



SCOTT McCALLUM

**Governor
State of Wisconsin**

To the Honorable Members of the Senate:

I have approved Senate Bill 55 as 2001 Wisconsin Act 16 and deposited it in the Office of the Secretary of State.

The bill I am signing represents many difficult decisions made by a Legislature that remained focused on concluding a budget in a timely and orderly fashion. I commend the Legislature for its civility and commitment in crafting the most important piece of legislation in this legislative session. Despite constraints in revenue growth and the unfunded costs of new programs adopted in the previous legislative session, significant progress was made in a number of key policy areas, particularly economic growth, educational quality, health care for seniors and lower taxes.

Wisconsin's taxes remain too high. The 1999-2001 state budget took a serious step toward reducing our state's income tax burden by lowering rates eleven percent and this budget continues the trend of lowering the tax burden on Wisconsin citizens. Despite the severe financial constraints faced in developing this budget, taxes are further reduced by eliminating the income tax on military pensions and implementing the federal phase-out of the estate tax. While the Legislature chose to reinstate the estate tax in fiscal year 2003-04, I intend to restore the federal phase-out schedule in my next budget.

Future tax reductions will require continued robust economic growth. This budget includes a number of measures that will propel Wisconsin's economic engine to new heights, including the creation of eight new technology development zones and one agricultural development zone; an airline hub tax exemption for Wisconsin-based airlines, Midwest Express and Air Wisconsin; \$317 million in new biotechnology facilities through the University of Wisconsin's BioStar Initiative; and \$38 million for expanded information technology and biological sciences courses and other economic stimulus initiatives at the University of Wisconsin. All of these measures were included in my budget and represent further investments in Wisconsin's economic renaissance.

This budget also continues the trend of stabilizing the property tax burden by increasing school aids and shared revenue. Property taxes as a percent of ability to pay have dropped fourteen percent since controls on school revenues began in December 1993. This reduction is the result of balancing reasonable school cost growth (that has exceeded the rate of inflation), with continued investments in educational quality.

Since 1994, the first year that the school district allowable revenue formula was in place, the state has invested over \$2.6 billion in our local schools. This funding has served to reduce property taxes and increase educational quality. State taxpayers will spend almost \$100 million in school year 2002-03 to reduce class sizes in early grades through the Student Achievement Guarantee in Education (SAGE) program. School technology has increased exponentially with the \$290 million provided since 1998 for the Technology for Educational Achievement in Wisconsin (TEACH) program. Improved educational attainment for all Wisconsin children is also being supported through an eighteen percent increase in funding for school breakfasts and investments in the private and public school choice and charter school programs.

Many other significant needs are addressed in this budget. We take the lead in health care access for seniors by establishing a new prescription drug benefit for Wisconsin's greatest generation. We provide a significant increase to the Birth to Three and Family Support programs to assist disabled children and their families. We improve the environment and support economic development through expanding the brownfields redevelopment program and providing continued funding for recycling. We have funded additional prison capacity while also supporting community corrections efforts. We fully fund child care subsidies so that low-income individuals can work and seek more educational opportunities. We protect more of Wisconsin's pristine landscape through a \$112 million expansion of the Warren Knowles-Gaylord Nelson Stewardship 2000 Program.

Wisconsin is on the right path, we're reducing taxes and investing in our future. Unfortunately, the budget I received from the Legislature included a number of initiatives that could divert us from this path. First and foremost, the Legislature ignored the significant investments it has made in educational quality and listened instead to calls for a return to unfocused school spending.

Exemptions to school district allowable revenues and modifications to the qualified economic offer for teacher compensation packages will further burden Wisconsin taxpayers with no clearly defined benefit to students. Wisconsin already spends generously on a per student basis, sixth highest in the country. Growth in school district costs has outpaced inflation since the allowable revenue formula was adopted in the 1993-95 budget. Compensation for Wisconsin teachers remains among the highest in the country and our class sizes among the smallest. And, most notably and most importantly, our students are the best and the brightest.

Can more be done? Yes. Should more be done? Absolutely. We must continue to focus on improving educational achievement for all students, from inner city Milwaukee to South Shore on Lake Superior. The bill I am signing includes relief to small school districts that must serve large geographic areas. It also supports the private school choice program, restores state funding for four-year-old kindergarten and expands charter schools. It prudently targets taxpayer dollars toward programs shown to be effective in improving student achievement.

Many school districts continue to offer wage and compensation increases to teachers that exceed the 3.8 percent that constitute a qualified economic offer. According to the American Federation of Teachers, Wisconsin ranks tenth nationally when comparing teacher salaries to annual private sector earnings. In addition, the recent Supreme Court decision upholding changes to the state retirement system will serve to provide school districts with an \$84 million windfall, much of which will translate into enhanced compensation packages for teachers.

My second major concern is the risk to our financial future by using over \$800 million of one-time funding measures to deliver a "balanced" budget. These measures include \$109 million from the intergovernmental transfer program for county and privately-owned nursing homes, \$100 million in borrowing to extend existing debt, \$50 million from reducing the statutory ending balance, \$450 million from the tobacco endowment fund and \$115 million from delaying a school aid payment. While my budget included \$350 million from the tobacco endowment fund as a "bridge" to get us to a firmer financial footing, the bill before me puts us on a bridge to financial risk and uncertainty. Financing the permanent spending supported by these one-time measures will likely consume all of the anticipated revenue growth in fiscal year 2003-04, making it extremely difficult to fund growth in existing programs such as school aids, medical assistance and the University of Wisconsin System.

These one-time measures, combined with payment shifts made in previous budgets and an unwillingness to create meaningful budget reserves, have weakened the state's standing in the eyes of financial markets. That weakness has manifested itself in a lower rating of creditworthiness on the state's bonds, raising the potential for higher borrowing costs. The financial cost of this lower rating pales in comparison to the perception that Wisconsin's finances are inherently unstable. This is not the message we want to deliver to businesses looking to expand operations or venture capitalists looking for fertile ground to grow high tech enterprises. We must act decisively to right our financial ship and keep our economy on a direction toward high wage, high skill employment.

To begin this transformation toward financial stability, I have used my veto power to eliminate the \$115 million school aid payment delay, and I have increased the statutory ending balance to 1.2 percent of appropriations and compensation reserves. We must live within our means. Just as a family cannot delay a mortgage payment without risking foreclosure, the state cannot continue to ignore today's obligations with promises to pay tomorrow.

In this budget, I remain committed to controlling school property taxes through the school district allowable revenue formula and to meeting the state's commitment to fund two-thirds of school costs. These goals must be accomplished honestly by paying the bills, as they come due, not by further shifts in paying school aids. We cannot responsibly meet these goals at the expense of the state's fiscal health and by extension threatening the stability of local government finances. While I cannot use my veto authority to restore the full 2002-03 school year payment, by law the Joint Committee on Finance must meet in June 2002 to review estimated school costs and set the school aid funding level.

I remain confident that our economy will show renewed vigor in the next two years, providing additional revenues for schools without the need to resort to budget gimmicks. However, even without further growth in revenues, I have aggressively vetoed spending increases and prudently built up the required general fund balance to ensure that the state's two-thirds school funding commitment will be met in full as it comes due.

In addition to vetoing the school aid payment delay and restoring the required general fund balance, I am acting to further improve the state's fiscal situation by directing the secretary of the Department of Administration to monitor the need for the \$100 million in debt restructuring authorized by the Legislature. We cannot afford to borrow money instead of making difficult decisions on budget priorities. In the event revenues grow faster than expected, the secretary of the Department of Administration will decide whether the issuance of these bonds is necessary.

I have also used my veto power to restore a four percent budget reduction for the Department of Public Instruction and a five percent reduction for the State Public Defender. When all state agencies, the Legislature and the courts are making budget reductions, we should not shield any administrative operations appropriations from sharing the burden. The reduction for the Department of Public Instruction exempts the state residential schools to reflect their direct service responsibilities.

The budget, as passed by the Legislature, also tapped questionable funding sources to support certain programs. For instance, use of growth in revenues from fines and forfeitures retained by counties is neither a stable nor realistic funding source for new district attorney positions.

District attorneys face real world work load issues that are not addressed through unreliable funding sources. I support an increase in district attorney positions to address critical work load

needs, but cannot agree to the funding source proposed by the Legislature. I urge the Joint Committee on Finance to consider meeting this need from a different source of funding through its authority under s. 13.10.

