–2000 and \$2,277,500 GPR in fiscal year 2000–2001 in unallotted reserve in appropriation s. [20.435 \(4\) \(b\)](#) to lapse to the general fund.

13. Supplemental Outpatient Hospital Payments

Section 1384g

This section directs the Department of Health and Family Services (DHFS) to distribute not more than \$2,451,000 (all funds) in each fiscal year, beginning on July 1, 2000, as a supplemental payment to hospitals for which Medical Assistance (MA) revenues were at least 8% of the hospital’s total revenues in the hospital’s most recent fiscal year prior to the year of the payment. I am partially vetoing this provision to make this a one-time payment in fiscal year 2000–2001. The intent of the payment is to offset a portion of hospitals’

increasing costs related to providing uncompensated care to patients without health insurance coverage. With the BadgerCare program in place, these costs are likely to decline, therefore reducing the need for an on-going supplemental payment.

I am also partially vetoing this section to correct a technical error in the statutory language outlining the distribution methodology. The methodology contained in this section would result in each hospital’s supplemental payment being equal to the hospital’s total amount of MA revenues in the previous year. I am partially vetoing the section to correct the methodology so that each qualifying hospital would receive the percentage of the supplemental funds available that is equal to that hospital’s percentage share of total MA revenues of all qualifying hospitals.

Finally, I am also partially vetoing this section to allow DHFS to calculate payments based on data from the prior state fiscal year, as opposed to calculating the payments based on each hospital’s fiscal year. Not all hospitals operate on the same fiscal year. Requiring DHFS to calculate payments over differing time periods is needlessly burdensome. This partial veto will standardize the time period over which all payments are calculated.

14. Medical Assistance Asset Test

Sections 1433t, 1433tm, 1433u, 1437m, 1437n, 1437p, 1437q, 1439g and 1439q

These sections eliminate the asset test for AFDC-related Medical Assistance (MA) eligibility. No funding was provided for this provision based on the assumption that all adults who do not meet the current AFDC-related categorically needy MA test would be BadgerCare eligible. I am vetoing this provision because I disagree with this assumption. BadgerCare will not cover the following individuals: (1) nonlegally responsible relative caregivers; (2) adult parents and their spouses with access to an employer-subsidized family group health plan where the employer pays at least 80% of the premium; and (3) adult parents and their spouses with health insurance coverage in the last three months that meets the Health Insurance Portability and Accountability Act of 1996 (HIPAA) standard plan definition. The Department of Health and Family Services estimates that the elimination of the asset test will increase MA program costs by approximately \$1,723,900 GPR and \$2,460,000 FED per year.

15. Irrevocable Burial Trusts and Medical Assistance (MA) Eligibility

Sections 2923mn and 9442 (2c)

Under the budget bill, the amount of an irrevocable burial trust that may be excluded from assets when calculating MA eligibility increases from \$2,000 to \$2,500 on January 1, 2001, and to \$3,000 on July 1, 2001. Because funding has only been provided for the last six months of the 1999–2001 biennium, this provision creates a significant cost-to-continue problem for the next biennium, which is unacceptable.

I am vetoing section 2923mn and partially vetoing section 9442 (2c) to eliminate the second increase from \$2,500 to

\$3,000 because it commits the state to increased general purpose revenue expenditures in the next biennium.

16. Medical Assistance (MA) School-Based Services

Sections 1427j and 9123 (13d)

Section 1427j directs the Department of Health and Family Services (DHFS) to reimburse school districts, cooperative educational service agencies and the Department of Public Instruction (DPI) (on behalf of the Wisconsin Center for the Blind and Visually Impaired and the Wisconsin School for the Deaf) for 90% of the federal share of allowable administrative costs on a quarterly basis. I am partially vetoing this section to eliminate the requirement that DHFS reimburse these entities on a quarterly basis. Reimbursement on a quarterly basis does not coincide with the nine-month school year and this requirement would be administratively cumbersome to DHFS and to school districts. The reimbursement schedule currently in place, under which school districts receive reimbursement twice per year, is sufficient to ensure regular participation in the program.

Section 9123 (13d) specifies that DHFS shall reimburse school districts, cooperative educational service agencies and DPI (on behalf of the Wisconsin Center for the Blind and Visually Impaired and the Wisconsin School for the Deaf) for 90% of the federal share received for school-based services in excess of \$16,100,000 annually. Under this provision, participating entities would receive 60% of the federal reimbursement for school medical services provided and 90% of federal reimbursement for administrative costs until federal reimbursement exceeds \$16,100,000, at which point participating entities will receive 90% of federal reimbursement for both school medical services and administrative costs. The section further directs DHFS to submit, as part of its 2001–2003 biennial budget request, an increase in the percentage of the federal share received by educational entities for the provision of school-based services to reflect the total percentage of the federal share for which these educational entities were reimbursed in state fiscal year 1999–2000. I am vetoing this directive because it replaces the two-tiered reimbursement system aimed at encouraging participation in the program, with a flat, blended rate. I am directing DHFS to monitor participation based on the new rates and, if it is determined that improvements are needed, to propose a different rate structure in the next biennial budget.

17. BadgerCare Outreach

Section 1476f

This provision directs the Department of Health and Family Services (DHFS) to coordinate with the Department of Public Instruction (DPI) to develop and implement an outreach mailing targeted at families of children enrolled in the federal school lunch program to inform them of the BadgerCare program.

I am vetoing this provision because a similar effort is already underway. DPI recently sent a letter to every school district in

the state encouraging them to inform families of the BadgerCare program. As a result, the Milwaukee Public Schools created a flyer about BadgerCare which was distributed to students. Several other school districts have included BadgerCare information with applications for the federal school lunch program. In addition, it is my understanding that President Clinton has initiated a similar campaign at the federal level. I am directing DHFS to continue to coordinate with DPI to conduct BadgerCare outreach activities in Wisconsin schools.

18. Nocturnal Enuresis Feasibility Study

Section 9123 (7t)

This section directs the Department of Health and Family Services (DHFS) to conduct a study on the cost and efficacy of urine alarms used in conjunction with behavior modification therapy and case management, including bimonthly visits with a specialist, as a treatment for nocturnal enuresis (commonly referred to as bedwetting).

I am vetoing this study because the Wisconsin Medical Assistance (MA) program currently covers a number of methods and services that parents can use to address this problem, including case management, counseling and urine alarms. DHFS has concluded the successful use of urine alarms is best achieved when supervised by the child's primary care physician as part of a comprehensive care plan. In addition, current literature and recommendations from the Nocturnal Enuresis Society do not indicate the need for outside supervision in conjunction with the use of urine alarms. Finally, the vast majority of MA recipients with this diagnosis are children who are enrolled in managed care plans. Health maintenance organizations routinely evaluate the effectiveness of such treatments and choose what they believe to be the most effective option.

19. Tobacco Control Board

Sections 30d, 172 [as it relates to s. 20.436 (1) (tb) and (tc)], 717t, 2486g, 9101 (20c) and 9158 (11mg)

These sections create the Tobacco Control Board (board) to develop a state plan for spending the funds received under the tobacco settlement and set aside \$25,992,000 of those funds in a separate segregated fund. The board is attached administratively to the Department of Health and Family Services (DHFS). The sections also define the duties of the board, identify the activities on which the funds can be spent and provide 2.0 FTE SEG positions. An annual report is required each year evaluating the success of the grant program and audits are required of the University of Wisconsin Center for Tobacco Research and Intervention and the Medical College of Wisconsin. Finally, the Department of Administration (DOA) is required to study the possibility of selling and transferring the state's rights to the monies to establish a permanent endowment fund.

Prior to outlining my vetoes, I want to underscore the importance of investing dollars in worthy and effective programs to prevent smoking, as well as further research on both the health-effects of smoking and medical care for those who suffer from tobacco's ill effects. I fully expect this

funding, which provides more than ample resources, will enable Wisconsin to be a bold leader in an aggressive battle to tackle smoking.

First, I am partially vetoing section 30d [as it relates to the board members, terms and number of meetings] because I am dissatisfied with the board's composition. My concern with the board as statutorily constituted stems from what I believe is an unbalanced composition that keeps important constituencies, such as retailers and parents of teenagers, from having a place at the table. I am also vetoing section 9158 (11mg) which specifies the expiration dates of certain members because it is no longer necessary if the specific membership of the board is not set statutorily.

Second, I am partially vetoing section 30d [as it relates to DHFS sending the board's budget to DOA without changes] because it is inconsistent with language which governs all attached boards. Under s. 15.03, "budgeting, program coordination and related management functions shall be performed under the direction and supervision of the head of the department" to which the board is attached. The agency that is responsible for the state's tobacco control program should have input into the board's budget, and my partial veto ensures this input will occur.

Third, while I recognize there was substantial compromise in reconciling the funding level proposed by each house, I still believe the final, agreed upon amount is too high. As a result, I am partially vetoing section 717t so that a total of \$23,500,000 SEG will be available for the biennium, which will save \$2,492,000. As a result, I am writing down the amounts in s. 20.436 (1) (tb), the administrative appropriation, by \$200,000 SEG in fiscal year 1999-2000 and in s. 20.436 (1) (tc), the grants appropriation, by \$2,292,000 SEG in fiscal year 2000-2001 to what I believe are more reasonable funding levels. I am requesting the Department of Administration secretary not to allot these funds. I am retaining the full amount of funding for administration in fiscal year 2000-2001 in order to ensure that the board has sufficient funding to reimburse DHFS for the cost of services, such as accounting or personnel, provided to the board.

Fourth, I am partially vetoing section 2486g which describes the duties of the board to eliminate the provision that the plan for spending the tobacco settlement funds must conform to the model developed by the Centers for Disease Control and be modeled after successful tobacco control programs in other states. While I understand it is not effective practice to reinvent the wheel, I believe the board members should not be constrained by these limitations. I want to provide each member with greater flexibility and encourage creativity and forward-thinking as they develop and propose programs to meet the specific needs of Wisconsin residents.

Finally, section 9101 (20c) requires DOA to study the possibility of selling and transferring Wisconsin's rights to the tobacco settlement funds in order to create a permanent endowment fund. The study is to be completed by January 1, 2000. I am partially vetoing this section to eliminate the study due date in order to provide more time for the department to complete a thorough and comprehensive review.

20. Women, Infants and Children (WIC) Electronic Benefits Transfer

Sections 34b, 2435q and 9123 (8d)

These sections establish a WIC Council attached to the Department of Health and Family Services (DHFS) which will review the program and make recommendations on needed changes in policy and procedures to the DHFS secretary and the Legislature. They also require DHFS to study the feasibility of an electronic benefits transfer program for WIC and submit the study to the Joint Committee on Finance (JCF) by January 1, 2002. The study would specify the information systems requirements, the compatibility of such a system with existing electronic benefits transfer programs and the costs of such a system.

I am vetoing the provisions establishing a council because it is duplicative. DHFS already has an advisory council which addresses policies and procedures in the WIC program. I am also partially vetoing the specific topics to be addressed in the feasibility study. I am interested in the possibility of using the electronic transfer of benefits in the future and I would like to learn what other states are developing now. However, I believe it is premature to conduct the study as proposed given the difficulty several states are experiencing in trying to develop this type of system. I am also vetoing the provision requiring the submission of the study to JCF and the due date, to provide DHFS some additional flexibility.

21. Community Health Centers and the Minority Health Program

Sections 172 [as it relates to s. 20.435 (5) (fh)] and 2400m

Section 2400m provides \$3,500,000 GPR in fiscal year 1999-2000 and \$4,000,000 GPR in fiscal year 2000-2001 for federally qualified health centers. Section 2400m also provides \$100,000 GPR in each fiscal year for the Mary Mahoney Health Services Center in Milwaukee. Finally, section 172 [as it relates to s. 20.435 (5) (fh)] provides \$300,000 GPR annually to support a minority health program which will provide grants to improve minority health and a minority health media campaign.

While the federally qualified health centers provide a valuable service, I believe the amounts appropriated are excessive. Therefore, I am vetoing section 2400m [as it relates to the federally qualified health centers' allocation language] in order to reduce funding for these centers to \$2,500,000 in fiscal year 1999-2000 and \$3,000,000 in fiscal year 2000-2001. I am also partially vetoing funding in fiscal year 2000-2001 in section 2400m [as it relates to the Mary Mahoney Center] and the minority health program to avoid building these costs into the next biennium's base spending. Instead, I am asking these programs to apply for additional funding through a grant from the Tobacco Control Board. I am requesting that the Department of Administration secretary place \$1,000,000 GPR in fiscal year 1999-2000 and \$1,100,000 GPR in fiscal year 2000-2001 into unallotted reserve in appropriation s. 20.435 (5) (fh) to lapse to the general fund. I am also writing in a smaller amount in s. 20.435 (5) (fh) to reflect the GPR reduction in funding for the minority health program which should seek support in the

second year from tobacco settlement funds. I am requesting the Department of Administration secretary not to allot the \$300,000 for the minority health program.

22. Consolidated Contracts

Sections 999m and 9323 (11m)

These sections require the Department of Health and Family Services (DHFS) to submit a plan to the Joint Committee on Finance (JCF) for approval under the 14-day passive approval process to consolidate a variety of public health contracts for such activities as lead poisoning prevention and family planning. This language was developed in response to concerns from many organizations and public health departments that the inclusion of the family planning funds in the consolidated contract would politicize the provision of these services, as it already had in two counties, if the contract had to be approved by the county board of supervisors. To ensure that these services continue to be provided statewide and to not impede the progress of the rest of the consolidated contract proposal, I have directed DHFS to remove family planning services from the consolidated contract. I am vetoing the language requiring JCF review since the primary problem it was designed to address has been resolved.

23. Newborn Hearing Screening Program

Sections 172 [as it relates to s. 20.435 (5) (jk)], 368r, 368s, 434r, 434s, 434t, 1649r, 1649s, 2439r, 2439s and 9423 (11g)

These provisions establish a newborn hearing screening program under which grants would be made to hospitals to purchase equipment for hearing tests and to provide training. The program would be funded by a \$2 increase in the cost of a birth certificate for the period October 1, 1999, (or on the first day of the month after publication, whichever is later) through December 31, 2001. The Department of Health and Family Services (DHFS) is required to collect data on the number of babies born in hospitals that test hearing. If, by August 5, 2003, DHFS determines that less than 88% of babies born in the state are delivered at hospitals which do not administer hearing tests, then DHFS must require all hospitals in the state to provide the tests.

I believe this program has merit, but I believe that funding the program with increased fees from birth certificates is inappropriate. As a result, I am vetoing the appropriation under s. 20.435 (5) (jk) and other sections related to the funding for this program. I am, however, retaining the programmatic language and asking the groups that support this program to work together to propose a more appropriate source of funding for the program.

24. Birth and Developmental Outcome Program

Section 172 [as it relates to s. 20.435 (1) (a)]

Section 172 [as it relates to s. 20.435 (1) (a)] provides \$100,000 GPR in fiscal year 1999–2000 and \$200,000 GPR in fiscal year 2000–2001 to purchase the services of a medical records abstractor to collect and study data on children with birth defects. I am reducing funding for this purpose by

\$100,000 in the second year because there was no justification to document the need for increasing the level of funding for this program in the second year. By lining out s. 20.435 (1) (a) and writing in a smaller amount, I am vetoing the part of the bill that funds this provision. I am also requesting the Department of Administration secretary not to allot these funds.

25. Health Insurance Risk Sharing Plan (HIRSP)

Sections 2277t and 2278g

Section 2277t allows the HIRSP Board or the Department of Health and Family Services (DHFS) to adjust the income eligibility brackets for the premium and deductible subsidies by the consumer price index. Prior to making these adjustments, the HIRSP Board and DHFS must obtain approval of the Joint Committee on Finance (JCF). I am partially vetoing the provision that requires JCF approval because the additional oversight provided by the committee is unnecessary.