My third major concern is the amount of bonding authorized in this budget. My proposed budget authorized \$522 million in new GPR-supported general obligation bonding in the 2001-03 biennium, a level calculated specifically to ensure that debt service payments would remain at 3.5 percent of total GPR revenue over the next decade. The budget passed by the Legislature contains \$564 million in new GPR-supported bonding authorizations for the 2001-03 biennium. 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 9.4 percent in fiscal year 2002-03, while our GPR revenue will increase less than 4.5 percent. Therefore, my vetoes have reduced the total new bonding authorization amount by \$9 million to reduce the new debt we will incur to a more affordable level.

To improve the ending balance, I vetoed a total of \$62 million in additional GPR spending items approved by the Legislature. This is the largest amount of GPR budget savings ever realized in a biennial budget through gubernatorial vetoes and reflects the critical need to restore fiscal responsibility and stability. I also exercised a veto to increase the size of the balance we are required to maintain from 0.7 percent to 1.2 percent of GPR spending. Since many states maintain balances of at least five percent, we must continue toward the current law goal of 2 percent. The required balance is scheduled to grow to 1.6 percent as we enter the next biennium and we need to honor this commitment. Meeting this responsibility will require fiscal discipline and prudent management of resources. Therefore, I am very pleased that the budget

I am signing takes a step in this direction by including a meaningful budget stabilization fund that will set-aside fifty percent of unanticipated revenues to help us avoid future budget crises.

From general purpose revenue, net spending will be \$11.4 billion in fiscal year 2001-02 and \$11.6 billion in fiscal year 2002-03, for a biennial total of \$23.0 billion. These figures represent annual spending increases of 3.0 percent and 1.7 percent, primarily due to increases in spending to meet our commitment to fund two-thirds of school costs, to reduce class sizes in early grades, to return inmates housed in out-of-state prisons to Wisconsin facilities, to implement a new prescription drug subsidy for seniors, to pay for increased child care and medical assistance costs for our low-income citizens, and to make investments in our higher education system. Total spending under the 2001-03 budget, as passed, is \$23.3 billion in fiscal year 2001-02 and \$23.5 billion in fiscal year 2002-03, for a biennial total of \$46.8 billion.

I am signing this budget with a total of 315 vetoes. Many of these vetoes were needed to reduce spending by a total of \$62 million GPR. These vetoes will also reduce the structural deficit confronting the state in the next biennium. A number of these vetoes are technical in nature and were required to make provisions workable. A number of these vetoes curb 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 work load through the budget bill.

The budget I introduced in February, and the Legislature passed, keeps Wisconsin moving ahead: growing our economy through lower taxes and targeted investments, improving

educational quality through innovative programs, and ensuring all citizens can access jobs, education and health care. Among the highlights are the following items:

Tax and Local Government Finance

- Eliminates the state income tax on military pensions and reduces the estate tax in fiscal year 2002-03. These changes reduce taxes by over \$37 million.
- Provides a property tax exemption for air carrier hub facilities.
- Increases the state cigarette tax by 18 cents to provide prescription drug benefits for eligible lower-income seniors.
- Provides an exemption from the sales tax for electricity sold to utilities by merchant power plants to encourage the development of adequate energy supplies in Wisconsin.
- Holds the total property tax burden per \$1,000 of personal income to 14 percent below December 1993 rates.
- Increases shared revenues, expenditure restraint payments, county mandate relief payments and small municipalities shared revenues by one percent annually in fiscal year 2002-03 and fiscal year 2003-04.
- Restores the municipal shared revenue formula in 2004 to ensure that state aid is delivered to communities with the greatest needs.

- Provides \$5.6 million in fiscal year 2001-02 and \$7.4 million in fiscal year 2002-03 to fully fund the personal property tax exemption for computer equipment. Business taxes are reduced by retaining exemptions for automated teller machines and expanding exemptions to copier and fax machines.
- Establishes a state spending cap to limit annual noneducation GPR spending increases to the increase in state personal income.
- Requires that fifty percent of unanticipated revenues be set aside in the state's budget stabilization fund to help avoid future budget crises and reduce Wisconsin's deficit under generally accepted accounting principles.
- Maintains the state's budgetary balance at 1.2 percent of spending instead of reducing the balance to a sixteen-year low of \$90 million.
- Creates a permanent endowment fund from tobacco securitization proceeds to support tobacco cessation and prevention efforts, provide interest earnings to the general fund and provide an offset to the state's \$1.2 billion deficit under generally accepted accounting principles.
- Implements full disclosure in budgeting by requiring state budget documents to state the impact of the proposed budget on future state finances and to report the estimated budget balance under generally accepted accounting principles.

Economic Development and Transportation

- Protects state residents from unwanted telephone sales calls by prohibiting telephone solicitors from calling those listed in a statewide no-call database.

- Preserves the application of the Wisconsin Consumer Act to rental purchase agreements.
- Improves highway safety and enhances economic development by increasing state and federal support for highway construction projects and local transportation aids by over \$300 million over the biennium.
- Enumerates three new major highway projects: STH 17 in Oneida County; I-39/USH51 in Marathon County (Wausau Beltline); and STH 26 in Rock, Jefferson and Dodge counties.
- Provides over \$160 million over the biennium for reconstruction of the Marquette Interchange in the city of Milwaukee.
- Increases the basic allocations for local road improvement funding by providing a six percent annual increase for critical transportation infrastructure projects.
- Increases local transportation aids by four percent in calendar year 2002 and three percent in calendar year 2003 to meet rehabilitation and maintenance costs and to limit growth in property taxes.
- Increases state assistance to local transit systems by four percent in calendar year 2002 and two percent in calendar year 2003.
- Provides \$14 million over the biennium for brownfields assessment, remediation and redevelopment efforts.
- Creates technology development zones to enhance investment in high technology and create high-skill, high-wage jobs by providing credits against income, sales and property taxes for qualified businesses.

- Authorizes \$25 million in bonding for a biomedical technology research incubator at the Medical College of Wisconsin.
- Protects Wisconsin's critical animal agriculture industry by providing a 150 percent increase for the Johne's disease control program.
- Promotes economic development in the city of Beloit by designating a development opportunity zone and allocating \$4.7 million in tax credits to reward job creation and capital investment.
- Protects Wisconsin's agricultural and biotechnology industries by providing felony penalties for the intentional introduction of contagious disease into livestock or the intentional destruction of plants grown for commercial or research purposes.

Environmental Protection and Resource Management

- Supports efforts to protect children from pesticide exposure in schools by increasing notification requirements, ensuring pesticides are applied by licensed individuals and providing 1.0 FTE SEG position to continue and expand the Integrated Pest Management training program for school districts.
- Creates a Fox River Navigational System Authority governed by a nine-member board to repair and manage the system of locks on the Fox River.
- Enhances protection of Wisconsin's pristine natural resources by increasing bonding authorization for the Warren Knowles-Gaylord Nelson Stewardship 2000 Program by \$112 million.

- Increases funding and positions for forestry operation and private forest landowner assistance by approximately \$4.5 million SEG and 15.0 FTE SEG positions in fiscal year 2001-02 and designates a chief state forester.
- Enhances control of invasive aquatic plants and animals by providing stronger enforcement authority and additional funding to the Department of Natural Resources.
- Enhances wetland protection efforts by providing \$196,900 SEG and 2.5 FTE positions over the biennium to implement the Wetlands Compensatory Mitigation program.
- Enhances local land use planning by providing additional funding for land information systems.
- Prohibits oil and gas drilling beneath the Great Lakes.
- Creates an Adopt-a-River program to encourage volunteers to oversee a section of a lake, river, wetland or ravine; conduct annual clean-ups; and ensure the long-term environmental health of the area.

Education and Training

- Provides \$380 million over the biennium to increase state aid to Wisconsin's elementary and secondary schools.
- Eliminates the delayed payment of \$115 million in general equalization aid to help restore sound fiscal practices to the state.

- Provides \$53.5 million GPR in additional funding to support full implementation of the Student Achievement Guarantee in Education (SAGE) program, which reduces class size in grades kindergarten through three, bringing the total funding of SAGE to \$95 million.
- Maintains existing level of state support for four-year-old kindergarten programs in public and choice schools.
- Provides an 18 percent increase in funding for the school breakfast program, which will allow for a significant expansion of participation rates.
- Provides a 10 percent increase in funding for the minority precollege scholarship program for middle and high school students to participate in challenging academic programs at Wisconsin's public and private colleges and universities.
- Creates a revenue limit adjustment for low enrollment districts with large geographical areas, which are experiencing declining enrollments.
- Provides \$195,000 GPR to support student organizations related to career and technical education.
- Authorizes the University of Wisconsin-Parkside to create a charter school in the Racine school district.
- Provides \$77.5 million in new GPR funding to the University of Wisconsin System, including \$38 million GPR to support initiatives for the Madison and Milwaukee campuses and to make systemwide investments that will expand enrollments in information technology and biotechnology.