Section 2278g requires DHFS to obtain approval from the HIRSP Board before developing rules on cost containment strategies such as prior authorization requirements. I am vetoing this provision to ensure that departmental staff have flexibility in establishing cost containment strategies. However, I am directing the DHFS secretary to consult with the HIRSP Board with respect to these policies prior to issuing any new rules.

26. Caregiver Background Checks Recidivism Study

Section 9111 (4xx)

This section directs the Department of Corrections (DOC), in conjunction with the University of Wisconsin–Madison (UW), to prepare a report on the correlation between prior convictions and the propensity to commit future acts of abuse, neglect or misappropriation. I am partially vetoing this section to delete DOC participation in the study. Many crimes of abuse, neglect and misappropriation are misdemeanors, and records of these crimes are kept at the county level. Court records, not DOC records, are a more appropriate and comprehensive source of data for this study. I am requesting the UW to submit the report to the Legislature in the manner provided under s. 13.172 (3) of the statutes no later than June 30, 2001.

27. Income Augmentation Contract

Sections 456r, 1091k and 9323 (13f)

These sections require the Department of Health and Family Services (DHFS) to perform activities to augment income received under 42 USC 670 to 679a, 42 USC 1395 to 1395ddd and 42 USC 1396 to 1396v (foster care, Medicaid and Medicare). Under these sections, DHFS is required to perform these activities itself and may not contract with any person to perform these activities. I am vetoing these sections because I want DHFS to have the flexibility to augment federal income in a manner that maximizes the amount of income the state receives from the federal government. The

vendor currently under contract with DHFS has already documented \$68.1 million in retroactive claims that the state has since collected.

28. Data Collection Proposals

Section 9123 (8mx)

This section requires that two proposals be developed regarding health care data collection. The first allows the Department of Health and Family Services (DHFS) to develop and submit a request by June 30, 2001, for expenditure and position authority to the Department of Administration (DOA) that would allow DHFS to collect health care data from physicians and would include recommendations regarding how that activity might be funded. DOA may submit the proposal, along with any legislation necessary to implement the proposal, to the Joint Committee on Finance (JCF) for approval under the 14-day passive review process. The second proposal is a joint effort of DHFS, the Office of the Commissioner of Insurance and the Department of Employee Trust Funds to develop a memorandum of understanding among the agencies regarding the consolidation of health care data collection activities. This proposal would be sent to DOA which would forward the proposal with any modifications and any needed language to JCF for approval under the 14-day passive approval process.

I am vetoing the provision under which DHFS may submit a proposal to collect health care data from physicians because it is no longer necessary. This provision was incorporated in the JCF version of the bill. However, in a later step in the legislative process, the staff and funding needed to collect the data were approved.

I am also vetoing the provision requiring the three agencies to develop a proposal for a consolidated data collection system because it, too, is unnecessary. All three agencies are currently members of the Interagency Coordinating Council whose charge is specifically to coordinate health care data collection activities among all state agencies.

29. Five-Year Age Increments

Section 2280c

This provision, which is part of a larger initiative on the confidentiality of health care records, describes the data elements which can be included in public use data files. It specifically indicates that a person's age must be included in 5-year increments up to age 80 and a category of 80 and over. Groups conducting research on geriatric health indicate there are significant health differences in people over 80 and would prefer to have data on that age group reported in 5-year increments as well. Therefore, I have partially vetoed this section to ensure that all data are reported in 5-year increments regardless of age.

30. Social Security Numbers on State Documents

Sections 936t, 944w, 2359tb, 9315 (1p), 9315 (2p) and 9317 (3p)

These sections prohibit the Departments of Employee Trust Funds and Employment Relations from using social security numbers as an identifier on state documents, including agency time sheets, deferred compensation statements and retirement system statements.

While I most definitely support efforts to protect people's identities, I do not believe that the fiscal impact of these provisions was clearly defined. Both agencies reported that they would need significant funding to completely overhaul their information systems which use the social security number as the primary link between payroll, time reporting and benefits accounting. For these reasons, I am vetoing the provisions related to the use of social security numbers on state documents.

I am asking these agencies to comply with the spirit of the language to the extent that they can and I am asking members of the Governor's Task Force on Privacy to address this issue and provide me with recommendations which can be included in the January legislative session.

INSURANCE

31. Point-of-Service Option

Sections 3036h, 9326 (4g) and 9426 (4g)

This provision, which is part of a larger initiative on point-of-service option insurance plans, exempts employers from having to offer such a plan if, after having offered this option and providing an opportunity to enroll, fewer than 25 employees express an interest in enrolling in this plan. I am partially vetoing these sections because I believe it is inequitable to employees who did express an interest in the plan, but were denied the opportunity to enroll in the point-of-service plan simply because fewer than 25 of their co-workers wanted to purchase this plan.

32. Obstetric Services Referrals

Section 3036r

This section prohibits managed care plans that offer obstetric and gynecologic services from requiring female enrollees to get a referral for these services. It further requires the plans to provide notification of this referral prohibition in the person's policy and in the literature provided during each enrollment period.

I am partially vetoing the provision requiring notice of the referral prohibition during the open enrollment period because it will unnecessarily increase plan costs. Managed care plans are already required to identify referral policies when they issue coverage to a person.

WORKFORCE DEVELOPMENT

33. W-2 Agency Profits – County Community Reinvestment

Sections 1330r and 1278g [as it relates to s. 49.175 (1) (d)]

These sections require the Department of Workforce Development (DWD) to distribute an amount equal to 4% of W-2 agencies' contract amounts directly to county governments for purposes of community reinvestment. They also require DWD to establish by rule criteria for the use of community reinvestment funds.

I object to the treatment of community reinvestment funds in this section. My budget proposal made community reinvestment funds available to W-2 agencies as a bonus for agency performance. These provisions create a guaranteed distribution of community reinvestment funds to counties, not W-2 agencies, regardless of performance. While many county governments administer the W-2 program, under this provision those nonprofit and private organizations administering W-2 would not have access to community reinvestment dollars. Moreover, the proposal agreed to by the Conference Committee allocated an amount equal to 3% of contract amounts for community reinvestment, and allocations under s. 49.175 (1) (d) were calculated using the 3% community reinvestment proposal. Section 1330r, however, states that amounts for community reinvestment would equal 4% of the contract total, not 3%.

Finally, use of reinvestment funds has not been detailed in the statutes because I wanted each agency to have the flexibility to use the funds to benefit its own particular community. DWD already issues guidance for use of community reinvestment bonuses, and I feel requiring DWD to create administrative rules is unnecessary.

Therefore, I am partially vetoing these sections so that DWD may distribute community reinvestment funds to W-2 agencies instead of directly to counties and to remove the requirement that DWD establish rules for the use of community reinvestment funds. I am, however, leaving the requirement that DWD establish criteria for the use of reinvestment funds. These criteria should be consistent with performance standards established in the W-2 Request for Proposal for the award of community reinvestment funds.

34. W-2 Agency Performance Standards

Section 1224d

This provision would codify in statute several performance standards that W-2 agencies would have to meet before earning performance bonuses from the Department of Workforce Development (DWD). The provision would also require the creation of a system to track former W-2 participants and former applicants to ensure agencies are meeting their contractual obligations and to assess whether those agencies qualify for performance bonuses.

I support the performance criteria in this section. However, I feel basing agency performance on the status of former

applicants, persons who never participated in the program, seems unnecessary and would significantly increase the number of persons DWD must track. Furthermore, DWD already has a system in place, the Client Assistance for Reemployment and Economic Support (CARES) system, which tracks former W-2 participants for 180 days after leaving the W-2 program.

Therefore, I am partially vetoing this section to remove the requirement that DWD track former applicants and that DWD create a tracking system. I recognize tracking former W-2 participants provides information that helps Wisconsin evaluate the ability of W-2 agencies to increase self-sufficiency. Therefore, I am directing DWD to assess the effects of increasing the number of days they track former participants from 180 days to 365 days. This study should identify the costs as well as the capacity of the CARES system to handle such an increase.

35. Statewide Advisory Group

Sections 1224c, 1224p and 9357 (7g)

These sections would require the Department of Workforce Development (DWD) to create a statewide advisory group that would serve as a source of information about W-2 programs and policies and as a forum for public comment on W-2. The department would have to organize regional forums and special work groups to address concerns raised by the advisory group, and any person would be allowed to participate in these meetings.

I object to these provisions because there is already an extensive process for public comment on the W-2 program. DWD received over 700 comments on the last W-2 Request for Proposal alone. Furthermore, each W-2 agency currently has a community steering committee in place which can help the agency evaluate W-2 policies and organize forums with or without DWD participation. The proposed statewide advisory group would only seem to add another layer to W-2 administration, one for which no resources have been provided. Therefore, I am vetoing the requirement in section 1224p that DWD create a statewide advisory group and organize regional forums and work groups. I am also vetoing section 9357 (7g) and partially vetoing section 1224c which require DWD to consult with this statewide advisory group when establishing performance standards.

36. Full and Appropriate Engagement in W-2 Contracts

Section 9157 (2c) (b)

This section directs the Department of Workforce Development (DWD) to amend its Request for Proposal (RFP) for the next W-2 contract. One provision defines engagement for the Food Stamp Employment and Training (FSET) program as activities equal to the household's monthly food stamp benefit divided by the minimum wage. The current work requirement, as specified by the W-2 RFP, is 27 hours of work-related activities per week. This provision was included based on the argument that the RFP's FSET engagement criterion was not in compliance with federal regulations. However, the Department of

Administration and DWD have confirmed that the requirement in the RFP is in fact acceptable under federal law.

Another provision eliminates the criterion that full and appropriate engagement for W-2 subsidized employment is engagement for at least 30 hours per week. The W-2 program is guided by the principle that participants should be attached to the workforce in order to qualify for public assistance. This provision essentially weakens the W-2 work requirement and thus a basic program goal.

Therefore, I am partially vetoing this section. This action will reinstate the FSET and W-2 engagement requirements as defined currently in the W-2 RFP.

37. Nonentitlement Modifications

Sections 1216m and 1227m

Section 1227m requires W-2 agencies to place a person who meets the eligibility requirements into a subsidized employment position within 30 days of application, if the person has made a reasonable job search that was unsuccessful. Agencies would also have to place an individual incapable of job search into subsidized employment immediately upon determining that person meets eligibility requirements. Finally, section 1216m exempts these two categories of individuals from W-2 nonentitlement statutes under s. 49.141 (4).

I object to these provisions because W-2 agencies already should be providing services to assist the individuals targeted by this provision. W-2 policy specifies that any individual classified as "job ready" but unable to find work must be reassessed every 7 days. Those reassessments provide W-2 financial employment workers the opportunity to determine what support services the participant needs in order to find work and to reconsider whether the person is in fact ready for unsubsidized employment. Furthermore, under current policy those not considered "job ready" must not be required to search for employment as a condition of their eligibility for W-2. W-2 agencies may place such applicants into trial jobs, community service jobs or W-2 transition placements.

One key philosophy of W-2 is that no individual is entitled to public assistance. Section 1216m reinstates entitlement by exempting individuals from the nonentitlement section of the statutes, thereby eroding this important aspect of the program. Therefore, I am vetoing these sections to remove the proposed nonentitlement exemption and eliminate the placement requirement for certain new W-2 applicants.

38. W-2 Pay Period

Section 1237t

This section specifies that the participation period for a W-2 employment position must be from the 26th day of one month to the 25th day of the next month. As a result, the participant would receive a full benefit check on the 1st day of the subsequent month. This section would also require W-2 agencies to provide the first grant payment to new participants 14 days after beginning participation. The pay period runs currently from the 16th day of one month to the 15th day of the

next, with payment on the 1st day of each month. The Department of Workforce Development (DWD) issues new participants partial payments on the 1st day of the month after they begin participating in W-2 even if they have not participated for any hours in the previous pay period.

DWD uses the time between the end of the pay period (the 16th) and the first of the month to adjust assistance checks for sanctions. The proposed provision would reduce the amount of time DWD has to make such adjustments by two-thirds. In addition, issuing checks to new participants 14 days after beginning participation would create a system where DWD would be issuing assistance checks every day of the month. DWD also would have no time to adjust these partial payments if the participant incurred any sanctions. Therefore, I am vetoing this section, thus maintaining the current pay period system.

I recognize that people first applying for W-2 assistance may be experiencing economic crises and need emergency help. Currently, W-2 agencies may offer emergency assistance grants and emergency food stamps to new participants facing such hardship. However, if improvements to the pay period are possible, DWD should explore them. I therefore direct DWD to study whether or not improvements to the existing pay period are necessary and to assess the effectiveness of current emergency assistance in meeting the needs of those facing hardship.

39. Technical College Substitution for W-2 Work

Sections 1233m, 1237f and 1237h

These sections permit W-2 participants to engage in a self-initiated technical college education program as part of a community service job (CSJ) placement or transitional placement (W-2T). Participants could participate in such programs for the duration of the technical college program or two years, whichever is shorter. A W-2 agency could not require such participants to work more than 25 hours per week.

Under current law, W-2 agencies can assign up to 10 hours per week of education and training activities, including technical college education, to W-2 participants as part of their CSJ component. These participants can be required to work up to 30 hours per week. However, participants cannot substitute this education for their work requirement, nor are they allowed to initiate the education program. Rather, the financial employment planner (FEP) determines what type of education is appropriate, how much is needed and how much the participant should work. Similarly, a person in a W-2T placement can be assigned up to 12 hours per week of education and training and up to 28 hours per week of work.

By allowing participants to substitute their technical college education for their work requirement, the emphasis of the W-2 program could shift away from work and back towards education programs. Moreover, maintaining the FEP role in determining the education program for participants is important, therefore I am partially vetoing sections 1233m, 1237f and 1237h to remove the ability of participants to initiate the education program and to ensure that any

participant wishing to engage in technical college under this section must work 25 hours per week.

40. Child Care Assistance Employment Requirements

Sections 1250b and 1252

These sections remove any work requirement as a condition of eligibility for W-2 child care assistance while participating in an education program. Under current law, participants are required to have 9 months of previous workforce attachment or be engaged in a W-2 subsidized employment position before becoming eligible to receive child care assistance while going to school. My budget proposal reduced the work requirement to 3 months. Because of anticipated increases in eligibility for child care assistance, an additional \$130,000 PR-F was allocated for fiscal year 1999-2000 and an additional \$150,000 PR-F was allocated for fiscal year 2000-2001.

W-2 is a work-based program, and attachment to the workforce is a critical aspect of eligibility even for child care assistance. Therefore, I am partially vetoing these sections. This veto will have the effect of requiring W-2 agencies to determine if a basic education program would facilitate the individual's efforts to maintain employment. Thus, the participant will have to be engaged in unsubsidized work or a subsidized W-2 employment position. Because eligibility for assistance will still increase compared to what I allocated in my budget proposal, I am not removing the additional funding for this provision.

41. Child Care and Development Block Grant Funds

Section 9157 (3mm)

This provision requires the Department of Workforce Development (DWD) to create a plan to maximize the use of federal child care and development block grant funds by the first day of the first month beginning after budget publication. This plan would have to be submitted to the federal Department of Health and Human Services (DHHS) the following month. Given the publication date of this bill, I feel DWD will not have sufficient time to meet this requirement.

I am partially vetoing this section to remove the submission date requirements. Furthermore, I direct DWD to create a plan by December 1, 1999, and submit that plan to DHHS by January 1, 2000.

42. Effective Dates – Child Care Eligibility Changes

Section 9457 (3) and 9457 (4)

This section introduces effective dates for new child care assistance eligibility requirements and specifies that, among other items, s. 49.145 (3) (b) 2. with regards to the repeal of the child care asset test is effective on January 1, 2000. There are two treatments of this section of the statutes in the bill, and I feel that the amendment to s. 49.145 (3) (b) 1., with regard to

excluding a dependent child's income from a family income calculation, should be effective at the same time.

These and other child care eligibility changes including the expansion of eligibility for disabled children up to age 19, exclusion of child support income, the increase in initial eligibility from 165% of the federal poverty line (FPL) to 185% FPL, and the change from gross to net income are scheduled to take effect January 1, 2000. However, they all require reprogramming of the Client Assistance for Reemployment and Economic Support System (CARES), and this system will be unavailable for reprogramming between November 1, 1999, and January 31, 2000, due to a systemwide freeze in preparation for Y2K. Furthermore, with the delayed passage of the budget, I feel the Department of Workforce Development will not have time to make the changes even without a precautionary Y2K freeze.

Therefore, I am partially vetoing this section to make all changes to s. 49.145 (3) (b) effective simultaneously and to remove the January 1 effective date in section 9457, subsections (3) and (4). I direct the Department of Workforce Development to instead make the necessary changes to the CARES system by March 1, 2000.

43. Credit Establishment and Repair

Sections 1221 and 1278g [as it relates to s. 49.175 (1) (cr)]

These sections provide funding to Milwaukee W-2 agencies for the provision of credit establishment and credit repair assistance to participants. I do not support additional funding for this purpose because W-2 agencies already perform budgeting and financial planning counseling to participants. Furthermore, concern has been expressed by many groups, including the Federal Trade Commission, that certain "credit repair" firms are achieving their ends not by helping participants learn good financial habits but by promising quick fixes.

Therefore, I am partially vetoing section 1278g to eliminate the allocation of \$3,000,000 in each fiscal year for this program. I also am requesting the Department of Administration secretary to put these funds into unallotted reserve.

Finally, I am partially vetoing section 1221. This partial veto will reinstate the requirement that any W-2 agency intending to provide credit assistance or credit repair services must submit a proposed plan to the Department of Workforce Development (DWD). With this particular veto, DWD can ensure that no W-2 agencies contract with disreputable credit repair firms.

44. Campaign for a Sustainable Milwaukee

Section 1278g [as it relates to s. 49.175 (1) (zi)]

This section allocates \$300,000 to the Campaign for a Sustainable Milwaukee (CSM) in fiscal year 1999-2000 from the Temporary Assistance for Needy Families (TANF) block grant. CSM has indicated their organization is not prepared to use these funds and have recommended the return of this \$300,000 to the general workforce attachment fund.

Furthermore, if CSM provides services for TANF-eligible individuals, any W-2 agency may contract with this organization separately. Therefore, I am partially vetoing this section, eliminating the allocation for this agency. I also am requesting the Department of Administration secretary to place these funds into unallotted reserve.

45. Milwaukee Jobs Initiative

Section 1278g [as it relates to s. 49.175 (1) (zm)]

This section allocates \$100,000 PR-F in each fiscal year for the Milwaukee Jobs Initiative, Inc. (MJI). I object to making this allocation ongoing and feel a one-time allocation is more appropriate. Therefore, I am partially vetoing this section, instead allocating \$100,000 for MJI on a one-time basis. I also am requesting the Department of Administration secretary to place the \$100,000 in fiscal year 2000-2001 into unallotted reserve.

46. Runaway Services

Sections 397m, 397r and 1278g [as it relates to s. 49.175 (1) (ze) 4.]

This provision transfers funding from the Temporary Assistance for Needy Families (TANF) block grant to the Department of Health and Family Services to distribute \$150,000 annually in grants to programs that provide services for runaway children.

In the budget, I created a Community Youth Grant program in which the Department of Workforce Development will award grants on a competitive basis to organizations providing services to TANF-eligible youth. Any organization that provides services to runaway children would be eligible to compete for a grant under this new program. Furthermore, W-2 agencies may contract separately with any organization that provides these services to TANF-eligible youth. Therefore, I am partially vetoing these sections, eliminating a separate TANF allocation for a runaway services program. I also am requesting the Department of Administration secretary to place these funds into unallotted reserve.

47. Joint Committee on Finance TANF Expenditure Review Authority

Section 1278g [as it relates to s. 49.175 (2)]

This section eliminates the current Department of Workforce Development (DWD) authority to transfer 10% from one allocation under s. 49.175 (1) to another allocation for a specified purpose with Department of Administration (DOA) approval. It would institute a process whereby any redistribution of funds between DWD allocations would require approval from DOA and the Joint Committee on Finance (JCF).

The transfer authority, which exists under current law, allows DWD flexibility in making adjustments to its public assistance allocations which are funded primarily by GPR and the federal Temporary Assistance for Needy Families (TANF) block grant. This flexibility is necessary in

maintaining DWD's ability to manage and respond to changes that are needed in the W-2 program.

Under current law, two sets of statutes govern the use of TANF funds - the federal block grant review language under s. 16.54 (2) (a) 2. and the allocations, established by the Legislature in the 1997-1999 biennial budget, under s. 49.175. Because these statutes overlap and are occasionally contradictory, my budget proposal tried to strike a new, more workable balance between the Legislature's legitimate desire to oversee the use of TANF and DWD's need for some flexibility in managing these programs. As such, under my budget TANF was exempt from federal block grant review. However, the Legislature retained oversight of the use of TANF through the s. 49.175 allocations. In addition, I changed the TANF block grant from a continuing to an annual appropriation so that JCF approval would be needed before any TANF not appropriated by the Legislature could be expended. I believe this proposal struck the correct balance because it retained the flexibility for DWD to transfer up to 10% from one allocation to another without Legislative review.

Unfortunately, the Legislature removed the 10% transfer flexibility and consequently upset this balance. I am partially vetoing this provision to eliminate JCF review of all transfers between allocations. DOA review of any transfers will continue. Furthermore, I direct DWD to not request any redistribution which exceeds its authority under current law to transfer 10% of any s. 49.175 allocation for a specified purpose with DOA approval. I would be willing to support separate legislation to restore JCF review to any transfer greater than 10%.

48. Administration of Medical Assistance

Sections 466, 1356m, 1356n, 1373v, 1460m, 9101 (18m), 9157 (2p) and 9423 (10m)

These sections transfer responsibility for Medical Assistance (MA) eligibility administration and the management of the Client Assistance for Reemployment Economic Support System (CARES) from the Department of Workforce Development (DWD) to the Department of Health and Family Services (DHFS) effective March 1, 2000. In addition, the Department of Administration (DOA) is directed to identify the exact number of full-time equivalent (FTE) positions and dollars that should be transferred and to submit this information to the Joint Committee on Finance for action at its December s.13.10 quarterly meeting.

Under current law, DHFS sets MA policy and DWD has responsibility for income maintenance (IM) administration. IM is another term for eligibility determination of the major public assistance programs. Consequently, DWD manages the CARES system, on which eligibility is determined for W-2, MA, BadgerCare, food stamps and child care. While CARES is the primary administrative tool used by DWD and the W-2 agencies to manage cases of public assistance recipients, to compile data for research and statistics, and to generate required quarterly and annual reports for submittal to the federal government, it also plays an important role in determining eligibility for the MA program. Finally, DWD also manages the local IM contract and provides services like training and manual writing to the counties, tribes and W-2 agencies.

Given the overwhelming success of welfare reform, it is now appropriate to follow-up with some reform of MA administration. However, I am not convinced that it is necessary, at this point in time, to transfer the management of the CARES system from one department to another or split the administration of public assistance programs in the manner proposed under the bill. I am, therefore, partially vetoing these sections to remove these requirements.

To improve the current arrangement between the two departments, I am retaining language that directs the DOA secretary to submit a report to my office which details the FTE positions and funds that are involved in MA administration. In addition, I am directing that DWD move the management of the CARES system to the Bureau of Information Technology in the Administrative Services Division of DWD and that DOA become more involved in setting the priorities for work on the system especially in areas that support more than one public assistance program.

Second, I am directing DOA to place all of the IM funds in unallotted reserve. DWD and DHFS will determine the funding and FTE positions related to state-level activities, CARES administration and local IM contracts that are billed to MA, W-2, food stamps and child care. Further, DOA, working with the two agencies, should develop a plan for withdrawing the funds from unallotted reserve and allocating the FTE positions between the agencies. Once a spending plan has been agreed to by all three agencies, I am directing DOA to oversee the transfer of the agreed upon FTE positions and funding related to MA administrative activities to DHFS. The plan will also address separation of contracts at the local level.

Through these actions, my intent is to improve the ability of DHFS to ensure that MA functions as effectively as possible at both the state and local level and to balance the priorities of both agencies and my administration.

49. Unified Program Eligibility

Section 9157 (3e)

This provision requires the Department of Workforce Development (DWD) to coordinate with the Department of Health and Family Services (DHFS) and the Department of Public Instruction (DPI) to develop and implement a plan for a simplified application process for low-income families applying for Medical Assistance, BadgerCare, Food Stamps, reduced and free school lunches, and the supplemental food program for Women, Infants and Children (WIC). These agencies would have to submit this plan to the Joint Committee on Finance for a 14-day passive review process prior to implementing the new application process.

The application for these programs is currently handled by the Client Assistance for Reemployment and Economic Support System (CARES), a computerized system which can determine eligibility for all programs through one application. DWD, DHFS, and representatives of local government have already worked to develop a new application process in CARES for Medical Assistance, BadgerCare, W-2, Food Stamps and child care assistance.

In their proposal, these departments did not include a discussion of school lunches or WIC benefits because they are not part of the CARES system. These programs have much simpler applications than other assistance programs and adding the applications for these programs into a streamlined application for other public assistance programs could significantly burden those individuals who only want WIC or free and reduced school lunch and those organizations which accept applications for school lunches or WIC.

Because a simplified application process has already been developed and because the proposal in this bill could complicate applications for school lunches and WIC, I am vetoing this section. However, I direct the departments to develop a report detailing the findings of their work group and share that report with the Co-Chairs of the Joint Committee on Finance.

50. Public Assistance Eligibility Determination

Section 9123 (7w)

This provision requires the Department of Workforce Development and the Department of Health and Family Services to make improvements to the Client Assistance Reemployment and Economic Support (CARES) system such that individuals applying for more than one assistance program could have their eligibility determined for each program independently of their eligibility determinations for other programs.

CARES collects a general set of personal information when individuals apply for public assistance. This system uses that information to determine eligibility for an array of public assistance programs, but eligibility for each program is currently determined independently of eligibility for other programs. Because CARES already functions in the way specified by this provision, I am vetoing this section and removing the provision requiring these two departments to change the CARES system.

51. Medical Assistance Outstationing

Section 1361v

This section requires counties to provide outstationed Medical Assistance (MA) eligibility workers the necessary security clearance to review and update information on existing records in the Client Assistance for Reemployment and Economic Support (CARES) system that have been assigned to other caseworkers. The Department of Health and Family Services has already implemented administrative procedures to address the concern that MA recipients cannot get immediate service when they go to outreach locations. Because a change in law is not required to make these administrative adjustments, I am vetoing this section and removing this additional proposed change to the CARES system.

52. Public Assistance Funerals and Burials

Sections 1355wb and 9423 (14d)

Under the bill, the maximum amount of unpaid funeral and burial expenses of public assistance recipients for which state

reimbursement is provided increases from \$1,000 to \$1,500 on January 1, 2001, and to \$2,500 on July 1, 2001. Funds to cover these increases have only been provided for the last six months of the 1999–2001 biennium.

Because these provisions would commit the state to increased general purpose revenue expenditures in the next biennium, I am vetoing section 1355wb and the effective date for this provision in section 9423 (14d). This veto will permit the first reimbursement increase from \$1,000 to \$1,500, but will strike the second increase to \$2,500.

53. Public Assistance Overpayments

Section 1340

This section amends current law by requiring a county, tribal governing body, W–2 agency or the Department of Workforce Development (DWD) to determine whether overpayments of public assistance have been made and, if so, the amount of the overpayment. The bill would require notification of that overpayment to the public assistance recipient in question, and it would prevent any agency from recovering overpayments resulting from departmental error.

Regardless of the source of the error, recipients of an overpayment obtained assistance to which they were not entitled. For the same reason a financial institution can recover incorrect interest credits to accounts, the department should be able to recover overpayments. Therefore I am partially vetoing this section in order to allow DWD to collect any overpayments regardless of how the error occurs.

54. Legal Custody and Physical Placement of Children

Sections 3054cg, 3054ch, 3054cs, 3054cw, 3054de, 3065cq, 9357 (9yo) and 9457 (7yo)

A Conference Committee amendment to the budget made significant changes to the statutory law governing the legal custody and physical placement of children. Among the changes were the creation of a presumption that joint legal custody is in a child’s best interests. Other provisions encourage courts to award maximum physical placement to both parents. I feel these changes are consistent with the idea that both mothers and fathers should maintain important roles in their children’s lives. While I agree with most of the provisions, some sections will require additional work and public input.

Physical Placement Schedules and Parental Agreement. This section creates a presumption that any proposal submitted to the court with respect to periods of physical placement that has been voluntarily agreed to by the parties is in a child’s best interests. This presumption would be notwithstanding the factors the court normally may consider when awarding physical placement to parents.

Currently, two parties agreeing to a physical placement schedule often have that schedule approved by the court. Instances may arise, however, when an agreed upon schedule may not be in a child’s best interests, and this section would prevent the court from reviewing such agreements. It would

also prevent reviews even if evidence of abuse in the family was apparent. Therefore, I am vetoing section 3054cs and removing the presumption that schedules based on parental agreement are in the child’s best interests.

Right of the Child to Placement. This section creates a right of a child to the same amount or substantial periods of physical placement with each parent. Under current law, any placement schedule is evaluated against the standard of what is best for a child. Also under current law, a child is already entitled to periods of physical placement with both parents unless the court determines placement with a parent may be harmful to the child.

Another change introduced creates a goal for the court to award regularly occurring and meaningful periods of physical placement which maximizes the amount of time each parent may spend with a child. I feel this latter change is sufficient to encourage courts to award as much placement as possible to each parent in accordance with what is best for a child. Creating a right of a child, however, goes too far and I object to the use of the budget bill to create new rights for children. If such a right exists, it should receive additional public and legislative review. Furthermore, by framing this issue in terms of a right, this section could arguably override the best interest standard. Therefore, I am vetoing section 3054cw and removing this right.

Enforcement of Physical Placement Injunctions. This section allows a law enforcement officer who has established probable cause to arrest and take into custody an individual who has violated an injunction related to periods of physical placement. Before arresting a party, an officer would have to determine that this violation was intentional and unreasonable. Based on this subjective determination, an officer could arrest a parent without a judicial warrant. I feel this section places a burden upon local law enforcement to determine whether or not a denial of placement is unreasonable.

Courts already have the authority to penalize individuals who violate such injunctions. Therefore, I am partially vetoing section 3054de and removing the provision that permits law enforcement officials to arrest violators of placement injunctions.

Temporary Orders in Paternity Actions. These sections require a court to make temporary orders for medical expenses, legal custody and physical placement when a genetic test shows with 99.0% or higher probability that the alleged father is the parent. Under current law, courts shall assign support and may assign medical expenses when genetic tests show probable paternity.

A temporary order is issued before a final judgement of paternity, and I object to requiring courts to assign custody and placement before a legal relationship between a child and father has been adjudicated. Therefore, I am vetoing sections 3054cg, 3054ch and 3065cq and removing the requirement that courts assign legal custody, physical placement and medical expenses. This veto will return the statutes to current law whereby the court shall assign child support and may assign medical expenses once a genetic test shows probable paternity.

Initial Applicability and Effective Dates. Finally, I am partially vetoing sections 9357 and 9457 to remove the references to all of the vetoed sections listed above from the initial applicability and effective date sections of the bill.

55. Family Literacy Grants

Section 1277g

This section specifies that literacy grants awarded by the Department of Workforce Development (DWD) shall be given only to organizations providing family literacy training. In my budget, I allocated funding for these grants from the Temporary Assistance for Needy Families (TANF) block grant. I object to the language added by the Legislature because it would prevent organizations from using these funds to provide adult-only literacy training. Furthermore, I feel this language is unnecessary. Any individual benefiting from these programs must be TANF-eligible, ensuring that organizations only provide services to families. Therefore, I am partially vetoing this section and eliminating the language which allows the funds to be used only for family literacy.