- Authorizes a BioStar initiative and \$317 million in general fund supported borrowing over a ten-year period to attract federal and private funds for construction of biological sciences education and research activities at the University of Wisconsin-Madison.
- Provides \$6.4 million GPR to the Higher Educational Aids Board and the University of Wisconsin System to increase need-based financial aid programs.
- Provides \$500,000 to the University of Wisconsin Medical School for the purchase of a digital mammography machine.
- Authorizes the board of regents to use base funding to create GPR-funded faculty and academic staff positions.
- Provides an additional \$500,000 GPR over the biennium to the Wisconsin Technical College System to increase the availability of high demand courses.
- Increases funding for vocational rehabilitation services by \$2 million over the biennium, which will enable more of Wisconsin's disabled citizens to become part of Wisconsin's work force.

Human Resources

- Provides \$2 million GPR in fiscal year 2001-02 and \$49.9 million GPR in fiscal year 2002-03 to implement the new Senior Care program, beginning September 1, 2002. Senior Care is the new prescription drug assistance program for Wisconsin residents who are 65 years of age or older and who meet certain eligibility criteria. An estimated 260,000 individuals will be eligible, making the program one of the most generous in the country.

- Provides a \$218 million increase to fully fund child care for both W-2 clients and for low-income working families.
- Provides \$17.3 million GPR over the biennium to increase funding for the Community Option Program (COP) and Community Integration Program (CIP).
- Provides a \$5 million GPR increase over the biennium for the Family Support and Birth to Three programs, which serve disabled children and their families.
- Provides an additional \$32 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 an additional \$53 million SEG in fiscal year 2001-02 and \$70 million SEG in fiscal year 2002-03 to nursing homes due in large part to their efforts to enhance the amount of federal intergovernmental transfer (IGT) funds received by the state.
- Provides an additional \$13.4 million SEG for hospitals and \$12.3 million SEG for noninstitutional providers over the biennium as a result of the receipt of the new IGT funds.

Justice

- Provides funding to staff the following new and expanded correctional facilities: Stanley, New Lisbon, an expansion at Taycheedah, two inmate workhouses (located at Winnebago and Sturtevant), an addition to the Oshkosh segregation unit and the new Sturtevant Probation and Parole Holding Facility.
- Provides \$4.6 million GPR to increase purchase of services for offenders in the community.

- Provides \$4.2 million GPR to add 56.5 FTE probation and parole agents. The additional agents will provide an average agent to offender ratio of one agent to supervise 47 offenders.
- Provides additional resources for inmate health care needs including: the new Highview geriatric facility for male inmates, a new mental health unit for female inmates at the Taycheedah Facility, twenty additional nursing positions and staffing for 24-hour nursing coverage at the Columbia, Oakhill and Taycheedah facilities.
- Provides \$3 million GPR to increase funding for Youth Aids payments to counties. Youth Aids fund the cost of placements to juvenile correctional facilities and other juvenile delinquency related services.
- Provides \$3.5 million to improve the state's Automated Fingerprint Identification System (AFIS).
- Provides \$450,000 GPR to increase reimbursement to counties for court interpreter services.
- Provides \$1.2 million of federal Byrne grant funds for a diversion program to encourage criminal justice agencies to collaboratively develop alternatives to incarceration for certain types of offenders.

State Government Operations

- Creates a new agency, the Department of Electronic Government, to strengthen the state's ability to plan and manage its information technology resources.

- Provides \$180 million to the general fund through eliminating vacancies, realizing savings from recent changes to the state retirement system and implementing five percent reductions in state operations appropriations to ensure a balanced budget.
- Enhances recruitment and retention in the Wisconsin National Guard by retaining a 100 percent tuition reimbursement program through a partial veto.
- Adds funding and positions to improve veterans benefits counseling.
- Provides \$45,000 annually for additional veterans benefits fairs and promotions.
- Increases tuition and fee reimbursement from 65 percent to 85 percent for veterans college and part-time study grant programs.
- Increases veterans emergency assistance grants funding by \$755,100.
- Authorizes 28.0 FTE positions and funding to staff the Southern Wisconsin Veterans Retirement Center.
- Expands veterans assistance centers by funding a new facility in Madison and expanding those at King and Southern Wisconsin Veterans Retirement Center.
- Increases funding by \$400,000 to support transportation services for disabled veterans.
- Funds a grant of \$200,000 to help establish a Milwaukee Veterans War Memorial Education Center.
- Adds 3.0 FTE and funding to strengthen enforcement in regulation and licensing.

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

1. Shared Revenue – The budget bill includes one percent annual increases in each of the next two years for local government shared revenue and related programs. Specifically, the bill includes a one percent increase for the 2002 payments for shared revenue, expenditure restraint, small municipality shared revenue and county mandate relief. Another one percent increase is provided to these same programs for the 2003 payments. The municipal shared revenue increases will be distributed across-the-board. Each municipality in 2002 and 2003 will receive a one percent increase over its prior year payment.

While I am approving these increases, we must not diminish our efforts to restructure the shared revenue formula. Instead, we should continue the rethinking of this billion dollar program begun by the Governor's Blue Ribbon Commission on State-Local Partnerships under Professor Don Kettl's visionary leadership. Consistent with the commission's goals, we must remake shared revenue to reward performance, increase accountability, eliminate incentives to spend, encourage cooperation and move Wisconsin toward a more competitive tax environment.

2. Property Tax Exemptions and Municipal Services – The budget bill includes a provision that clarifies exemptions for YMCA and YWCA facilities from local property taxes due to their status as charitable organizations. While I am very supportive of the services provided by these organizations, I am also very concerned about the impact these exemptions have on a competitive business environment. The budget also authorizes local governments to assess charges on tax-exempt organizations for certain services provided by a municipality, such as fire protection. I have used my veto power to remove this provision because it was meant to

work within the broader package of reforms offered by the Kettl Commission and included in my budget, but not adopted by the Legislature. We must make progress on assigning appropriate tax status to certain organizations and implementing cost recovery mechanisms for local governments. I hope to build on the important progress made by the Kettl Commission in these policy areas and move toward meaningful change on issues of property tax exemptions, free market competition and municipal cost recovery issues.

3. Prescription Drugs – This budget includes a new prescription drug benefit for Wisconsin seniors that leads the nation. Clearly, the prescription assistance program will meet a critical need for many low-income seniors. However, given the deficit we face in developing the 2003-05 budget. I am concerned about the program being considered an entitlement requiring increased funding every biennium. The Legislature designed the program so that if funding is insufficient to meet demand in any given year, the Department of Health and Family Services is required to create waiting lists. I am directing the department to lay out a clear and equitable process to address this legislative mandate in its administrative rules.

4. Chiropractic Claims – The budget bill includes a provision that defines claims for payment of chiropractic services, with certain exceptions, as being overdue if not paid within thirty days after the insurer receives clinical documentation. My understanding is that property and casualty insurance or workers' compensation claims should not have been included in this requirement. I have requested the Commissioner of Insurance to work with affected parties to introduce separate legislation to clarify that this provision only applies to health insurance claims and not to property and casualty insurance or workers' compensation claims.

5. Child Care Subsidies – Child care assistance is one of the key priorities for use of Temporary Assistance for Needy Families (TANF) funding. However, we must not forget that the top priority for TANF funding is the Wisconsin Works (W-2) program. I am concerned that we may not always be able to fund growth in child care subsidies at the expense of the W-2 contracts and other related W-2 programs. In order to set priorities, the Legislature will, at some point, have to adopt the language I proposed allowing the administration to control child care expenditures through administrative means if the need arises.

6. Recycling – The budget bill increases the state recycling tipping fee to \$3.00 and provides \$24.5 million annually for municipal recycling grants in the 2001-03 biennium. At this level of support for local recycling programs, Wisconsin has the most generous subsidy in the country. While I do not believe that tipping fees are the best funding source to support recycling costs, I am concerned that many out-of-state communities neighboring Wisconsin view our state as a dumping ground. A review of the average total tipping fees at out-of-state landfills located near Wisconsin's borders point to these landfills using tipping fees to discourage the dumping of Wisconsin waste. Wisconsin's average total tipping fee is \$38 per ton, and ranges from \$16 per ton to \$80 per ton. Average total tipping fees in Minnesota, Illinois and Michigan landfills near our state lines are \$54, \$44 and \$63 per ton, respectively. The range of tipping fees in Illinois varies from \$25 to \$152, with many of the higher cost landfills close to our border. I have retained the increase in the tipping fee to discourage other states from viewing Wisconsin as a dumping ground for their garbage.