56. Prevailing Wage Law – Contractor Records

Sections 1618m, 2005f and 2005g

Sections 1618m, 2005f and 2005g change the prevailing wage law regarding contractor records. These sections would classify the payroll records of any contractor, subcontractor or agent thereof that works on a public works project as a public record. As a public record, any person could request to inspect and copy those records to the same extent as if those records were in the custody of the state. Under current law, any person can request the Department of Workforce Development (DWD) or the Department of Transportation to inspect the records of any contractor, subcontractor or agent thereof who works on a public works project. Once these records are in the possession of the state they are public records.

I am vetoing these sections because a more suitable forum to address prevailing wage laws would be DWD's Labor and Management Council. Since both labor and management are represented on the council, it is a more appropriate vehicle for reaching a mutually acceptable compromise.

57. Reorganization of the Division of Vocational Rehabilitation

Section 9157 (2nx)

Section 9157 (2nx) requires the Division of Vocational Rehabilitation (DVR) in the Department of Workforce Development (DWD) to submit to the secretary of DWD a plan to reorganize the division not later than June 30, 2001. The reorganization plan must include a reduction in the number of program assistant supervisors and an increase in the number of program assistants to provide support for rehabilitation counselors. The plan must also include a provision to convert vacant program assistant supervisor positions to rehabilitation counselor positions or other direct service positions in areas with high caseloads.

I am vetoing section 9157 (2nx) to eliminate these restrictions on DVR's reorganization plan. While I agree that DVR should focus its resources on serving its clients, determining the organizational structure of executive agencies is appropriately an executive branch responsibility.

58. Transition to Workforce Investment Act

Section 9157 (2xt) (b) 2

I am partially vetoing section 9157 (2xt) to bring Wisconsin's transition to the Workforce Investment Act into compliance with federal law. Section 9157 (2xt) (b) 2 incorrectly identifies the Governor as the appointing authority for local workforce development boards. Members of local workforce development boards are appointed at the local level.

D. JUSTICE

CIRCUIT COURT

1. Family Court Counseling Fee

Sections 3096m and 9309 (3t)

These provisions increase the family court counseling service fee for custody and physical placement studies from \$300 to \$500. A court orders these studies when a custody or placement case has been contested.

I am vetoing these provisions because the fee increase is excessive, has not been justified and may inhibit involved parties from exploring their full range of legal options.

CORRECTIONS

2. Inmate Telephone Solicitation and Access to Personal Information

Sections 2165rx, 2165rz, 2313m, 2313u, 2313y and 2689

These provisions prohibit the Department of Corrections from entering into a contract in which an inmate performs data entry or telemarketing services and has access to any personal identifying information. Personal identifying information is defined to include an individual's name, address, telephone number, driver's license number, social security number, employer or place of employment, an identification number assigned to an individual by his or her employer, the maiden name of an individual's mother, and the numbers of certain types of bank accounts. These provisions also require an inmate making a telephone solicitation or answering a toll-free number to state his or her name, state that he or she is a prisoner, and inform the caller or call recipient of the name and location of the correctional facility in which he or she is a prisoner. Finally, these provisions impose penalties on the inmate and the inmate's employer for violations of these provisions.

I am vetoing some of these sections in whole and one in part because these provisions impose excessive restrictions that merit further review. Specifically, I am partially vetoing section 2689 so that the provision as vetoed will protect citizens by prohibiting inmate access to social security

numbers, financial data and information that could serve to identify a juvenile. I believe this language as vetoed should adequately protect privacy while still providing inmate work opportunities and decreasing inmate idleness. However, I am also asking the Governor's Task Force on Privacy to review and make recommendations regarding the need for any additional safeguards in this area.

3. Private Business/Prison Employment Program

Sections 359g, 359r, 361m, 491m, 2029y, 2718e, 2718em, 2718g, 2718h, 2718L, 2718p, 2718qm, 2718v, 2718y, 9111 (2d) and 9411 (5d)

These provisions require the Department of Corrections and the Department of Administration to submit a report to the Joint Committee on Finance for each quarter of calendar year 2000 providing the Department of Corrections' cash balance summary under each private business prison contract. The 4th quarter report is required to state whether at least two-thirds of the private business prison contracts were profitable during calendar year 2000. "Profitable" is defined as making a profit in three out of four quarters in calendar year 2000. These provisions require the Department of Corrections to terminate the private business employment program if less than two-thirds of private business prison contracts were profitable. These provisions require any modification of the site location under a private business prison contract to be approved by the Joint Committee on Finance.

I am vetoing these provisions in whole or in part because the Department of Corrections already prepares quarterly and annual reports that include the cash balance, revenues and expenditures of each private business contract. Profitability should be based on total business for a calendar year, not quarters. Also, these provisions fail to account for start-up costs of new industries that would begin in calendar year 2000. The two-thirds criterion is ambiguous in the case of fewer than three private business/prison employment projects. Finally, the requirement that any modification of site location under a private business prison contract must receive Joint Committee on Finance approval limits the Department of Corrections' flexibility to efficiently manage the program.

4. Community Intervention Program

Sections 172 [as it relates to s. 20.410 (3) (f)] and 2709r

These provisions increase the community intervention program appropriation from \$3,750,000 GPR to \$5,000,000 GPR in each fiscal year of the biennium.

I am vetoing these provisions because a 33% increase in this program is too large. By lining out the department's appropriation under s. 20.410 (3) (f), which funds this program and writing in a smaller amount, I am vetoing the part of the bill that funds an increase of \$1,250,000 GPR in each fiscal year. I am also requesting the Department of Administration secretary not to allot the \$1,250,000 GPR saved each fiscal year from this veto. It should also be noted

that the budget bill as I am signing it increases funding for juvenile justice programs by \$10,200,000 GPR for the biennium, including a \$6,000,000 increase in youth aids.

5. Serious Juvenile Offender Program

Section 172 [as it relates to s. 20.410 (3) (cg)]

This provision increases the serious juvenile offender appropriation under s. 20.410 (3) (cg), by \$1,160,200 GPR in fiscal year 1999-2000 and \$3,593,900 GPR in fiscal year 2000-2001.

I am partially vetoing this provision to reflect the most current population reestimates for this program. By lining out the department's s. 20.410 (3) (cg) appropriation and writing in a smaller amount that deletes \$593,900 GPR in fiscal year 2000-2001, I am vetoing part of the bill in order to fund an increase of \$3,000,000 GPR in fiscal year 2000-2001. I am also requesting the Department of Administration secretary not to allot the \$593,900 GPR in fiscal year 2000-2001.

CRIMINAL PENALTIES

6. Fiscal Estimates for Proposed Penalty Bills

Sections 1js, 1jt, 1ju

These provisions require fiscal estimates and population projections to be prepared for bills that create new criminal offenses or increase penalties for existing offenses.

I am vetoing these provisions because they are substantially similar to separate legislation and because the provisions fail to consider the resources needed to prepare the fiscal estimates.

The Criminal Penalties Study Committee (CPSC) has recently issued a report recommending the establishment of a permanent Sentencing Commission. One function of the Sentencing Commission will be to work with the Legislative Fiscal Bureau to project the fiscal impact of any proposed new criminal laws. The CPSC report recommendations, including the creation of the Sentencing Commission, are included in legislation currently being considered by the Legislature.

In addition, the Department of Corrections (DOC) does not currently have sufficient information technology resources or enough reliable data to generate accurate fiscal and population estimates. These provisions do not provide additional funding or position authority to DOC to assist the department in preparing fiscal estimates. As outlined by the CPSC report, a Sentencing Commission would be provided with resources to monitor sentences, carry out sentencing studies, collect data and predict prison populations utilizing both Circuit Court Automation Program (CCAP) and DOC databases.

The Assembly has adopted an amendment to the CPSC report that outlines a joint review committee on criminal penalties. The proposed committee would be responsible for reviewing proposed penalty changes and estimating costs for DOC, the Department of Justice, the state public defender, the courts, district attorneys, and other state and local government agencies.

DISTRICT ATTORNEYS

7. Additional Prosecutor Positions

Sections 172 [as it relates to s. 20.475 (1) (d)] and 9101 (3d)

These provisions authorize GPR expenditures of \$631,800 in fiscal year 1999–2000 and \$841,800 in fiscal year 2000–2001 to fund an additional 17.40 FTE assistant district attorney (ADA) positions annually in Adams, Chippewa, Dane, Jefferson, Kenosha, La Crosse, Manitowoc, Marathon, Milwaukee, Outagamie, Oneida, Portage, Rock, Sauk, Sheboygan and Winnebago Counties and bring the Forest County elected district attorney (DA) to full-time. Section 9101 (3d) specifically increases position authority in La Crosse County by 0.50 FTE and Sauk County by 1.0 FTE by decreasing position authority in Milwaukee County by 1.25 FTE and Columbia County by 0.50 FTE.

I am vetoing these provisions because we cannot afford these additional positions when we have serious fiscal pressures facing us in the next biennium. Furthermore, the budget addresses various personnel needs of Wisconsin’s DA offices through 6.0 FTE additional prosecutors for gun violations, the conversion of several critical positions to permanent status and increased funding to further automate DA offices. In addition, the transfer of position authority between county district attorney offices represents an unnecessary burden on those offices that would be reduced.

By lining out the s. 20.475 (1) (d) appropriation and writing in a smaller amount that deletes \$631,800 GPR in fiscal year 1999–2000 and \$823,500 GPR in fiscal year 2000–2001, I am vetoing the part of the bill that funds the additional ADA positions that were provided by these amendments. I am also requesting the Department of Administration secretary not to allot these funds.

It is my intent to provide 0.40 FTE position authority to increase the elected DA of Forest County to full-time. Therefore, the s. 20.475 (1) (d) appropriation amount includes \$18,300 GPR in fiscal year 2000–2001 to enable this increase effective on January 1, 2001, with the calendar year 2000 general election. It should be noted that 53 assistant district attorney positions have been added since the state began funding these positions in 1989, which is a 16% increase.

8. Bureau of Justice Information Systems

Section 115

This provision directs the Department of Administration’s Bureau of Justice Information Systems (BJIS) to use the Legislative Audit Bureau’s weighted district attorney caseload methodology to determine the priority ranking for implementing computer automation and technical assistance to county district attorney offices.

I am vetoing this provision in part because BJIS needs flexibility to effectively manage the implementation of its computer automation systems. Other factors such as determining which district attorney offices are in need of or

are prepared for automation need to be considered, and reliance on the workload study methodology is too limiting.

JUSTICE

9. Training for Tomorrow

Sections 172 [as it relates to s. 20.455 (2) (ja)] and 9130 (1t)

As part of the distribution of funds from the penalty assessment surcharge, these provisions affect the creation of 2.50 FTE positions and place \$388,100 PR–S in fiscal year 1999–2000 and \$345,100 PR–S in fiscal year 2000–2001 in s. 20.455 (2) (ja) in unallotted reserve to begin Training for Tomorrow – a plan to revise and expand law enforcement training throughout the state. Approval of this provision is subject to the Joint Committee on Finance’s 14–day passive review process of a plan submitted by the Department of Justice.

I am vetoing these provisions because they do not allow for the full review of funding and staffing issues that this plan deserves. Numerous law enforcement agencies have contacted my office to request this veto and have expressed their concern over a lack of consensus regarding the Training for Tomorrow plan. Because of the complexity of this issue and its potential impact on the law enforcement community, Training for Tomorrow should be introduced as separate legislation. Funding and resources for this purpose should only be approved following its complete review as a stand-alone bill.

By lining out the s. 20.455 (2) (ja) appropriation and writing in a smaller amount that deletes \$388,100 PR–S in fiscal year 1999–2000 and \$345,100 PR–S in fiscal year 2000–2001, I am vetoing the part of the bill that places these funds in unallotted reserve in that appropriation and authorizes 2.50 FTE positions. I am also requesting the Department of Administration secretary not to allot these funds.

10. Collection of Information at Motor Vehicle Stops

Section 2289t

This section requires law enforcement officers to collect certain information during motor vehicle stops pertaining to the driver’s age, gender, race or ethnicity, the nature of any search of the vehicle, and whether a citation or warning was issued. This information is intended to examine the presence of “racial profiling” – the practice of targeting motorists on the basis of their race or color.

I am vetoing this section because it creates an unfunded burden on local law enforcement and the Department of Justice. Law enforcement says that of every four motor vehicle stops, one generally results in a citation. According to the Department of Transportation, more than 1.1 million citations were issued in 1998. This means it would cost law enforcement 250,000 hours to complete the approximately 3 million additional reports if they spend a mere 5 additional minutes completing each required report. While a study as to whether racial profiling exists in Wisconsin is important, this provision’s manpower price is too great.

State law enforcement, almost as one voice, has also raised concerns over the fiscal consequences that would come with an additional 3 million reports to be collected and filed. Law enforcement also raises the very valid issue of officer safety, as an officer is most vulnerable when standing alongside a vehicle stopped at the side of a road. This provision would significantly increase this exposure, thus putting our law enforcement members in greater danger.

While I am vetoing this provision, I must also emphasize I do not condone the practice of racial profiling. Therefore, I will create a task force to investigate this issue to more efficiently determine whether Wisconsin law enforcement engages in racial profiling.

11. Telecommunications Advocate

Sections 172 [as it relates to s. 20.455 (1) (kt)], 480m and 2336gm

These sections convert 1.0 FTE attorney position from project to permanent status and authorize related expenditure authority. These sections also extend the sunset date for the Public Service Commission's (PSC's) authority to assess utilities for the cost of this position from June 30, 1999, to June 30, 2001.

I am vetoing the sections related to the telecommunications advocate position and the related assessment on utilities because it is unnecessary to dedicate an attorney position at the Department of Justice exclusively to telecommunications issues. Furthermore, assessing utilities to cover the cost of this position results in a pass-through to customers that increases costs for all telephone consumers.

By lining out s. 20.455 (1) (kt) and writing in zero, I am vetoing the part of the bill funding the 1.0 FTE attorney position dedicated to this purpose. I am also requesting the Department of Administration secretary not to allot \$119,200 PR-O in each fiscal year.

By vetoing the sections relating to the sunsets for the s. 20.455 (1) (kt) appropriation and the authority of the PSC to assess utilities for the costs of the position, I am retaining the June 30, 1999, sunset of both the telecommunications advocate position and the authority of the PSC to assess utilities for the cost of the position.

The Attorney General will continue to have the authority to appear before the PSC on telecommunication matters related to consumer protection and antitrust until the newly established sunset date of June 30, 2001.

12. Wausau Crime Lab Expansion Study

Section 9101 (5g)

This provision directs the Department of Administration (DOA) to perform a study to assess the feasibility of expanding the Wausau crime lab to include a DNA/serology unit. The study is to be completed by December 31, 1999.

I am vetoing this provision because introducing DNA capabilities at the Wausau crime lab is an unnecessary duplication of services and expensive equipment. The

existing DNA resources at the state crime labs in Madison and Milwaukee have been sufficient to provide commendable service to prosecutors and law enforcement agencies throughout the state.

In addition, the December 31, 1999, deadline would not permit enough time to compile a meaningful report, and the study would represent an unfunded demand on DOA.

13. Report on Environment Enforcement Training

Section 9158 (8c)

This provision directs the Department of Justice (DOJ) and the Department of Natural Resources (DNR) to jointly review educational and training objectives from the Midwest Environmental Enforcement Association (MEEA). The agencies would submit a report of their review to the Joint Committee on Finance during the second quarterly s. 13.10 meeting in 2000.

The report would include recommendations on developing a training seminar, utility of the current Roll Call Law format, production of a training CD-ROM, use of distance education, and potential funding sources including the fish and wildlife account and environmental account funds from DNR and law enforcement training funds from DOJ.

I am vetoing this provision because this study represents an unfunded and unnecessary demand on DOJ and DNR. The two agencies already interact through the participation of DNR on the Law Enforcement Standards Board under DOJ. The board sets minimum training standards for law enforcement officers and consults with other government agencies regarding the development of training courses. Additionally, the early 2000 deadline would not permit enough time to compile a meaningful report.

14. Methamphetamine Intelligence Analyst

Section 172 [as it relates to s. 20.455 (2) (a)]

This provision appropriates \$154,600 GPR in fiscal year 1999-2000 and \$233,200 GPR in fiscal year 2000-2001 to fund 1.0 FTE GPR program and planning analyst and 3.0 FTE GPR special agent positions starting in January 2000 to investigate methamphetamine manufacturing and trafficking.

While I support the earlier start date for the special agent positions, I am partially vetoing this section to delete the analyst position because it is less critical to the effective investigation and direct enforcement of methamphetamine manufacturing, use and trafficking. By lining out the s. 20.455 (2) (a) appropriation and writing in a smaller amount that deletes \$32,100 GPR in fiscal year 1999-2000 and \$64,200 GPR in fiscal year 2000-2001, I am vetoing the part of the bill that funds the 1.0 FTE GPR program and planning analyst position. I am also requesting the Department of Administration secretary not to allot these funds. I am also directing the Office of Justice Assistance to explore ways to allocate additional money to help local law enforcement agencies with this problem.

OFFICE OF JUSTICE ASSISTANCE

15. Grants Specialist Position Report

Section 9101 (7f)

The budget bill creates a new grants specialist position in the Office of Justice Assistance (OJA) with the goal of increasing the amount of federal and private grant funds available to state agencies, local governments and nonprofit groups. Statutory language in this section requires OJA to submit a report to the Legislature no later than January 1, 2001, detailing the accomplishments of the position and grants received attributable to the position's efforts.

I am partially vetoing this section in order to eliminate the January 2001 reporting requirement because this provision represents a long-term investment for the state, local governments and nonprofit organizations. A report covering such a short time period would not accurately represent the full benefit of this position and its efforts.

STATE PUBLIC DEFENDER

16. Representation in Children in Need of Protective Services (CHIPS) and Juveniles in Need of Protective Services (JIPS) Cases

Sections 1130m, 1130p, 1130r, 1130t, 1130v, 1131gm, 3130m, 3131m, 3142g, 3142m, 3142p, 3143m, 3148m, 9358 (4cs) and 9358 (4ct)

These provisions require the State Public Defender to represent parents in CHIPS and JIPS cases. This requirement is estimated to increase the private bar costs of the State Public Defender by \$2,726,500 GPR over the biennium, yet no additional funding is provided to the State Public Defender's office.

I am vetoing these provisions in whole or in part because of the significant unfunded cost created by these provisions for the State Public Defender's office. Specifically I am partially vetoing section 3142p to delete State Public Defender representation of parents and partially vetoing sections 9358 (4cs) and 9358 (4ct) to delete the initial applicability dates for legal representation of parents in CHIPS and JIPS cases.

SUPREME COURT

17. Appropriation Modifications

Sections 172 [as it relates to ss. 20.680 (2) (a) and 20.680 (4) (a)], 602m and 605m

These provisions convert the general program operations appropriations for the director of state courts and the law library from annual to biennial appropriations.

I am vetoing these provisions in order to maintain the stricter fiscal controls provided under annual appropriations and to continue to adequately monitor appropriation expenditures.

E. STATE GOVERNMENT OPERATIONS

ADMINISTRATION

1. Consolidation of State Vehicle Fleet Operations

Section 9158 (1d)

This section requires the Department of Administration to submit to the Joint Committee on Finance implementation plans to consolidate the Department of Natural Resources, Department of Transportation and University of Wisconsin fleet operations into the Department of Administration fleet.

I am pleased that the Legislature adopted my recommendation regarding the study of consolidating state fleets. However, due to the late passage of the budget, requiring submission of the first plan at the December 1999 meeting of the Joint Committee on Finance under s. 13.10 is not achievable. The Department of Administration will require additional time to prepare a suitable plan. I am therefore vetoing the part of this section which requires submission of the first plan by December 1999. The secretary of the Department of Administration will present this plan for the first regular meeting of the Committee under s. 13.10 in calendar year 2000.

2. State Vehicle Purchase

Section 9201 (3m)

This provision requires the secretary of the Department of Administration to lapse a total of \$230,000 to the general fund in fiscal year 2000-2001 from the fleet vehicle appropriations of four state agencies. This is intended to delete anticipated savings from these agencies' use of smaller four-cylinder automobiles rather than six-cylinder fleet cars. I object to this requirement because I do not believe four-cylinder fleet vehicles are necessarily adequate in all circumstances nor are they always less expensive when full operating costs are taken into account. This provision would also have a negative effect on my Alternative Fuels program. For these reasons I am vetoing this lapse requirement.

3. State Agency Dues Lapse

Section 9158 (10g)

This provision requires each state agency to lapse 10% of its fiscal year 1998-1999 expenditures for dues and memberships in state or national organizations. I object to this across-the-board provision as an intrusion into the operations of agencies and I am vetoing it. However, I am sensitive to the Legislature's interest in the resources which are being committed for these activities and I agree there should be an assessment. For this reason, I will request each agency to review the dues they are currently paying and to present this information to the Office of the Governor for evaluation. The agency will need the approval of the Governor's Office to keep their memberships. I believe this is a better approach for reducing unnecessary costs.

4. Federal Interest Reimbursements

Sections 79e, 172 [as it relates to s. 20.855 (1) (dm)], 613g, 9101 (19f) and 9201 (2f)

This provision requires that any interest payments received by the state from the federal government be recorded as GPR-earned and that payments to the federal government on interest owed be made from a new GPR sum sufficient appropriation. The Department of Administration (DOA) is further required to lapse to the general fund a balance of \$1,300,000 from the program revenue appropriation that is currently used for interest payments and receipts administered by DOA.

While I concur that federal interest receipts and obligations should be treated differently than they are now, I believe the approach included in the budget bill inadvertently applies too broadly and will affect more than just the grants administered by DOA. Because I do not believe it was the Legislature's intent to affect federal interest transactions in other state agencies such as the University of Wisconsin System, I am partially vetoing this provision to retain the current method of accounting. However, consistent with the language which is retained in the bill, the secretary of DOA will lapse to the general fund the current balance of \$1,300,000, less administrative expenses, from the program revenue appropriation used to receive federal grants. I further request the department to propose a solution in the budget adjustment bill which will better implement the original intent.

5. Census Awareness Program

Section 9101 (19wx)

This section authorizes a program for providing grants to municipalities and associations for educational programs designed to ensure a complete and accurate 2000 federal census in Wisconsin. One provision of the program requires the secretary of the Department of Administration to solicit, receive, review and approve grants from qualified applicants within 30 days after the budget is effective. I do not believe all of this can be accomplished within that short period of time and I am vetoing this deadline. This will allow the more time to do a quality job in soliciting and processing grant requests.

6. National and Community Service Board – Technical

Sections 511, 532, 534 and 535

These sections are erroneous provisions related to the National Community Service Board that were inadvertently retained from an earlier version of the budget bill. I am vetoing these sections to remove these errors and improve the clarity of the budget.

BUILDING PROGRAM

7. Restrictions on Acquisition of Leases

Sections 2t, 3d, 3h, 649m, 649n, 2030m, 2033m, 2353s, 3191d, 3191e, 3191f, 3191g, 9101 (18v) and 9307 (1x)

These provisions prohibit the state from entering into a lease-purchase agreement that contains an option for the state to purchase a building constructed for purposes of initial occupancy by the state, unless construction and purchase of the facility is enumerated in the state building program prior to entering into the lease-purchase agreement. In addition, these provisions require the seller or lessor under any such lease-purchase agreement to agree to solicit bids or competitive sealed proposals in accordance with procedures for state-constructed facilities under current law; to require contractors to ensure that at least five percent of the total amount expended on construction of the facility be awarded to minority businesses and to comply, and to require contractors and subcontractors to comply, with the prevailing wage law in the same manner as a state agency and its contractors and subcontractors are required to comply for a state-constructed facility under current law. These provisions also require the Department of Administration to enforce minority contracting requirements and require the Department of Workforce Development to enforce the prevailing wage requirements.

I am vetoing these provisions in their entirety because they place unnecessary restrictions on the Building Commission's ability to sign lease-purchase agreements on behalf of the state. The Legislature is represented on the Building Commission and is fully aware of lease-purchase agreements as they are considered and signed by the Building Commission

8. Agency Work Plans for Capital Building Maintenance

Sections 3hg and 105m

These sections require each agency to prepare a work plan for expenditure of maintenance funds appropriated under agency operating budgets. They also allow the Department of Administration (DOA) to check timing of plans and withhold funds, require Building Commission approval of agency work plans, and require DOA to submit a report concerning the expenditure of capital building maintenance funds by each agency and work completed by each agency in relation to their work plan.

I am vetoing these sections because while requiring agencies to prepare a work plan for capital maintenance funds appropriated in their operating budgets has merit, agency staff have many other responsibilities in maintaining state buildings and their energies are best used for these other functions.

9. State Fair Park Racetrack Projects

Sections 9107 (7tu), 9107 (7tv) and 9145

These provisions require that the State Fair Park Board approve a racetrack seating project before the Building

Commission may approve the project. They also require the State Fair Park Board to submit a noise abatement plan to the Joint Committee on Finance, and require approval of a noise abatement plan by the Committee before the Building Commission may approve racetrack improvement projects.

I believe the Building Commission should remain the sole state government body responsible for oversight of building projects. I object to the requirements that these projects also be subject to the review and approval of another legislative committee. Therefore, I am vetoing these provisions.

10. Wausau State Office Facility Study

Section 9107 (8m)

This provision requires a study of the feasibility of constructing a state office facility in the Wausau area.

The Building Commission is fully able to decide if it wishes to conduct a study on the feasibility of constructing a state office facility in the Wausau area. This request in the budget bill is, therefore, unnecessary and I am vetoing it.

11. Grant to Heritage Military Music Foundation

Sections 105e, 105f, 172 [as it relates to s. 20.505 (1) (kw)], 520m, 520n, 527s, 527t and 9401 (7h)

These provisions authorize \$85,300 PR in the Department of Administration for building improvements for the Military Music Foundation. The department is required to review a building improvements estimate for the facility currently occupied by the Heritage Military Music Foundation in Watertown, Wisconsin, if requested by the foundation, and is required to provide a grant to the foundation of \$85,300 PR upon approval of the estimate.

The grant to be provided under these provisions derives from the revenues deposited in the state Division of Facilities Development from a fee assessed against building projects, including bonded projects. It is, therefore, reasonable to assume that the dollars generated to provide this grant would come from state bond revenue. I am vetoing the provision because it is inappropriate for projects of this nature to be funded from state bond revenue.

12. Design-Build Construction Projects

Sections 1580m, 1641m, 1641no and 1641q

These provisions authorize a design-build construction process and establish minority contracting requirements for certain public works projects undertaken by the Milwaukee Metropolitan Sewage District Commission (MMSD) and one project for Milwaukee County. This MMSD design-build process would only apply to central metropolitan interceptor sewer projects, any projects that are required to implement the Department of Natural Resources approved 2010 facility plan, and watercourse flood control projects for the Kinnickinnic, Menomonee and Root Rivers and Lincoln Creek. The county project is construction of a sheriff's department training academy.

The process established in these provisions would allow the selection of a design-build construction team on bases other than project cost. Moreover, they would effectively permit a sole source procurement and evaluation of a single contractor's proposal rather than a group of qualified finalists. While the design-build concept is intended to offer economies and efficiencies, I object to the extreme latitude that is permitted here and believe the ultimate result will be higher cost to the tax payer. If used properly, the design-build process can deliver cost savings. However, the evaluation of proposals must be thorough and focus on qualifications, and the selection of the winning qualified contractor must be based on price.

I am partially vetoing these provisions to limit the design-build team approach to only the Milwaukee County Sheriff's Department training academy project. It removes design-build as an option for the sewage district commission. I am uncomfortable with the relaxed statutory procurement process permitted for MMSD public works projects because of the magnitude of the dollars involved. Every project funded from taxpayer dollars should have consideration of multiple qualified contractors and the final decision from among the qualified candidates should be based on lowest price. Decisions should not be made using subjective criteria and estimates. By leaving in place authority for Milwaukee County to proceed with design-build on the training facility, I am expressing my expectation that they will fully observe these same procurement safeguards in their selection of a team.

I believe that design-build construction can bring efficiencies and cost savings in public works projects and I encourage the Legislature to consider legislation making it available to all governmental units in the state.

EMPLOYMENT RELATIONS

13. Division Administrator Appointment Authority

Section 2360m

The biennial budget modifies the statutes to reduce from four to three the total number of unclassified division administrators the secretary of the Department of Employment Relations is authorized to appoint.

I am opposed to this provision because it diminishes the secretary's statutorily established position appointment authority. Therefore, I am vetoing it.

MILITARY AFFAIRS

14. Number of Level A Regional Emergency Response Teams

Section 2303b

This provision requires the Department of Military Affairs to contract with nine Level A regional emergency response teams and requires that at least one Level A regional emergency response team be located in La Crosse County.

I am partially vetoing this provision to remove the requirement that the department contract with exactly nine

teams. I am doing this to permit the Adjutant General flexibility to contract with up to nine teams, at least one of which is to be located in La Crosse County.

15. Civil Air Patrol Infrared Camera Equipment

Section 2301m

This section earmarks funding of \$110,000 GPR in fiscal year 1999–2000 to the Department of Military Affairs’ Division of Emergency Management to purchase infrared optical equipment for the Chippewa Squadron of the Civil Air Patrol to search for lost individuals by air in northern Wisconsin.

I object to requiring state funds to purchase equipment to be located in a specific geographic area of the state. This sets an improper precedent resulting in less than optimal distribution of state funds for the purpose of emergency management throughout the state. Therefore, I am vetoing this section and I am requesting the Department of Administration secretary to place \$110,000 into unallotted reserve in fiscal year 1999–2000 in appropriation s. 20.465 (3) (a) to lapse to the general fund.

MISCELLANEOUS PROVISIONS

16. Legal Notices in Newspapers

Sections 3242g, 3242i and 3242m

The intent of this provision was to rectify a flaw in the statutes regarding communities that lose their local newspaper and are then forced to place their legal ads in newspapers outside their community. Currently, a newspaper in a 4th class city, town or village must publish for two years and achieve a paid subscription base of 300 before it can compete for legal notice ads. Thus, if a community loses its newspaper and another newspaper starts up there, the new paper must wait two years before being allowed by law to publish the legal ads of that community.

The current law places an undue burden on a community already harmed by the loss of a local newspaper. The law wrongly forces a community that loses its newspaper to spend taxpayer money to place legal ads in a newspaper outside the community and, thus, not widely read by its taxpayers. In fact, the local school board or municipal council will sometimes go to the extra expense of also placing legal ads in the new, upstart community newspaper just to ensure they are read by their taxpayers. Communities should not be put in the position of going to these lengths and expenses to publish their legal ads in a manner so their constituents will read them. School board and city council elected officials should be entrusted with the decision to place legal ads in the newspaper they believe would best serve the constituents of their community. If that is a new newspaper in town this shouldn’t be a problem.

The state’s newspapers, however, are concerned that completely eliminating the two–year standard and the 300

subscription level would place in jeopardy other small newspapers throughout Wisconsin. While I am not persuaded that small Wisconsin community newspapers, which currently enjoy special protections from competition and the free marketplace, would be harmed as a result of this proposed change in law, I am willing to support a compromise.