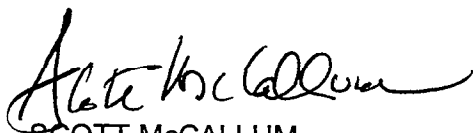
However, I am not convinced that increasing expenditures for the current recycling program will automatically lead to improvements in the amount of waste being recycled. Several other states have produced better results with less state support. I encourage the Department of Natural Resources to carefully review the recycling program here, and in other states, and develop a proposal for the 2003-05 biennial budget that will lead to better results without increasing expenditure levels.

7. Light Rail – The budget bill contains an extension of the prohibition on use of state or federal Interstate Cost Estimate (ICE) funds for costs related to light rail to June 30, 2002. I am not vetoing this provision, but I expect that the extension of this sunset will not affect the completion of the Kenosha-Racine-Milwaukee Transit Corridor Alternatives Analysis study that is being undertaken by the Southeastern Wisconsin Regional Planning Commission. The use of the federal ICE funds allocated to several of the local governments in southeastern Wisconsin is governed by an agreement signed by those local governmental units. The state is not a party to those agreements and should not prevent implementation of those agreements.

I also want to commend the Legislature for improving its timeliness in completing a budget, limiting growth in spending and adopting measures I proposed to improve the state's fiscal stability. However, there is much more we can do to improve the budget process to ensure taxpayer dollars are used more efficiently to grow our economy, improve educational quality and create high skill, high wage employment. I will carefully consider such changes in my next budget.

Our state is rich in so many ways: abundant natural resources, a world class higher and elementary education system, a burgeoning technology economy, and an excellent quality of life. Wisconsin citizens also provide considerable resources to support programs at the state and local level. The bill I am signing seeks to ensure that we use those resources wisely now and in the future.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Scott McCallum". The signature is fluid and cursive, with a large initial "S" and a long, sweeping underline.

SCOTT McCALLUM
Governor

Date: August 30, 2001

2001-03 BUDGET VETO MESSAGE

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A. EDUCATION AND TRAINING

HIGHER EDUCATIONAL AIDS BOARD

1. Minority Undergraduate Retention Grant Program

Section 1382r

This section amends 39.44 (1) (b) by expanding the eligibility requirement for the Minority Undergraduate Retention Grants program to include freshmen.

I am vetoing this section because the original intent of this program is to retain students who are making satisfactory progress at postsecondary institutions. Expanding the program to freshmen significantly alters this intent and is likely to reduce grants to those students who are meeting the original intent of the program. Furthermore, freshmen students are eligible to receive grants from the Wisconsin Higher Education Grant and Tuition Grant programs, as well as the federal Pell Grant program.

2. Study on State Payment of Two Years of Postsecondary Education

Section 9101 (21g)

This section would require the Department of Administration to study the development and implementation of a tuition grant program that would pay the cost of two years of postsecondary education.

I am vetoing this provision because the Legislature does not need to create a statutory mandate to study this issue. The Legislature has the authority to direct the Joint Legislative Council, Legislative Fiscal Bureau or the Legislative Audit Bureau to undertake such a study.

3. Academic Excellence Scholarships for International Baccalaureate Degree Students

Section 1381m

This provision would permit local school boards and the governing board of each private high school to award an Academic Excellence Scholarship to the senior with the highest grade point average in the International Baccalaureate Degree program.

I am vetoing this provision because it could potentially deny Academic Excellence Scholarships to students who have higher grade point averages in demanding curricula other than the International Baccalaureate Degree program. The intent of the scholarships is to reward students with the highest grade point average in their respective schools. Although I support participation in the International Baccalaureate Degree program and recognize its challenging curriculum, I do not believe it is fair to single out one program in state statute for favored treatment.

MEDICAL COLLEGE OF WISCONSIN

4. Domestic Abuse Training Requirements

Section 1379t

This provision requires the Medical College of Wisconsin to increase the amount of domestic abuse training it provides to medical students.

I am vetoing this provision because the Medical College of Wisconsin already provides domestic abuse training to medical students. The provision also does not define increased training or demonstrate that current training by the Medical College is inadequate. This provision could have an unintended impact on curriculum development that could raise accreditation concerns.

In addition, the provision was apparently added to the budget bill without the involvement of the Wisconsin Coalition Against Domestic Violence, the Wisconsin Women's Health Foundation or the Department of Health and Family Services. These organizations are currently involved in a two-and-one-half year project to review domestic violence standards and protocols. It is appropriate to wait until the project is completed before considering changes to existing training efforts.

PUBLIC INSTRUCTION

5. Delay of \$115,000,000 of School Aids to July 2003

Sections 395 [as it relates to s. 20.255 (2) (am)], 546m, 2767f, 2767m, 2777g, 2777r, 2779 [as it relates to s. 20.255 (2) (am)] and 2779m [as it relates to s. 20.255 (2) (am)]

These sections delay \$115,000,000 of school aids that should be paid in fiscal year 2002-03 until fiscal year 2003-04. In addition, \$700,000 GPR is appropriated for interest due on the delayed aid payment.

I am vetoing these provisions because the Legislature cannot increase the amount of delayed payments without placing the state's financial future at considerable risk. Previous budgets have delayed over \$940,000,000 in payments to local governments to allow for more spending. Further increasing the amount of delayed payments weakens our standing in the eyes of financial markets, increasing the potential for higher interest costs to state and local governments due to downgrading of the creditworthiness of the state's general obligation bonds.

The payment delay reflects an inability to prioritize spending. It conceals an unwillingness to fund two-thirds of local school costs within the state's fiscal year in order to allow more spending in other areas. As difficult as the choices in this budget have been, future budget choices will be much tougher if the delay is accepted.

We should not worsen our financial fundamentals by accepting this payment shift. According to generally accepted accounting principles, Wisconsin already has the worst budget imbalance in the country. The general fund must now regularly borrow hundreds

of millions of dollars for operations just to pay bills on time. We have reached the point where further payment shifts place the state's finances at extreme risk.

Jeopardizing our financial future does a disservice to Wisconsin's local governments and its citizens. Delaying decisions on the tough choices only makes those choices more difficult. This puts those dependent on state government at even greater risk in the future. All are better served by truth-in-budgeting and ensuring the state can pay its bills on time.

While I cannot use my veto authority to increase school aid, I am still committed to meeting two-thirds of local school costs. Under current law, the Joint Committee on Finance is required to set the school aid funding level for fiscal year 2002-03 by June 30, 2002. I remain convinced that the state's economy will show increased vigor in the months ahead. However, in the event that revenues do not change from current estimates, the significant savings generated by my vetoes provides sufficient revenues for the Joint Committee on Finance to buy back the school aid payment delay.

6. Revenue Limit Flexibility

Sections 395 [as it relates to s. 20.255 (2) (ac)], 2798s and 9340 (14c)

This provision allows any school board, on a two-thirds vote, to increase its allowable revenue per student above the amount that would be permitted under current law. The provision also includes an adjustment linking the maximum size of the allowable increase, measured on a percentage basis, to a district's equalized property value per pupil; the lower the property value, the larger the increase. On a statewide basis, the average increase would equal 0.78 percent of the allowable revenue per student.

I am vetoing this provision because it is likely to be inadequately funded, and it will have a negative effect on the state's overall fiscal condition. The Legislature included \$15,000,000 in fiscal year 2001-02 and \$30,000,000 in fiscal year 2002-03 to support this provision. The increase is based on the assumption that 37.5 percent of the available revenue limit flexibility will be used in 2001-02 and 75 percent in 2002-03. However, if the school boards representing the seventeen districts receiving the largest allowable increases make full use of their flexibility, the \$15,000,000 provided in 2001-02 to cover the state's two-thirds share will be exceeded. Any shortfall could increase local property taxes. If all districts make full use of the available flexibility in both years, the state would fall \$33,000,000 short of its commitment to fund two-thirds of the added spending. In addition, districts already have the authority to exceed limits through the referendum process.

This budget will include a \$53,450,000 increase in funding for the Student Achievement Guarantee in Education (SAGE) program, which will greatly expand the state's efforts to reduce class size in grades kindergarten through three. This will bring total funding of the SAGE program to \$95,029,600 in the 2002-03 school year. In addition, my veto of the provision that would have reduced funding for four-year-old kindergarten programs (see Department of Public Instruction, Item #7) will put more state resources into this important early learning program. Furthermore, the per student inflationary increases allowed under current law will add almost \$600,000,000 in state and local school spending over the biennium. School districts will also be receiving an estimated

\$84,000,000 in credits under a premium holiday related to unfunded accrued liabilities within the Wisconsin Retirement System, authorized in 1999 Wisconsin Act 11. In addition, I have approved funding to allow small districts serving large geographic areas to exceed the allowable school revenue limits.