The Wisconsin Newspapers Association (WNA) has agreed to compromise language that would create an exception to the existing law for a community where the only newspaper ceases to exist and a new newspaper begins publication within that community. The exception would allow a new newspaper in a community that lost its only paper to compete for legal ads after achieving 16 weeks of publication and reaching 300 paid subscribers. The WNA has committed to work with legislators to get the agreed–upon legislation to my desk for signature no later than the spring session of 2000. Therefore, I am agreeing to veto this provision in order to give the parties a chance to pass this compromise.

REGULATION AND LICENSING

17. Effective Dates

Section 9442 (1)

This provision sets the first day of the second month after publication of the bill as the effective date of fee changes for the Department of Regulation and Licensing and, in the case of one provision, October 2, 1999. Due to the delayed passage of the budget any unnecessary additional delay in revenue collections will financially harm department operations. For this reason, I am vetoing the delayed effective date so that higher fees may be collected immediately after publication of the budget. I am also vetoing the October 2, 1999, date because it is unnecessary.

VETERANS AFFAIRS

18. Staff Pay Survey Implementation

Section 9155 (3g)

This provision allows the Department of Veterans Affairs to request additional salary and fringe benefit funding from the Joint Committee on Finance under a 14–day passive review process following a classification survey that may be conducted by the Department of Employee Relations (DER) for central office staff positions who deal with loans and grants.

I am vetoing this provision because surveys should be determined and performed in an objective, systematic manner by DER. The secretary of the Department of Employee Relations should decide which surveys will be undertaken and their timing. If a survey is completed and additional funds are warranted, the Department of Veterans Affairs may seek an appropriate supplement under the normal procedures of s. 13.10 of the statutes.

F. TAX, FINANCE AND LOCAL GOVERNMENT

ADMINISTRATION

1. Public Benefits Program Administration

Sections 109m and 9101 (1zu) (a)

Section 109m describes the duties of the Division of Housing in administering the public benefits programs. Section 9101 establishes a 60-day time limit on the promulgation of rules for the public benefits programs. I object to the extent to which these sections restrict DOA in implementing the newly expanded public benefits programs.

I am partially vetoing the section specifying the duties of the Division of Housing so that DOA may access the resources of the entire department in administering the public benefits programs. Accessing the entire department's resources to administer public benefits programs provides greater assurance the utility public benefits programs will achieve intended objectives. I am also partially vetoing the section requiring DOA to promulgate rules for the public benefits program within 60 days of the effective date of the bill so that the department will have adequate time to promulgate rules pertaining to its expanded role in administering utility public benefits programs.

2. Division of Gaming – Tribal Gaming Computer System

Section 9101 (17x)

This section would require the Department of Administration (DOA) to first obtain approval from the Joint Committee on Finance regarding the costs of a new tribal gaming computer system to receive and process slot machine accounting data prior to expending funds for this purpose.

I am vetoing this section because it places an unnecessary burden on DOA and would likely result in the delayed implementation of the new tribal gaming computer system. The system will allow the department to receive and process slot machine accounting data off-reservation and reduce the amount of on-site review by field auditors.

3. Division of Gaming – Unclaimed Prizes Retained by Racetrack Licensee

Section 481m, 545, 3023j and 9301 (2g)

These provisions would provide that, effective with the 2000 race year, a pari-mutuel racetrack licensee may retain any winnings on a race that are not claimed within 90 days after the end of the race year. Under current law, unclaimed prizes are paid to the state and deposited into the racing general program operations appropriation in the Department of Administration, and the gaming law enforcement appropriation related to racing in the Department of Justice.

I am vetoing these sections because of the adverse impact they would have on the operating budget for racing enforcement.

ALCOHOL AND TOBACCO TAXES AND REGULATION

4. Changes to the Wisconsin Fair Dealership Law

Sections 2166m, 2166s, 9358 (7c) and 9458 (3c)

These sections would expand the definition of "dealership" to include an oral or written contract or agreement, either expressed or implied, by which a wholesaler is granted the right to sell or distribute intoxicating liquor or use a trademark, service mark, logotype, advertising or other symbol related to intoxicating liquor. These provisions would specify that the expanded portion of the definition of dealership would not apply to dealerships in which the grantor of the dealership has not produced more than 200,000 gallons of intoxicating liquor in any year, nor to dealerships in which the dealer's net revenues from the sale of all of the grantor's brands of liquor and of wine, respectively, constitute less than 5% of the dealer's total net revenues from the sale of liquor and of wine, respectively, for the most recent fiscal year preceding a grantor's cancellation or alteration of the dealership. The sections also provide additional protections to wholesalers if either a successor wholesaler succeeds to the ownership or control of a wholesaler's business, or if any asset or activity of a distiller's intoxicating liquor business is transferred to another person. These provisions also specify a retroactive effective date of October 1, 1998.

I am partially vetoing these provisions so that wine will be excluded from treatment under these changes to the Wisconsin Fair Dealership Law because I object to wine being treated the same as intoxicating liquor. I am vetoing the sections making the changes to the Wisconsin Fair Dealership law effective as of October 1, 1998, because I am concerned about the constitutionality of imposing new standards on preexisting contracts. Finally, I am also vetoing the additional protections to wholesalers if either a successor wholesaler succeeds to the ownership or control of a wholesaler's business, or if any assets or activity of a distiller's intoxicating liquor business is transferred to another person. I am concerned about the extent to which these provisions will unfairly disadvantage liquor distillers in establishing contractual relationships with wholesalers. Common law rules of construction shall continue to apply to definitional matters in this statute.

5. Liquor Tax and Members of the Military

Section 2170t

This provision permits a Wisconsin resident returning from active duty in a foreign country to bring 16 liters of wine or liquor into the state without payment of the state occupational tax on intoxicating liquor. Current law permits these same residents to bring 4 liters of wine or liquor into the state without payment of the state occupational tax on intoxicating liquor.

I am partially vetoing this provision to permit a Wisconsin resident returning from active duty in a foreign country to bring 6 liters of wine or liquor into the state without payment of the state occupational tax on intoxicating liquor. I am reducing the number of allowable liters from 16 to 6 liters to

reduce the danger of illegal sales of alcoholic beverages by members of the military to other citizens.

6. Distributor Cigarette Discount

Sections 2171p and 9443 (8d)

These provisions increase the discount cigarette manufacturers receive from 1.6% to 2%.

I am vetoing these provisions to maintain the current discount of 1.6%. The discount was reduced to 1.6% from 2% in [1997 Wisconsin Act 27](#), when the cigarette tax was raised 15 cents per pack, to prevent cigarette manufacturers and distributors from receiving a windfall as a result of an increase in the cigarette tax rate. I am vetoing these provisions based on the fiscal needs of the state. At this time, we can not afford to make this change. The fiscal effect of this veto is to increase GPR revenue by \$950,000 in fiscal year 2000–2001.

7. Native American Tax on Tobacco Products

Sections 2178 and 2179

These sections authorize the Department of Revenue (DOR) to enter into agreements with the tribes to provide refunds of up to 50% for the collection of the tobacco products tax.

I am partially vetoing section 2178 to correct for a technical error in the legislation which inconsistently provides for a 70% refund to tribes or tribal councils responsible for the sale of tobacco products on a reservation or trust land. I am also partially vetoing section 2179 to establish a 50% refund for all tribes, instead of a maximum allowable refund of 50% subject to negotiation between DOR and the tribes, of the tax on tobacco products sold on the tribal reservation to persons who are not enrolled members of the tribe residing on the reservation. Granting the authority to refund the same percentage to all tribes would simplify and provide uniformity in the negotiating process.

CORPORATE FRANCHISE AND INCOME TAX

8. Treatment of Corporate Partners and Limited Liability Company (LLC) Members

Sections 1722cd, 1738s, 1753g and 9343 (22t)

These provisions would make corporate partners and members of Wisconsin partnerships in LLCs, respectively, subject to the corporate income and franchise tax if they were doing business in Wisconsin, regardless of the type of interest in the entity. Under current law, the Wisconsin tax treatment of corporate partners and LLC members depends on whether the partnership or LLC is an extension of the corporation’s business. If the partnership or LLC is an extension of the corporation’s business, the corporation is considered to be doing business in Wisconsin as a result of that ownership interest. On the other hand, if the partnership or LLC is not an extension of the corporation’s business, the corporation is not subject to Wisconsin taxation if its only connection to Wisconsin is that ownership interest.

I am vetoing these sections because they were included as part of the proposal to base income apportionment solely on sales, instead of the current method which considers payroll, property and sales. As the single sales factor apportionment was not adopted, these sections should not be enacted. I would have retained these provisions if the single factor method of apportioning corporate income had been adopted. The fiscal effect of this veto is to reduce GPR revenue by \$7,500,000 in fiscal year 1999–2000 and by \$5,000,000 in fiscal year 2000–2001.

9. Sourcing of Receipts of Sales of Services

Sections 1682, 1736 and 9343 (22fd)

These provisions allow a taxpayer to elect to attribute the receipts from a service received in the state, in proportion to the direct cost of performing such a service.

I am vetoing these provisions because they were part of the proposal to base income apportionment solely on sales, instead of the current method which considers payroll, property and sales. As the single sales factor apportionment was not adopted, these sections should not be enacted.

10. Dividends Received Deductions

Sections 1740n and 9343 (22t) [as it relates to s. 71.26 (3) (L)]

This section further defines “wholly exempt income” for corporations subject to franchise or income taxes to include interest, dividends or capital gains that are not subject to taxes under this chapter. In an attempt to clarify the intent, the bill removes additional descriptive information from the section regarding the meaning of “wholly exempt income.”

I am vetoing this provision to maintain current law to avoid further complications in understanding the intent of the provision.

FINANCIAL INSTITUTIONS

11. Access Fees for Computer Databases

Section 2353

This section authorizes the department to develop an administrative rule that establishes fees for public access or use of the department’s databases or computer systems. This section also requires that the fees be based on the reasonable costs of the services including a reasonable share of the costs of associated development and infrastructure.

I object to the requirement that these fees be developed in administrative rule. The section clearly specifies a detailed recipe for developing the fees. This requirement is sufficient to ensure that fees will be fair and equitable. To also require that these fees be done in administrative rule will delay and add cost to the fee–setting process. This administrative rule requirement may even conflict with the “reasonable cost” requirement because the length of the administrative rules process may prevent the department from adjusting fees when changes in the underlying costs become known. Thus I am vetoing the administrative rule requirement.

GENERAL PROVISIONS

12. Required General Fund Balance – Increase to 1.2%

Section 169

This provision increases the required general fund balance from 1% to 2% in increments of 0.2% annually beginning in fiscal year 2001–2002. Under this provision, the required reserve reaches 2% in fiscal year 2005–2006 and remains at that level for all future fiscal years. The provision leaves the current 1% reserve in place for both fiscal years 1999–2000 and 2000–2001. The reserve is calculated as the required percentage of general purpose revenue appropriations for the fiscal year (including any amount from general purpose revenue designated as compensation reserves). Wisconsin’s required balance is smaller than the balance required in most other states.

I am partially vetoing this section to increase the required reserve for fiscal year 2000–2001 from 1% to 1.2%. I am partially vetoing this provision to accelerate the increase to 1.2% because Wisconsin should use the opportunity provided by the current strength in the economy to better position itself for tight budgets in the future. This veto will also help to preserve savings made available from my budget vetoes for future state needs if the economy should falter.

INCOME TAXES

13. Income Tax Exclusion for Mass Transit Fringe Benefits

Sections 1688h and 9343 (7c)

These provisions remove the limit on the amount that a taxpayer may deduct from income for employer–provided transit passes.

I object to the removal of this limit because this removal is unnecessary and because it would increase the complexity of our tax system for very little, if any, benefit. Currently, the cost of a monthly transit pass for any public bus system in the state is less than the \$65 limit. Now, the state limit is tied to the federal Internal Revenue Code and that code will increase the limit to \$100 in tax year 2002.

14. Individual Income Tax Credit for Military Income

Sections 1719g and 9343 (20ty)

These sections provide that a new income tax credit for certain military income is not to be subtracted from regular tax for purposes of determining if the Wisconsin alternative minimum tax applies.

I object to these sections because they contradict another section of the bill and this contradiction may muffle legislative intent. Section 1719j provides that this new credit is to be subtracted from regular tax before the alternative minimum tax is determined. I do not believe that the Legislature intended for these contradictory provisions to

subject individuals who receive this very modest tax credit to the alternative minimum tax. This veto ensures that this new credit will not increase alternative minimum tax payments.

15. Miscellaneous Itemized Deductions

Section 1711

This section generally eliminates miscellaneous deductions from the itemized deduction credit, but specifically retains dues paid to a professional society or a labor union, to travel expenses or to home office expenses as allowable miscellaneous itemized deductions under that credit.

I object to this section because it will greatly complicate the computation of the itemized deduction credit. My budget proposed eliminating miscellaneous deductions from the itemized deduction credit to simplify the tax code and filing process. This veto restores my original proposal.

16. School Property Tax Rent Credit

Section 1716m and 1716p

These sections institute a revised School Property Tax Rent Credit (SPTRC) in tax year 2000 and end the credit after 2000. The current SPTRC is calculated at 10% of property taxes or rent constituting property taxes to a maximum of \$2,000 in taxes or rent. The maximum SPTRC is \$200. The revised SPTRC would be calculated at 6.4% of property taxes or rent constituting property taxes to a maximum of \$2,000 in taxes or rent. Under the revised SPTRC, the maximum credit would be \$128.

I am partially vetoing these sections to increase property tax relief. The lottery credit proposal contained in this bill is unconstitutional. To ensure that the money originally allocated to the lottery is still used for targeted property tax relief, as intended, these partial vetoes will increase the tax year 1999 school property tax rent credit to 16.4% and the tax year 2000 credit to 10%. This will dramatically increase property tax relief for homeowners and renters. In tax year 1999, the boost in the credit rate to 16.4% is equivalent to an income tax reduction of 3.1%. Middle–income filers receive the bulk of the tax cuts under this alternative – 63% of the reduction goes to persons whose income is between \$25,000 and \$75,000. Those with lower incomes receive 19% of the cuts. For those 1.5 million taxpayers receiving the credit, this tax relief will average \$136.

INDIAN GAMING

17. Legislative Approval of Tribal Gaming Compacts

Sections 7m, 7n, 7q and 9301 (1d)

These sections would require the Governor, prior to entering into any compact with the tribes, to submit proposed compacts to the Legislature for approval by joint resolution. These sections further provide that the Governor may not concur with the determination of the U.S. Secretary of the Interior that an Indian gaming establishment proposed to be located on trust lands would not be detrimental to the surrounding community unless the Legislature approves the

proposed gaming establishment by joint resolution, with the exception of the Indian gaming establishment proposed to be located at Dairyland Greyhound Park.

I am vetoing these provisions because of the extensive delays that could be expected in entering into compact agreements with the tribes if legislative approval is required.

18. Office of Justice Assistance Tribal Law Enforcement Assistance Grant Program

Sections 110k and 544

These sections provides funding under the tribal law enforcement assistance grant program to specific tribes for law enforcement and public safety initiatives on the reservation and trust lands of the tribes, including the Stockbridge–Munsee (\$175,000 in each fiscal year), the St. Croix Chippewa (\$150,000 in each fiscal year) and the Lac Courte Oreilles Chippewa (\$125,000 in each fiscal year).

I am vetoing these sections to allow the Office of Justice Assistance full discretion in making grant awards under the new program. In addition, because of concerns about compliance with compact agreements and lack of progress in negotiations with local governments, I am reluctant to return any Indian gaming compact revenue directly to the tribes.

19. Department of Health and Family Services Grant Program for Tribal Health Centers

Sections 172 [as it relates to s. 20.865 (4) (g)], 2241c and 9123 (6tu)

These sections authorize a new tribal health program that would provide Indian gaming compact revenues to tribal health centers. Funding for this program would be \$450,000 in each fiscal year, with funds first placed in the supplemental appropriation of the Joint Committee on Finance for approval of the proposed grant distribution method.

I am vetoing these provisions because tribal health centers are already eligible for \$920,000 per year in state health grant programs for tribes only, and tribal health centers also qualify for Medicaid funding as federally qualified health centers. With this veto I am requesting the Department of Administration secretary to not allot \$450,000 in fiscal year 1999–2000 or fiscal year 2000–2001.

20. Department of Veterans Affairs Services to American Indian Veterans

Section 172 [as it relates to s. 20.485 (2) (km)]

This section provides funding of \$27,500 in each fiscal year to provide per tribe grants of \$2,500 to any tribal governing body that enters into an agreement with the Department of Veterans Affairs (DVA) regarding the creation, goals and objectives of a tribal veterans services officer, similar to the county veterans service officer.

I am writing down the funding for these grants to \$15,000 in fiscal year 1999–2000 and \$10,000 in fiscal year 2000–2001 so that the tribes will have to compete for grant awards. I am also concerned about the prudence of providing funding to

ensure a per tribe grant of \$2,500 if not all of the tribal governing bodies have agreements with the DVA regarding the creation, goals and objectives of a tribal veterans services officer. Because this veto will reduce the appropriation under s. 20.485 (2) (km), I am requesting the Department of Administration secretary to not allot \$12,500 in the appropriation in fiscal year 1999–2000 and \$17,500 in fiscal year 2000–2001.

21. Tourism Marketing Grant Program

Sections 343 and 9149 (1to), (2c), (2tw) and (3e)

These sections provide funding to specific entities under the tourism marketing grant program. I object to these provisions because they unnecessarily restrict the use of funds for the tourism marketing grant program and limit the extent to which the Department of Tourism can award grants on a competitive basis.

Section 343 provides funding of \$200,000 in each year to the Milwaukee Public Museum for Native American exhibits and activities. Section 9149 (2c) provides \$100,000 in each year to the Burnett County Historical Society for educational programming, marketing and advertising costs for Fort Folle Avoine. Section 9149 (2tw) provides \$75,000 in each year to both Polk and Burnett counties for tourism promotion in northwestern Wisconsin. I am partially vetoing these provisions so that funding will be provided on a one–time basis. In addition, section 9149 (3e) provides \$50,000 in fiscal year 1999–2000 to the St. Croix Valley Tourism Alliance. I am vetoing this provision so more funding will be available to potential grantees of the tourism marketing grant program. The St. Croix Valley Tourism Alliance can apply for funding.

Section 9149 (1to) provides \$75,000 in fiscal year 1999–2000 to the Department of Natural Resources (DNR) for completing the upgrading of Aztalan State Park. I am vetoing this provision so that more funding will be available for the purposes intended in the tourism marketing grant program. Through another veto, I am restoring \$1,000,000 in revenues to the parks account in the segregated conservation fund that would have otherwise been transferred to the general fund. In light of that veto, I request that DNR provide funding for this purpose under the state parks SEG appropriation.

22. Department of Natural Resources Drinking Water Study

Section 172 [as it relates to s. 20.370 (6) (ck)]

This section provides funding of \$230,000 in fiscal year 1999–2000 and \$300,000 in fiscal year 2000–2001 for the Town of Swiss in Burnett County and the St. Croix Band of Chippewa for a study to determine the best technological approaches to addressing water quality problems threatening drinking water and overall water quality problems of the St. Croix, Namekagon and Yellow rivers.

I am partially vetoing the amount of funding provided in fiscal year 1999–2000 by writing the appropriation down to \$100,000. I am writing down this amount to reflect the late passage of the budget and the likelihood that the full \$230,000 would not be spent by the end of fiscal year 1999–2000. I am

requesting the Department of Administration secretary to not allot \$130,000 in the appropriation in fiscal year 1999–2000.

23. Department of Natural Resources Elk Management

Sections 172 [as it relates to s. 20.370 (1) (hk)] and 9436 (6)

This section provides funding of \$50,000 in fiscal year 1999–2000 and \$200,000 in fiscal year 2000–2001 for 1.0 FTE wildlife biologist position to manage the elk reintroduction program in the state. Funding would also be used for continued elk studies, elk herd monitoring and management, and transporting additional elk into the state.

I am partially vetoing the amount of funding provided by writing in a smaller amount that deletes \$22,400 in fiscal year 1999–2000 and \$27,600 in fiscal year 2000–2001. Because I want to limit the number of new positions created, my veto reduces funding for 1.0 FTE wildlife biologist position, and instead provides funding for only 0.5 FTE wildlife biologist position. I am requesting the Department of Administration secretary to not allot these funds and to authorize a 0.5 FTE wildlife biologist position rather than the 1.0 FTE wildlife biologist position.

Section 9436 (6) includes a technical error that provides that s. 20.370 (1) (hk) not take effect until July 1, 2000. I have deleted this provision so that the appropriation will be created upon the effective date of the bill and funding provided in fiscal year 1999–2000.

24. Department of Natural Resources Crane Management

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

This section provides funding of \$130,300 in fiscal year 1999–2000 and \$147,000 in fiscal year 2000–2001 for a one-time study of crop damage caused by cranes, and a 1.0 FTE wildlife biologist position related to the reintroduction of whooping cranes into Wisconsin.

I am partially vetoing the amount of funding provided by writing in a smaller amount that deletes \$37,650 in fiscal year 1999–2000 and \$43,500 in fiscal year 2000–2001. Because I want to limit the number of new positions created, my veto reduces funding for 1.0 FTE wildlife biologist position and, instead, provides funding for only 0.5 FTE wildlife biologist position. I am requesting the Department of Administration secretary to not allot these funds and to authorize a 0.5 FTE wildlife biologist position rather than the 1.0 FTE wildlife biologist position. This is an important study, but it can be conducted with the staff and dollar resources that are being provided in the bill as vetoed.

25. Commerce – Gaming Economic Development and Diversification Grant Programs

Sections 172 [as it relates to s. 20.445 (7) (kd)], 478 [as it relates to s. 20.445 (7) (kd)], 2017j, 2023m, 2953g, 2953h and 2953i

These sections provide funding under the gaming economic development and diversification grant programs for two specific projects and one additional grant program. Sections 2953g, 2953h and 2953i provide annual funding of \$900,000 for remediation and economic redevelopment projects in the Menomonee Valley, and also annual funding of \$150,000 for the Northwest Regional Planning Commission to establish a community-based venture fund.

I object to the extent to which gaming economic development and diversification program funding is absorbed by these projects. I am partially vetoing these provisions so the funding amounts will be provided on a one-time basis so more funding will be available for spending at the discretion of the Department of Commerce. These organizations can compete for additional grants from the Department of Commerce.

The other sections provide annual funding of \$600,000 for grants to tribal colleges under the Governor’s work-based learning board, for work-based learning programs. I am partially vetoing these sections so that the Department of Workforce Development will be less restricted in administering grants under the work-based learning program.

26. University of Wisconsin System Aquaculture Demonstration Facility

Sections 887, 9107 (7x) and 9154 (3x)

These provisions would require the Board of Regents to submit a plan to the Joint Committee on Finance for its approval for the construction and operation of the aquaculture demonstration facility. The provisions specify that the Building Commission not authorize public debt to be contracted for the purpose of financing construction of the aquaculture demonstration facility unless the Joint Committee on Finance has first approved the report. The provisions also require the Board of Regents to make certain assurances regarding the applied research and training to be conducted at the facility.

I am vetoing these provisions because they impose unnecessary burdens on the Board of Regents. The board will still be required to obtain approval from the Building Commission prior to their authorization of public debt for the purpose of financing construction of the aquaculture demonstration facility. I am also directing the Department of Agriculture, Trade and Consumer Protection to work with Wisconsin’s aquaculture industry to develop a management plan that ensures research at the facility is applied and is in the interest of growing and promoting aquaculture in the state.

STATE OF WISCONSIN INVESTMENT BOARD

27. Bonus Compensation

Sections 694c, 694r and 694w

These provisions determine how compensation is provided to employees of the investment board, including bonus compensation.

I object to the elimination of merit-based compensation for board employees. I am partially vetoing these provisions so that employees of the State of Wisconsin Investment Board (SWIB) who are members of the unclassified service may still receive bonus compensation, as long as the cost may be financed under the new method of determining the board's operating budget. The bill shifts the SWIB's operating budget from a fixed appropriation to an amount that is indexed to the level of assets under management. The purpose of this new authority is to provide the resources necessary to effectively manage \$60 billion in assets under management. To most effectively use the new budget authority to manage resources, the authority to award performance bonuses should be maintained.

BOARD OF COMMISSIONERS OF PUBLIC LANDS

28. Information Technology Initiatives

Section 172 [as it relates to s. 20.507 (1) (h)]

Section 172 [as it relates to s. 20.507 (1) (h)] increases the salary and fringe benefits component of the Board of Commissioners of Public Lands' (BCPL) appropriation by \$43,600 in fiscal year 1999-2000 and by \$50,400 in fiscal year 2000-2001 and makes an offsetting reduction of \$47,000 annually provided in the supplies and services component of the BCPL's appropriation to delete funds budgeted for general information technology (IT) support consultant services to perform these same system development and administration functions. This reallocation of funds is intended to fund a new 1.0 FTE information technology position for IT system development and administration. Although there is no language in the budget bill that authorizes this position or funding reallocation, the purpose of these changes was included in a Conference Committee amendment to the bill.

I am vetoing the part of the bill which funds this new 1.0 FTE PR-S position by lining out the Board of Commissioners of Public Lands' s. 20.507 (1) (h) appropriation and writing in a smaller amount that deletes \$100 PR-S provided for this purpose in fiscal year 1999-2000 and in fiscal year 2000-2001. My original budget request included funding for IT consulting services and I believe the board will have more flexibility to define and meet its IT support needs by purchasing consulting services. Therefore, I am also requesting the Department of Administration secretary not to allot these funds. Furthermore, I am requesting the secretary not to authorize 1.0 FTE PR-S positions.

29. REVISED INVESTMENT AUTHORITY FOR CERTAIN BOARD INVESTMENTS

Sections 593e, 689b, 689d, 689fh, 689j, 689L, 694s, 695b, 695m, 698c, 699g and 699s

These sections:

- Delete the current limitation that common school fund, normal school fund, University fund and agricultural college funds are controlled and invested only by the Board of Commissioners of Public Lands (BCPL), and instead authorize the delegation of investment of the assets of each fund to the State of Wisconsin Investment Board (SWIB).
- Require that if the BCPL delegates the investment of the assets of these funds to SWIB, SWIB could invest those assets in any manner authorized for the investment of any of the types of funds under the control of SWIB.
- Require SWIB to assign an investment professional to assist the BCPL in establishing and maintaining its investment objectives.
- Authorize SWIB to deduct the costs of such services from the gross receipts of the fund to which the monies invested belong.
- Direct SWIB to deduct its investment management expenses from the gross receipts of the BCPL funds to which the interest and income of the investment will be added.
- Clarify that SWIB would credit all of these investment management expense payments for BCPL investments to SWIB's general program operations appropriation account.

I am vetoing these sections entirely for three reasons. First, I am not confident that the revised investment authority corresponds to the fiduciary role of the Board of Commissioners of Public Lands. Second, these provisions were not debated thoroughly enough to understand the consequences of delegating this investment authority. Third, the fiscal effects of these changes were not considered. While I may support some revisions to the investment authority of SWIB and BCPL, I believe these issues should not be included in the state budget and instead should be considered as separate legislation.

REAL ESTATE TRANSFER TAX

30. Real Estate Transfer Forms and Filing Requirements

Sections 1810hm and 9143 (3b)

Section 1810hm would direct the Department of Revenue (DOR), by January 1, 2000, to identify any nonessential items that could be made optional on the real estate transfer return form (RETR), develop a simplified form, and submit it for review by the Joint Committee on Finance under the 14-day passive review process.

I am vetoing this provision because DOR has revised the RETR twice in the last three years, each time reducing the complexity of the form. In addition, a new smaller form will

replace the current form effective January 1, 2000. The efforts of the department in this recent revision were specifically intended to eliminate unnecessary items from the form. To this end, DOR discussed each line on the form with representatives of other agencies, local and county officials, private sector practitioners, and department staff.

Section 9143 (3b) would specify that a RETR not be required in the case of a conveyance that is executed for nominal, inadequate or no consideration to conform, correct or reform a conveyance previously recorded. I am vetoing this provision because, if no filing were required, DOR audit staff would be unable to discern if an exemption was improperly claimed for cases in which a transfer fee should have been paid. For example, DOR audit staff have found that filers confuse the language of "for or nominal consideration" and use the exemption when there is no money exchanged for the real estate; in reality, however, a transfer fee is due in this type of situation.

SALES AND USE TAX

31. Exemption for Maintenance of Railroad Tracks and Rights-of-Way

Sections 1812t and 9443 (8c)

These sections provide a sales and use tax exemption for the gross receipts from the sale of and storage, use, or other consumption of materials in the maintenance of railroad tracks and rights-of-way.

I am vetoing these sections because the delayed effective date of the provision, January 1, 2001, extends the full fiscal impact of the program beyond the scope of the current biennium, and because I am concerned about creating additional sales tax exemptions. The fiscal effect of this veto is to increase GPR revenue by \$470,000 in fiscal year 2000-2001.

SHARED REVENUE AND TAX RELIEF

32. Tax Exemption Reporting Fee

Section 1655p

Under current law, the owners of certain tax-exempt properties are required to file a biennial report providing an estimate of the value of their exempt properties. To defray the cost of collecting this information, local governments are authorized to collect a fee from the owners of these properties. This section exempts churches and religious associations from this fee.

I am partially vetoing this section to limit the exemption only to churches. Since the definition of "religious association" is less distinct and, consequently, more likely to allow questionable claims for tax exemptions, it is appropriate that these organizations continue to pay the fee. I wish to make perfectly clear, however, that this veto makes absolutely no changes regarding the taxability of any properties.

33. Use-Value – Definition of Agricultural Land

Sections 1655L and 9343 (23am) [as it relates to s. 70.32 (2) (c) 1.]

These sections modify the definition of agricultural land beginning January 1, 2000, to exclude from use value assessment land that generated less than \$2000 in gross farm profits in the preceding year.

I am vetoing this provision because it is unclear, unequitable and would create administrative difficulties for farmers and assessors. If this provision is applied on a per-parcel basis, some parcels of a farm may qualify for use-value assessment while some may not. Meanwhile, another farm that is identical in every way except that its land parcels are larger may qualify in its entirety for use-value. The requirement to annually examine the preceding year income from the land could lead to parcels qualifying one year for use-value but not the next despite uninterrupted use as farmland. Applying the \$2000 annual threshold to each parcel would require farmers to keep, and assessors to examine, detailed records each and every year.

34. Use-Value Administrative Rules

Sections 1797k and 9343 (22tm)

These sections prohibit the Department of Revenue from including in the Wisconsin Property Assessment Manual the department's per acre value guidelines for each municipality unless the guidelines are based on procedures that are included in the department's administrative rules.

I am vetoing these sections because this requirement is unnecessarily restrictive. The department should continue to have flexibility to quickly adopt changes that are in keeping with accepted appraisal practices. Requiring the Department of Revenue to update its administrative rules for minor revisions in accepted appraisal practices would hinder the department's responsiveness to new information and market conditions.

35. Automatic Teller Machines

Sections 1653b and 9343 (23c) [as it relates to s. 70.11 (39)]

These sections exclude automatic teller machines from the property tax exemption for computer equipment beginning January 1, 2000.

I am vetoing this provision because this is an unnecessary intrusion into the Department of Revenue's administrative responsibility to apply the exemption fairly and uniformly to all property. As a result of my veto, GPR expenditures under the sum sufficient appropriation to reimburse local governments for the tax base lost by the computer exemption under s. 20.835 (1) (e) will increase by an estimated \$750,000 in fiscal year 2000-2001.

36. Tax Incremental Financing – Village of Gilman

Section 1630k

This section extends to 38 years the maximum number of years the Department of Revenue may allocate positive tax

increments to a tax incremental financing district in the Village of Gilman in Taylor County.