The most recent national survey of school spending by *Education Week* magazine ranks Wisconsin sixth in spending per student. Clearly, this budget increases the state's already strong commitment to elementary and secondary education. Funding additional revenue limit flexibility, beyond these commitments, would severely strain the state's resources and increase local property taxes. By lining out the Department of Public Instruction's s. 20.255 (2) (ac) appropriation for general equalization aids and writing in a smaller amount that deletes \$15,000,000 GPR in fiscal year 2001-02 and \$16,000,000 in fiscal year 2002-03, I am partially vetoing the part of the bill which funds this provision. This partial veto retains \$14,000,000 in fiscal year 2002-03 to fund the cost of my veto of changes to the four-year-old kindergarten membership count (see Department of Public Instruction, Item #7). I am also requesting the Department of Administration secretary not to allot these funds.

7. Four-Year-Old Kindergarten Membership

Sections 2749m, 2761d, 2761g, 2764m, 2779 [as it relates to the amount of any revenue limit increase], 2788m, 2798L, 9140 (10f) and 9340 (8h)

This provision reduces state funding for four-year-old kindergarten programs, beginning in the 2002-03 school year, by reducing the maximum full-time equivalent (FTE) enrollment count that is eligible for state aid from 0.5 FTE to 0.3 FTE per enrolled pupil in a regular program and from 0.6 FTE to 0.4 FTE in an expanded program. The provision also includes a revenue limit exemption that would authorize school boards to increase local property taxes to offset the loss in state support.

I am vetoing this provision to restore the current level of state support for four-year-old kindergarten. Research has shown that early education is an important factor in academic achievement as students progress through the educational system. This is especially true for pupils from economically disadvantaged backgrounds. As we expect our children to learn more, we need to give them more opportunities to learn. Four-year-old kindergarten programs can serve as a valuable companion to the Student Achievement Guarantee in Education (SAGE) program, which reduces class size in grades kindergarten through three. Working together these programs can provide children with a solid foundation for continued achievement.

Under a separate veto of the revenue limit flexibility provision (see Department of Public Instruction, Item #6), I have also reversed the \$14,000,000 reduction in general equalization aids related to this provision. By deleting only \$16,000,000 of the \$30,000,000 included by the Legislature to fund the revenue limit flexibility provision in fiscal year 2002-03, \$14,000,000 is available to maintain the current level of support for four-year-old kindergarten programs.

While this lower reduction restores the funding to reflect the costs of these programs, it is not possible through a veto to properly split the funding between the appropriations affecting public schools and the Milwaukee Parental Choice program for four-year-old

kindergarten programs. Based on current estimates of fiscal year 2002-03 costs, \$700,000 of the \$14,000,000 restored through this veto should be added to the appropriation for the Milwaukee Parental Choice program. The proper distribution of these funds can be addressed when the Joint Committee on Finance meets in June 2002 to determine the general equalization amount for fiscal year 2002-03.

8. High School Graduation Test

Sections 2703m, 2707m and 2718m

This provision delays implementation of the high school graduation test from the 2002-03 school year to the 2004-05 school year.

I am vetoing this provision to restore the implementation date to the 2002-03 school year. The Department of Public Instruction has been developing the high school graduation test for the past several years and is nearing completion of a version that it planned to pilot in the 2001-02 school year. School districts and pupils have also been preparing for implementation. To delay the test at this late date is unfair to those who are expecting implementation in 2002-03. It also damages the state's credibility with the educational community, which has made a considerable investment in getting ready for the test.

In addition, a two-year delay would require the department to repeat much of the work that has already been done at an additional cost to state taxpayers. Finally, it is critically important that greater accountability at a statewide level be expected from a system educating over 850,000 pupils at a cost that will exceed \$8 billion by the 2002-03 school year. The high school graduation test is an important part of that accountability.

It is not possible, through a veto, to restore the \$9,300,000 included in my original budget request for continued development and implementation of the test. However, the federal government is currently considering funding to support the federal testing initiative in grades three through eight. Should that funding become available, the department should be able to reallocate existing state support for testing in the elementary grades to the high school graduation test. If additional federal funding is not forthcoming, I will propose separate legislation to address the implementation of the high school graduation test.

9. Calculator Use on Statewide Fourth-Grade Examination

Sections 2709m and 9340 (16c)

This provision prohibits pupils, beginning in the 2002-03 school year, from using calculators while taking the statewide fourth-grade examination.

I am vetoing this provision because one of Wisconsin's model academic standards, which were developed under a process approved by the Legislature, requires fourth-grade pupils to "select and efficiently use appropriate computational procedures such as . . . using a calculator." The current fourth-grade examination already includes a mathematical section where calculator use is prohibited. While I fully support the

development of strong mathematical skills that do not rely on the use of a calculator, I also recognize that being able to use a calculator properly is both necessary in today's society and allows pupils to solve more complicated and interesting problems.

10. Study on School Financing

Section 9140 (10k)

This provision requests the Joint Legislative Council to conduct a study of school financing.

I am vetoing this provision because the Legislature already has the authority to request a study without a nonstatutory provision.

11. Special Education Study

Section 9140 (10fm)

This provision requests the Joint Legislative Council to conduct a study of the criteria used to determine a pupil's need for special education services.

I am vetoing this provision because the Legislature already has the authority to request a study without a nonstatutory provision.

12. University of Wisconsin Special Education Study

Sections 1351zb and 2638m

This provision requires the board of regents to direct the University of Wisconsin-Madison's School of Education and Department of Neurology to study methods of identifying and remediating special education pupils with dyslexia and irlen syndrome and to distribute the completed report to each school district.

I am vetoing these provisions because the Legislature and the university have the authority to conduct a study without a budget provision. Furthermore, while I believe this research could be of significant value, the University of Wisconsin does not require statutory language to conduct studies. In light of the potential value of research on dyslexia and irlen syndrome, I strongly encourage the board of regents to direct that such a study be done.

13. Minority Group Pupil Scholarships

Section 395 [as it relates to s. 20.255 (3) (fz)]

This provision increases funding for minority group pupil scholarships by \$450,000 GPR in fiscal years 2001-02 and 2002-03.

I am partially vetoing this provision because I object to providing a 29.5 percent increase to this program at a time when the state faces significant fiscal constraints. 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 \$450,000 GPR in fiscal year 2001-02 and \$297,500 GPR in fiscal year 2002-03, I am vetoing the part of the bill which funds this provision. This will still provide the Minority Group Pupil Scholarship program with a ten percent increase in fiscal year 2002-03. The program also received a 45 percent increase in the 1999-2001 biennial budget.

14. Wisconsin Educational Opportunity Program Study

Section 395 [as it relates to s. 20.255 (1) (a)]

This section provides \$50,000 GPR in fiscal year 2002-03 to the Department of Public Instruction to study the effectiveness of the programs that comprise the Wisconsin Educational Opportunity Program.

I am vetoing this provision because the department can conduct this study without being required to do so by statute.

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 the department's s. 20.255 (1) (a) appropriation and writing in a smaller amount that deletes the \$50,000 GPR provided for this purpose in fiscal year 2002-03, I am vetoing that part of the bill which funds the Wisconsin Educational Opportunity Program study. The appropriation under s. 20.255 (1) (a) is also reduced by my veto of the department's exclusion from base budget reductions (see Department of Public Instruction, Item #18). Furthermore, I am requesting the Department of Administration secretary not to allot these funds.

15. Aid to Public Library Systems

Section 395 [as it relates to s. 20.255 (3) (e)]

This provision increases funding for public library systems by \$250,000 GPR in fiscal year 2002-03.

I am vetoing this provision because it increases expenditure authority for this appropriation at a time when the state is experiencing significant financial constraints. In addition, aid to public library systems received an 11.3 percent increase in the 1999-2001 biennial budget.

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 the Department of Public Instruction's s. 20.255 (3) (e) appropriation and writing in a smaller amount that deletes the \$250,000 GPR provided for this purpose in fiscal year 2002-03, I am vetoing that part of the bill which funds the increase to public library system aids. Furthermore, I am requesting the Department of Administration secretary not to allot these funds.

16. Library Service Contracts

Section 395 [as it relates to s. 20.255 (3) (ea)]

This provision increases funding for library service contracts by \$97,300 GPR in fiscal year 2001-02 and \$125,300 GPR in fiscal year 2002-03.

I am vetoing this provision because it increases expenditure authority for this appropriation at a time when the state is experiencing significant financial constraints. In addition, payments for library service contracts received a 7.6 percent increase in the 1999-2001 biennial budget.

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 the Department of Public Instruction's s. 20.255 (3) (ea) appropriation and writing in smaller amounts that delete the \$97,300 GPR in fiscal year 2001-02 and the \$125,300 GPR in fiscal year 2002-03, I am vetoing that part of the bill which funds the increase to library service contracts. Furthermore, I am requesting the Department of Administration secretary not to allot these funds.

17. Wisconsin Educational Services Program for the Deaf and Hard of Hearing

Sections 181m, 371b, 395 [as it relates to s. 20.255 (1) (b), s. 20.255 (1) (c), s. 20.255 (1) (gb), s. 20.255 (1) (gh), s. 20.255 (1) (gL), s. 20.255 (1) (gs) and s. 20.255 (1) (gt)], 541r, 542, 545d, 545f, 545h, 545j, 545L, 1381g, 1381p, 1381r, 1416 [as it relates to the Wisconsin Educational Services Program for the Deaf and Hard of Hearing], 1489m, 1789b, 1789c, 1789d, 2639m, 2660m, 2660r, 2660l, 2661m, 2661p, 2661r, 2661t, 2662g, 2764c, 2779s, 3938s and 9140 (3q)

These provisions would expand the mission of the Wisconsin School for the Deaf by creating the Wisconsin Educational Services Program for the Deaf and Hard of Hearing. The purpose of this program would be to serve as a statewide educational resource for children with hearing impairments and their families.

I am vetoing these provisions because they would create future funding expectations at a time when the state is experiencing significant financial constraints. Any expansion of the Wisconsin School for the Deaf's mission would necessitate additional financial input from the state to implement. I am reluctant to commit in advance to such a use of state resources given current state financial trends.

In addition, this proposal was included in the budget without the type of full legislative study conducted by the Joint Legislative Council prior to the expansion of the Wisconsin School for the Visually Handicapped's mission in the 1999-2001 biennial budget. I do not oppose a legislative analysis of expanding the Wisconsin School for the Deaf's mission.

The effect of this veto will be to delete any changes to current law and to restore the Wisconsin School for the Deaf's existing mission.

18. Base Budget Reduction

Section 395 [as it relates to s. 20.255 (1) (a)]

This provision provides \$12,502,400 in fiscal year 2001-02 and \$12,747,400 in fiscal year 2002-03 for the Department of Public Instruction's central office operations. Although there is no language in the bill that authorizes this level of funding, the restoration of the five percent base reduction proposed in my budget request was included in Conference Committee amendment to the bill.

By lining out the department's s. 20.255 (1) (a) appropriation and writing in a smaller amount that deletes \$723,000 in fiscal year 2001-02 and \$723,000 in fiscal year 2002-03, I am vetoing section 395 [as it relates to s. 20.255 (1) (a)] to provide for a base budget reduction of four percent in each year of the biennium. The appropriation under s. 20.255 (1) (a) is also reduced by my veto of the Wisconsin Educational Opportunity Program study (see Department of Public Instruction, Item #14). There is no compelling reason to exclude the department's central office operations from any base budget reductions. A base budget reduction to the department's central operations will have no impact on the financial resources available to individual school districts. This veto retains the exemption from base reductions for the two residential schools operated by the department and requires a smaller reduction to the department's central operations than what is required of most other state agencies. I am also requesting the Department of Administration secretary not to allot these funds.

TEACH WISCONSIN

19. Museum Eligibility for Telecommunications Access Program Services

Section 1416 [as it relates to museums]

This provision would allow museums to participate in TEACH's telecommunications access program, which is funded by the universal service fund.

I am partially vetoing this provision because the cost of the expansion would lead to additional charges on consumers' monthly phone bills at a time when universal service fund charges to consumers are significant. In addition, the definition of museum is vague and overly broad. The effect of this veto will be to delete museum eligibility for TEACH's telecommunications access program.

UNIVERSITY OF WISCONSIN SYSTEM

20. Nonresident Student Tuition and Base Reduction

Sections 395 [as it relates to s. 20.285 (1) (a)] and 9156 (3pn)

Section 9156 (3pn) requires the board of regents to increase nonresident undergraduate tuition by 2.5 percent in each year of the 2001-03 biennium in addition to the regular tuition increases approved by the board.

I am partially vetoing this provision to increase the amount of the surcharge to five percent in each year. I believe the high quality of a University of Wisconsin education justifies increasing tuition for nonresident undergraduates. For example, the University of Wisconsin-Madison's nonresident undergraduate tuition is currently \$6,000 less than the nonresident tuition charged at the University of Michigan. Even with a five percent annual surcharge, the difference would still be approximately \$4,500.

The increased revenue obtained from the five percent surcharge will allow for additional reductions to the state's general purpose revenue spending, thereby helping to improve the state's overall fiscal condition. By lining out the University of Wisconsin System's s. 20.285 (1) (a) appropriation and writing in a smaller amount that deletes \$2,000,000 GPR in fiscal year 2001-02 and \$4,000,000 GPR in fiscal year 2002-03, I am vetoing the part of the bill that reflects my intent to use the additional revenue from increasing the nonresident undergraduate tuition to replace GPR. I am also requesting the Department of Administration secretary not to allot these funds.

21. Transfer of Credits Between the University of Wisconsin and the Wisconsin Technical College System

Sections 1351x and 1370m

Section 1351x requires the University of Wisconsin System institutions to accept all general education credits transferred from both the Wisconsin Technical College System and from within the University of Wisconsin System, as well as credits included in cooperative agreements between the two systems. The provision also authorizes the Assembly and Senate Committees on Higher Education to block credits on a case-by-case basis, by a majority vote. Section 1370m requires the Wisconsin Technical College System to accept credits transferred between its campuses and from the University of Wisconsin System institutions.

I am vetoing sections 1351x and 1370m because I believe the University of Wisconsin System and Wisconsin Technical College System should continue to expand the number of transferable credits through the plan developed under the 1999-2001 biennial budget act. I fully support increasing the ease of movement between Wisconsin institutions of higher learning. As the economy becomes more knowledge-based, many workers with less than baccalaureate degrees are finding it necessary to pursue additional postsecondary education in order to advance in their careers. However, in order to maintain the academic quality of both systems, I believe it is more appropriate for the decisions to be made through existing negotiations between the two systems than by

legislative mandate. I urge the University of Wisconsin and the Wisconsin Technical College Systems to continue their dialogue toward establishing a credit transfer policy.

I am retaining the provision that requires regular reporting on progress in implementing the credit transfer plan. This should provide policymakers with up-to-date information on credit transfer arrangements.

22. Sex Offender Notification

Sections 1351zd, 3352p, 3352w and 9311 (7c)

Section 3352p requires the Department of Corrections to immediately provide to the board of regents detailed information regarding registered sex offenders who are either employed by the University of Wisconsin or are students attending a University of Wisconsin institution. Section 1351zd requires the board of regents to provide the information received from the Department of Corrections regarding registered sex offenders to students attending the institutions at which the registered sex offenders are employed or attend and to the students' parents or guardians.

I am vetoing this provision in its entirety. While I agree with the intent of this provision to protect the well-being of students at the University of Wisconsin, I am concerned that the provision as drafted may not accomplish its intended purpose. By limiting the information to registered sex offenders who are employed by or attend the University of Wisconsin, the provision does not provide students with information about other registered sex offenders who may live in the same community, but are not associated with the university. Should a registered sex offender be a threat to the safety of students, it is as likely to be someone not affiliated with the University of Wisconsin as it is a fellow student or employee.

Current law authorizes law enforcement agencies to provide other organizations with the same information required under this provision if the law enforcement agencies determine that providing this information is necessary to protect the public. In the case of the University of Wisconsin, the information provided could include registered sex offenders not affiliated with the university. I request that the board of regents make use of the authority under current law to obtain information on registered sex offenders in those communities where the university has a presence.

In addition, I urge the Department of Corrections to consider adding the University of Wisconsin to the list of organizations to which the department can directly provide information on request under the s. 301.46 (4) (a) 14. If the department has legal concerns about its authority under this provision, I will support the introduction of legislation to include the board of regents on the statutory list. The effect of this veto will be to provide students with more comprehensive information on registered sex offenders than would be provided under this provision.

23. Resident Tuition for Certain Undocumented Persons

Section 1360m

This section provides an exemption from nonresident tuition to citizens of other countries who are not citizens of the United States, if they graduate from a Wisconsin high school (or receive a Wisconsin graduation equivalency), reside in the state for three years following high school graduation and submit an affidavit of their intent to apply for permanent residency as soon as they are eligible.

I am vetoing this provision because under the federal Illegal Immigration Reform and Immigrant Responsibility Act of 1996, aliens who are not lawfully present in the United States are not eligible for any postsecondary education benefit based on residency in a specific state unless all legal residents of the United States are eligible for the same benefit. Under this act, all nonresident students would be eligible for resident tuition if that benefit is provided to persons living in Wisconsin who are not citizens or permanent residents of the United States. I object to potentially obligating state taxpayers to subsidize the tuition of out-of-state students.