I am vetoing this section because this exception to normal tax incremental financing law may not be necessary. The tax incremental financing district in question still has many years remaining under current law before the department may no longer allocate tax increments to the district. Consequently, it is premature to make this extension at this time. My veto does not effect the other provisions in the bill for a tax incremental financing district in the Village of Gilman. My veto merely retains the same maximum number of years for increment allocations by the department for this tax incremental financing district as similarly situated districts in other municipalities.

37. Premier Resort Area – Eagle River

Sections 1621e and 1621f

These sections allow the City of Eagle River to enact an ordinance or adopt a resolution declaring itself a premier resort area even if less than 40% of the equalized assessed value of the taxable property in the city is used by tourism-related retailers. By enacting such an ordinance or adopting such a resolution, the city would be able to adopt a half-cent sales tax on items sold by tourism related businesses within the city.

I am vetoing these sections because the Legislature should seek a uniform means to allow additional municipalities to adopt the extra half-cent sales tax rather than enacting specific exemptions that create inequitable revenue options for similarly situated local governments.

The existence of this provision in the budget bill underscores the need for the state to examine means for municipalities to have alternative revenue sources. In this process, it will be important to look closely at which levels of government pay for what services and which levels of government pay for what share of these services.

38. Small Municipalities Shared Revenue

Sections 172 [as it relates to s. 20.835 (1) (b)] and 1818Ln

These sections increase the appropriation for small municipalities shared revenue from \$10,000,000 to \$11,875,000 for distributions in the year 2000 and each year thereafter, a \$1,875,000 increase.

I am partially vetoing this provision to provide a \$1,000,000 increase in the program by lining out \$11,875,000 and writing in \$11,000,000 in section 172 as it relates to s. 20.835 (1) (b) for fiscal year 2000–2001, and in section 1818Ln in specifying the appropriation amounts distributed for the year 2000 and thereafter. I am partially vetoing this provision because the state budget’s mismatch between revenues and expenditures in fiscal year 2000–2001 is too large. If this mismatch is not reduced, the state may have a very difficult time balancing the general fund budget during the 2001–2003 biennium without harsh expenditure reductions or endangering the state’s commitment to tax relief. My partial

veto will still provide a 10% increase in funding for the program.

Because this veto will reduce estimated expenditures in the appropriation under s. 20.835 (1) (b) in fiscal year 2000–2001, I am requesting the Department of Administration secretary to reestimate fiscal year 2000–2001 expenditures for the appropriation down by \$875,000.

39. Shared Revenue Payments

Sections 172 [as it relates to s. 20.835 (1) (d)] and 1818Lp

Section 1818Lp increases the total amount of shared revenue to counties and municipalities from \$930,459,800 to \$949,069,000 – an \$18,609,200 or 2% increase. The increase is effective for the amounts to be distributed in the year 2000 and beyond. Section 172 [as it relates to s. 20.835 (1) (d)] reflects the 2% increase in the appropriation schedule for 2000–2001.

I am vetoing these sections to eliminate the increase in shared revenue payments. I am vetoing the shared revenue increase because the mismatch between revenues and expenditures in fiscal year 2000–2001 is too large. If this mismatch is not reduced, the state may have a very difficult time balancing the general fund budget during the 2001–2003 biennium without harsh expenditure reductions or endangering the state’s commitment to tax relief. I am fully vetoing section 1818Lp. I am also removing the additional \$18,609,200 in the schedule under section 172 [as it relates to s. 20.835 (1) (d)] for fiscal year 2000–2001 by lining out \$949,069,000 and writing in \$930,459,800.

As a result of meeting with mayors from the League of Municipalities, it was suggested that increased funds to the Expenditure Restraint Program, Small Municipalities Shared Revenue and Payments for Municipal Services were preferable to increasing shared revenue. Thus, while I am vetoing the increase in shared revenue, elsewhere in this budget I am approving increases in expenditure restraint payments, small municipalities shared revenue payments and payments for municipal services, as well as increases to community aids, county mandate relief, transportation aid and other programs that will benefit local governments.

Because this veto will reduce estimated expenditures in the appropriation under s. 20.835 (1) (d) in fiscal year 2000–2001, I am requesting the Department of Administration secretary to reestimate fiscal year 2000–2001 expenditures for the appropriation down by \$18,609,200.

A related provision in the bill, section 9143 (3mv), specifies that the increase in shared revenue shall be distributed proportionately by providing each county and municipality the same percentage increase to its current law payment. This provision is eliminated from the bill under my partial veto of the lottery credit. Instead of providing the same percentage increase to all, I prefer that an increase in shared revenue be distributed according to the program’s determination of need.

I believe that we need to have a comprehensive review of our local aid system with the goal of overhauling it in the next budget. I will seek input from a wide variety of local officials about how to go about that reform effort.

40. Payments for Municipal Services

Section 172 [as it relates to s. 20.835 (5) (a)]

This section [as it relates to s. 20.835 (5) (a)] increases the appropriation for payments for municipal services to \$23,439,500 for fiscal year 2000–2001.

I am partially vetoing this provision to limit the appropriation to \$21,565,300 in fiscal year 2000–2001. I am partially vetoing this provision by lining out \$23,439,500 and writing in \$21,565,300 in section 172 as it relates to s. 20.835 (5) (a) for fiscal year 2000–2001. I am partially vetoing this provision because the state budget’s mismatch between revenues and expenditures in fiscal year 2000–2001 is too large. If this mismatch is not reduced, the state may have a very difficult time balancing the general fund budget during the 2001–2003 biennium without harsh expenditure reductions or endangering the state’s commitment to tax relief. My partial veto will still provide an increase in funding for the program in excess of 19%. It will also fund an estimated 92% of entitlements under the program – providing an increase over the proration factor of recent years and returning the proration factor to a level near its historical norm. Without a veto, the program would have been funded in excess of its historical level.

Because this veto will reduce the appropriation under s. 20.835 (5) (a), I am requesting the Department of Administration secretary to not allot \$1,874,200 in the appropriation in fiscal year 2000–2001. My partial veto of this provision will also reduce departmental revenues to the general fund by \$862,100 in fiscal year 2000–2001.

41. Lottery Credit and Property Tax Relief

Sections 172 [as it relates to ss. 20.455 (2) (fm), 20.566 (2) (am), and (8) (a), (b) and (c), and 20.835 (2) (dn)], 490g, 595m, 596r, 596s, 597g, 597c, 597f, 606t, 612p, 717xh, 1818mLf, 1818mLg, 1818mLh, 9143 (3g), 9143 (3gm), 9143 (3h), 9143 (3mv), 9243 (2c) and 9443 (24e)

These sections provide an increase in the lottery credit as it would appear on the December 1999 and December 2000 property tax bills by transferring over \$253 million from the general fund to the lottery fund and providing for the shift of various lottery fund expenses from the lottery fund to the general fund for fiscal years 1999–2000 and 2000–2001.

These sections also include several other provisions. Section 9143 (3g) specifies that the Legislature’s intent in transferring funds from the general fund to the lottery fund is to reimburse the lottery fund for certain expenditures of the lottery fund during the October 1995 to June 1999 time period. Section 9143 (3gm) provides the Department of Revenue with 3.0 FTE PR positions for the purpose of performing duties related to the business tax registration system. Section 9143 (3h) provides transfers to make technical corrections related to 1999 Wisconsin Act 5 to use pari-mutuel proceeds as part of the lottery and gaming credit. Section 9143 (3mv) specifies that the increase in shared revenue contained in the bill shall be distributed proportionately by providing the same percentage increase to each county and municipality.

I am vetoing in its entirety the provision in sections 717xh and 9243 (2c) making transfers from the general fund to the lottery

fund for the reimbursement of prior year expenditures. This provision, also known as the “lottery buyback,” has raised severe constitutional questions, including those cited in a recent opinion from the Attorney General. Because the buyback relates to years prior to the April 1999 constitutional amendment allowing the lottery proceeds to be distributed contrary to the uniformity clause of the constitution, the lottery buyback very likely violates the uniformity clause. In short, it is illegal. I am vetoing the buyback because it would be irresponsible to adopt as state law a measure which would surely provide false hope of property tax relief since it would easily be struck down by a court ruling.

I am partially vetoing the provisions that shift to the general fund the current lottery fund expenses for lottery general program operations, lottery retailer commissions, lottery vendor fees, the farmland tax relief credit, gaming law enforcement costs of the Department of Justice, and the lottery and gaming credit administration costs of the Department of Revenue. Under the provisions of the bill, these costs are moved to the general fund for two years (both fiscal year 1999–2000 and fiscal year 2000–2001). Under my partial veto, these costs are shifted to the general fund only for the first year of the biennium, fiscal year 1999–2000. Under my partial veto, these costs will return to the lottery fund for fiscal year 2000–2001. I am partially vetoing these provisions in this manner because of legal, fiscal, policy and practical concerns. First, the distribution of the December 1999 property tax bills is not far away. Municipalities will need to know soon what will appear on the tax bills. Therefore, I have left the shift of these costs for the first year in place to finalize the issue for the coming tax bills. Second, the drain on the general fund caused by this shift may not be sustainable into the future, especially given the large mismatch between fiscal year 2000–2001 GPR revenues and expenditures. Third, this shift artificially increases the lottery credit beyond the state’s traditional interpretation of what is defined as lottery proceeds. This artificial increase should end as soon as possible. Fourth, because the definition of lottery proceeds created by the shift of expenses is nontraditional, continued shift of these expenses may lead to legal challenges that may ultimately hurt Wisconsin taxpayers. Finally, the use of general fund taxes to pay for these costs simply violates common sense. We should stop this as soon as practical.

I am also vetoing sections of this bill to provide December 2000 property tax relief in a constitutional, uniform and common sense manner. Instead of this artificial increase in the lottery credit for the December 2000 tax bills, my partial vetoes will provide an increase in the school levy credit under s. 20.835 (3) (b) of the statutes. This will move property tax relief away from a risk-taking plan into a safely and surely deliverable procedure. Consequently, I am partially vetoing sections 9143 (3g), (3gm), (3h) and (3mv) of the bill because the partial veto of these sections is necessary to replace the artificial increase in the lottery credit with an increase in the school levy credit. My partial veto to increase the school levy credit will increase the amount provided for property tax relief by \$60,000,400 on the December 2000 property tax bills. This amount will be paid by the state in July 2001. This additional property tax relief will help offset the decrease in the lottery credit that will occur when the lottery credit returns

to a normal and common sense size on the December 2000 property tax bills.

In other sections of the bill I have partially vetoed the school property tax rent credit to increase property tax relief paid through that credit.

To implement my partial vetoes to fund the traditional lottery fund appropriations from the general fund for fiscal year 1999–2000 only, rather than for both fiscal years of the biennium, and to restore the normal understanding of how much is available for the lottery credit, I am taking the following specific measures:

Gaming Law Enforcement. I am partially vetoing section 172 as it relates to s. 20.455 (2) (fm) for fiscal year 2000–2001 by lining out \$226,700 and writing in \$0. Because this veto will reduce the appropriation under s. 20.455 (2) (fm), I am requesting the Department of Administration secretary to not allot \$226,700 in the appropriation in fiscal year 2000–2001. I am vetoing section 490g because it would prohibit the return of this cost to the lottery fund for the entire 1999–2001 biennium. With my veto of section 490g, expenditure authority from lottery receipts may be restored for fiscal year 2000–2001 for the purpose of gaming law enforcement through separate legislation or action under s. 13.10 of the statutes.

Lottery and Gaming Credit Administration. I am partially vetoing section 172 as it relates to s. 20.566 (2) (am) for fiscal year 2000–2001 by lining out \$33,500 and writing in \$0. Because this veto will reduce the appropriation under s. 20.566 (2) (am), I am requesting the Department of Administration secretary to not allot \$33,500 in the appropriation in fiscal year 2000–2001. I am vetoing section 595m because it would prohibit the return of this cost to the lottery fund for the entire 1999–2001 biennium. With my veto of section 595m, expenditure authority from lottery receipts may be restored for fiscal year 2000–2001 for the purpose of lottery and gaming credit administration through separate legislation or action under s. 13.10 of the statutes.

Lottery General Program Operations. I am partially vetoing section 172 as it relates to s. 20.566 (8) (a) for fiscal year 2000–2001 by lining out \$21,095,800 and writing in \$0. Because this veto will reduce the appropriation under s. 20.566 (8) (a), I am requesting the Department of Administration secretary to not allot \$21,095,800 in the appropriation in fiscal year 2000–2001. I am vetoing section 597g because it would prohibit the return of this cost to the lottery fund for the entire 1999–2001 biennium. With my veto of section 597g, expenditure authority from lottery receipts may be restored for fiscal year 2000–2001 for the purpose of lottery general program operations through separate legislation or action under s. 13.10 of the statutes.

Lottery Retailer Compensation. I am partially vetoing sections 596r and 597c because a partial veto of these sections is necessary to allow lottery retailer compensation to be paid from the lottery fund during fiscal year 2000–2001. With my

veto, general purpose revenue will only be used for lottery retailer compensation during fiscal year 1999–2000. Lottery revenues will again cover this cost beginning in fiscal year 2000–2001. By lining out \$30,573,800 and writing in \$0 in section 172 as it relates to s. 20.566 (8) (b) for fiscal year 2000–2001, I am reflecting that my partial veto prohibits use of general purpose revenue for retailer compensation after fiscal year 1999–2000. Because this veto will reduce estimated expenditures in the appropriation under s. 20.566 (8) (b) in fiscal year 2000–2001, I am requesting the Department of Administration secretary to reestimate fiscal year 2000–2001 expenditures for the appropriation down by \$30,573,800.

Lottery Vendor Fees. I am partially vetoing sections 596s and 597f because a partial veto of these sections is necessary to allow lottery vendor fees to be paid from the lottery fund during fiscal year 2000–2001. With my veto, general purpose revenue will only be used for lottery vendor fees during fiscal year 1999–2000. Lottery revenues will again cover this cost beginning in fiscal year 2000–2001. By lining out \$12,419,000 and writing in \$0 in section 172 as it relates to s. 20.566 (8) (c) for fiscal year 2000–2001, I am reflecting that my partial veto prohibits use of general purpose revenue for vendor fees after fiscal year 1999–2000. Because this veto will reduce estimated expenditures in the appropriation under s. 20.566 (8) (c) in fiscal year 2000–2001, I am requesting the Department of Administration secretary to reestimate fiscal year 2000–2001 expenditures for the appropriation down by \$12,419,000.

Farmland Tax Relief Credit. I am partially vetoing sections 606t and 612p because a partial veto of these sections is necessary to allow the farmland tax relief credit to be paid from the lottery fund during fiscal year 2000–2001. With my veto, general purpose revenue will only be used for the farmland tax relief credit during fiscal year 1999–2000. Lottery revenues will again cover this cost beginning in fiscal year 2000–2001. By lining out \$15,000,000 and writing in \$0 in section 172 as it relates to s. 20.835 (2) (dn) for fiscal year 2000–2001, I am reflecting that my partial veto prohibits use of general purpose revenue for the farmland tax relief credit after fiscal year 1999–2000. Because this veto will reduce estimated expenditures in the appropriation under s. 20.835 (2) (dn) in fiscal year 2000–2001, I am requesting the Department of Administration secretary to reestimate fiscal year 2000–2001 expenditures for the appropriation down by \$15,000,000. I am partially vetoing sections 1818mLf, 1818mLg and 1818mLh because a partial veto of these sections is necessary to preserve the state's commitment to provide an estimated \$15,000,000 annually for the farmland tax relief credit despite the shifts in funding sources.

Definition of Lottery Proceeds. I am partially vetoing section 9443 (24e) because a partial veto of this section is necessary to restore the traditional definition of lottery proceeds on July 1, 2000 – the first day of fiscal year 2000–2001 during which, because of my partial vetoes, the common sense approach to paying for lottery expenses will be restored.