Similar legislation passed by the California Legislature was recently vetoed by Governor Gray Davis due to concerns about the requirements of federal law and the potential cost to the state. While I appreciate the academic accomplishments many noncitizens have made in Wisconsin high schools, until Congress changes the eligibility status of undocumented persons for this benefit, the focus of taxpayer subsidized postsecondary education needs to remain on students who are legal residents of the state.

24. Provide Full Fringe Benefits to Certain Limited Term Appointments at the University of Wisconsin-Madison

Section 9156 (3e)

This section requires the University of Wisconsin-Madison to provide paid vacation and sick leave benefits to limited term appointment employees (LTEs) who meet the requirements of participating employees as defined in section 40.02 (46).

While I support the pilot program to convert fifty long-term LTE positions to permanent status, included under another provision of this bill, I am vetoing the extension of benefits to other LTE employees who are not granted permanent status. Extending benefits to these employees raises issues with respect to the classified civil service system, to LTE positions in other state agencies, which are excluded by this provision, and to the cost of this expansion. This is an issue that should only be considered after a complete and objective analysis, including a review of the results of the fifty LTE conversion pilot program.

25. Tribal Logo Development

Section 1351t

This provision creates a requirement that the Robert M. La Follette Institute of Public Affairs at the University of Wisconsin-Madison develop a tribal logo that is representative of federally recognized American Indian tribes and bands in Wisconsin for use on official state notifications of grants funded all or in part by Indian gaming receipts.

I am vetoing this provision because it is unnecessary. It is not appropriate to assign the task of developing a tribal logo to a school of public policy. In addition, the development of and use of a tribal logo for state notifications does not require a statutory mandate.

26. Domestic Abuse Training Requirements

Section 1351za

This provision requires the University of Wisconsin System board of regents to increase the amount of domestic abuse training it provides to medical and nursing students.

I am vetoing this provision because the University of Wisconsin already provides domestic abuse training to medical and nursing students. The provision also does not define increased training or demonstrate that current training by the university is inadequate.

In addition, the provision was apparently added to the budget bill without the involvement of the Wisconsin Coalition Against Domestic Violence, the Wisconsin Women's Health Foundation or the Department of Health and Family Services. These organizations are currently involved in a two-and-one-half year project to review domestic violence standards and protocols. It is appropriate to wait until the project is completed before considering changes to existing training efforts.

27. Study of Postsecondary Education Commission

Section 9101 (21jm)

This section requires the Department of Administration to conduct a study of the feasibility of creating a Postsecondary Education Commission to provide a comprehensive and coordinated framework for all postsecondary education and training and report the study results to the Legislature by January 1, 2003.

I am vetoing this provision because the Legislature does not need a statutory mandate to study this issue. The Legislature has the authority to direct the Joint Legislative Council, Legislative Fiscal Bureau or the Legislative Audit Bureau to undertake such a study.

28. Aquaculture Demonstration Facility

Section 1349v

This provision prohibits any person from releasing sturgeon raised in an aquaculture demonstration facility into any natural body of water in the state.

I am vetoing this provision because it is unnecessary and may inhibit research. Under existing law, the rearing of lake sturgeon in an aquaculture facility is limited to the Department of Natural Resources. In addition, current law prohibits any person from releasing fish into the waters of the state without a permit from the department and also explicitly prohibits the release of any species of lake sturgeon. I believe these existing provisions adequately protect the state's natural fish stock.

The original intent of the Joint Committee on Finance was to limit the prohibition to commercially-bred sturgeon. However, as drafted, the provision applies to all sturgeon. Given the broad wording of the initiative, concerns have been raised that it could have a chilling effect on the ability of researchers in their efforts to improve the quality and productivity of fish farming in the state. The effect of this veto will be to maintain current law. I would consider legislation that was more narrowly drafted.

WISCONSIN TECHNICAL COLLEGE SYSTEM

29. Funding for Assistive Technology Grants

Sections 395 [as it relates to s. 20.292 (1) (cs)] and 582w

These sections create a new annual appropriation and provide \$300,000 GPR in the 2001-03 biennium to expand the availability of assistive technology to technical college students and graduates.

While I believe that individuals with disabilities are part of the solution to Wisconsin's skilled labor shortage, I am vetoing these provisions in their entirety because of the fiscal constraints facing the state. In addition, the budget includes a \$2,000,000 GPR increase for vocational rehabilitation services in the Department of Workforce Development. This program was recently praised by federal officials as a national leader in providing vocational rehabilitation services. The additional funding should greatly improve access to assistive technology for those citizens who need it and help more individuals with disabilities enter the state's work force.

30. Funding for Grants for Additional Course Sections

Section 395 [as it relates to s. 20.292 (1) (er)]

Section 395 [as it relates to s. 20.292 (1) (er)] provides \$750,000 GPR annually to increase funding in the Grants for Additional Course Sections appropriation. This program awards grants to help technical college districts add course sections in areas of high demand. 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 am vetoing this provision to reduce the size of the increase to \$250,000 annually because I object to providing a 34 percent increase to a program that is just completing its first year of operation. I am sympathetic to the frustrations of students who are on waiting lists to take courses that are in high demand. My veto will still provide an 11.4 percent increase in this grant program. This will enable technical colleges to further increase course sections to meet student and employer demands but in a more fiscally prudent way. By lining out the Wisconsin Technical College System's s. 20.292 (1) (er) appropriation and writing in a smaller amount that deletes \$500,000 GPR provided for this purpose in each year, I am partially vetoing the part of the bill which funds this provision. Furthermore, I am requesting the Department of Administration secretary not to allot these funds.

31. Funding for Additional Incentive Grants

Sections 395 [as it relates to s. 20.292 (1) (dc)] and 1374m

Section 395 [as it relates to s. 20.292 (1) (dc)] provides \$750,000 GPR annually for Incentive Grants. Section 1374m requires the Wisconsin Technical College System Board to award this amount to technical college districts that are at or near the 1.5 mill property tax levy limit.

I am vetoing section 395 [as it relates to s. 20.292 (1) (dc)] because I object to increasing GPR spending to support new eligibility categories for Incentive Grants at a time when the state faces significant fiscal constraints. I support expanding the eligible uses of Incentive Grants to include addressing limited fiscal capacity, but this must be done through the efficient and effective management of existing resources. By lining out the Wisconsin Technical College System's s. 20.292 (1) (dc) appropriation and writing in a smaller amount that deletes \$750,000 GPR provided for this purpose in each year, 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 1374m so that the board retains the authority to award Incentive Grants for this purpose, but without the need to promulgate rules. This will provide the state board with additional flexibility in allocating Incentive Grants within the eligible categories.

32. Modify the Composition of the Committee that Appoints the Milwaukee Area Technical College District Board

Section 1369m

Section 1369m modifies the composition of the committee that appoints the Milwaukee Area Technical College district board. This section would require the four appointment committee members selected by the Milwaukee Board of School Directors to be members of the Milwaukee Board of School Directors.

I am vetoing section 1369m because this provision contradicts an existing statutory requirement, which is retained in the budget bill, that Milwaukee Board of School Directors appointments to the committee reflect the distribution of women and minorities within Milwaukee. Since the composition of the elected Milwaukee Board of School Directors does not necessarily always reflect the distribution of women and minorities, requiring the Milwaukee Board of School Directors' four appointments to be board members makes it difficult to meet this goal. The effect of this veto will be to retain the authority of the Milwaukee Board of School Directors to make appointments that do, to the extent possible, reflect the distribution of women and minorities in Milwaukee.

33. Domestic Abuse Training Requirements

Section 1370n

This provision requires the technical college district boards to increase the amount of domestic abuse training they provide to nursing students.

I am vetoing this provision because Wisconsin's technical colleges already provide domestic abuse training to nursing students. The provision also does not define increased training or demonstrate that current training by technical colleges is inadequate.

In addition, the provision was apparently added to the budget bill without the involvement of the Wisconsin Coalition Against Domestic Violence, the Wisconsin Women's Health Foundation or the Department of Health and Family Services. These organizations are currently involved in a two-and-one-half year project to review domestic violence standards and protocols. It is appropriate to wait until the project is completed before considering changes to existing training efforts.

B. ENVIRONMENTAL AND COMMERCIAL RESOURCES

AGRICULTURE, TRADE AND CONSUMER PROTECTION

1. Telephone Solicitation Regulation

Sections 2429d, 2437b, 2439b, 2443b, 2444b [as it relates to the manner of the recipient's request and to contributions, donations, grants or pledges], 2446b, 2446f [as it relates to penalty amounts] and 2819b [as it relates to contributions, donations, grants or pledges]

These provisions relate to new regulations creating a "no-call" database maintained by the Department of Agriculture, Trade and Consumer Protection. Section 2429d establishes a supplemental forfeiture not to exceed \$10,000 for violations of the telephone solicitation regulations involving calls to the elderly or disabled.

Sections 2437b and 2439b define the terms "affiliate" and "nonprofit organization," respectively. Section 2443b prohibits nonprofit organizations or their employees or contractors from making telephone solicitations to residential customers who have provided a no-call request to the nonprofit by telephone, mail or facsimile. Section 2444b [as it relates to the manner of the recipient's request] allows calls in response to the recipient's express written request.

Section 2446b creates a private cause of action for violations of the telephone solicitation provisions. Section 2446f [as it relates to penalty amounts] establishes penalties of not less than \$100 nor more than \$500 for each general violation and not less than \$1,000 nor more than \$10,000 for each violation of the no-call provisions.

Section 2819b [as it relates to contributions, donations, grants or pledges] defines telephone solicitation to include calls made to solicit contributions, donations, grants or pledges.

I am vetoing sections 2439b and 2443b and partially vetoing sections 2444b [as it relates to contributions, donations, grants or pledges] and 2819b [as it relates to contributions, donations, grants or pledges] because I object to the regulation of requests for contributions by nonprofit organizations and charities.

I am vetoing section 2429d and partially vetoing section 2446f [as it relates to penalty amounts] to provide for penalties of \$100 per violation because the penalties included in the bill are excessive. Each call in violation of the law is a separate offense, so with my veto, frequent violators face large total forfeitures while businesses that make occasional mistakes will not face penalties that could threaten their ability to remain in business. Furthermore, the elderly and disabled supplemental forfeiture already applies to a variety of fraudulent and deceptive practices targeted at these individuals. It is not necessary to impose a penalty that would apply to possibly mistaken telephone calls.

I am vetoing section 2437b because the definition is vague, leaves loopholes to the telephone solicitation restrictions and fails to allow legitimate calls by certain businesses. I am requesting the department to define the term "affiliate" in administrative rule in consultation with the Legislature, consumer groups and businesses.

I am vetoing section 2446b because it is unnecessary. The bill allows the department to investigate violations and bring actions to prohibit further violations or collect forfeitures. Since individual monetary damages from telephone solicitation are generally low, the allowance of a private cause of action could encourage frivolous litigation.

I am partially vetoing section 2444b [as it relates to the manner of the recipient's request] because requiring a potential customer to make an "express written" request for a call would prevent businesses from responding to voicemail, email or facsimile messages by potential customers.

My vetoes retain the creation of a no-call database and the ability of the Department of Agriculture, Trade and Consumer Protection to investigate and assess penalties for violations. It is important that individuals be able to control the types of telephone calls they receive, but this must be balanced against the right of organizations and businesses to contact potential contributors and customers. My vetoes create this balance by providing individuals the opportunity to be listed in the no-call database while allowing nonprofit organizations and businesses to continue to operate and determine which method of contacting individuals is most cost-effective.

2. Arsenic in Wood

Sections 2394p [as it relates to the report to the Legislature and the promulgation of rules] and 9104 (2k)

These provisions require the Department of Agriculture, Trade and Consumer Protection and the Department of Commerce, by June 30, 2002, to report to the Legislature the results of their review of the scientific evidence concerning the likelihood that wood treated with arsenic is harmful to the environment or to human health. If the departments determine that there is substantial likelihood of such harm, the departments must jointly promulgate rules restricting the use of arsenic treated wood. Violations of these rules will be subject to a forfeiture of not more than \$500. In addition, the departments must submit a report to the Joint Committee on Finance recommending ways to keep arsenic treated wood from being used in picnic tables, park benches and playground equipment.

I am partially vetoing these provisions to remove the requirements that the departments submit a report to the Legislature and Joint Committee on Finance and promulgate rules. I object to the additional reporting burdens on the departments and to the specific requirements regarding forfeiture amounts and the departments' regulation of arsenic treated wood. Since the departments have not yet studied the issue, it is premature to specify details of future regulation of arsenic treated wood. If the departments find evidence of potential harm, I expect that they will work together and with other affected departments and groups to address the issue.

3. K-12 Integrated Pest Management

Sections 395 [as it relates to ss. 20.115 (7) (rm) and 20.285 (1) (s)], 426p, 582k, 1357k and 2395t [as it relates to school integrated pest management plans, written notice and reporting requirements, prohibitions, and the department reporting requirement]

These provisions require school boards to propose and implement plans for using integrated pest management practices for pest control on school grounds. School boards would be required to provide 72-hour written notice to employees and students who may be present in the application area and to the parents of those students. School boards would be required to maintain detailed records on their pesticide use and to make those records available to the Department of Agriculture, Trade and Consumer Protection and interested persons. School districts would be prohibited from using pesticides unless nonchemical methods of pest control have failed; for routine use; or for aesthetic or cosmetic purposes. School districts would also be prohibited from using pesticide fumigation. The department would be provided 2.0 FTE SEG positions and associated funding from the agrichemical management fund. Finally, the University of Wisconsin-Extension would be provided funding from the agrichemical management fund to give assistance to school districts.

I am partially vetoing these provisions because they will impose an excessive financial and administrative burden on school boards and districts for recordkeeping and reporting. I am concerned that these additional burdens will reduce the success of the K-12 integrated pest management training program that is currently administered by the department. Fifty-four percent of Wisconsin school districts representing approximately 72 percent of students have participated in the program to date. To further improve this program, my vetoes retain the requirements that schools post a notice of pesticide application during and for 72 hours following application and that all pesticide application in schools be performed by licensed applicators.

4. Pet Regulation and Inspection Positions

Sections 395 [as it relates to s. 20.115 (2) (j)], 2881b [as it relates to penalties], 2881d, 2881e [as it relates to license taxes], 2881k and 2881L

These provisions relate to the regulation of pet dealers, pet breeders, animal shelters and kennels. Section 395 [as it relates to s. 20.115 (2) (j)] provides \$135,500 PR in fiscal year 2001-02 and \$271,100 PR in fiscal year 2002-03 for 7.0 FTE PR positions for licensing and inspection. 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. Section 2881b establishes penalties for operation without a license and other violations. Sections 2881d, 2881e, 2881k and 2881L change dog license fees.

I am vetoing sections 2881d, 2881k and 2881L and partially vetoing sections 395 [as it relates to s. 20.115 (2) (j)], 2881b and 2881e because the prescribed penalties and taxes are burdensome to pet owners and businesses.

By lining out the Department of Agriculture, Trade and Consumer Protection's s. 20.115 (2) (j) appropriation and writing in a smaller amount that deletes \$135,500 PR in fiscal year 2001-02 and \$271,100 PR in fiscal year 2002-03, I am vetoing the creation of 7.0 FTE PR positions because they are not needed at this time. The inspection and licensing provisions have a delayed effective date. The inspection program will be developed over the next two years and the number of staff needed will not be known until the program is fully established. If necessary, the department may submit a request for additional staff in the next biennial budget. I am also requesting the Department of Administration secretary not to allot these funds and not to authorize the 7.0 FTE PR positions.

5. Johne's Disease Testing

Section 395 [as it relates to s. 20.115 (2) (c)]

Section 395 [as it relates to s. 20.115 (2) (c)] provides an additional \$400,000 GPR annually to subsidize the testing of cattle for paratuberculosis (or Johne's disease).

I object to this increase because it is excessive given the state's fiscal condition. However, I recognize the importance of this critical testing program to animal agriculture and am retaining an increase of \$150,000 GPR in each year over the current funding level of \$100,000 GPR annually (a 150 percent increase in funding). By lining out the Department of Agriculture, Trade and Consumer Protection's s. 20.115 (2) (c) appropriation and writing in a smaller amount that deletes \$250,000 GPR in each year, 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.

6. Drainage District Funding

Sections 395 [as it relates to s. 20.115 (7) (i)], 423g and 2351h

These provisions require the Department of Agriculture, Trade and Consumer Protection to create and maintain a secure Internet site where drainage districts may post engineering projects in order to obtain bids electronically for engineering services. The department must promulgate rules setting fees to cover the costs of the Internet site. Revenues from the fees would be deposited in and expended from a new appropriation.

I am vetoing these provisions to remove the requirement for the department to create and maintain the Internet site and charge fees and to eliminate the associated appropriation. I object to this provision because it increases costs to property owners located in drainage districts and restricts the department's ability to work with drainage districts to best address their needs.

7. Tobacco Minimum Markup Violations

Section 2430L [as it relates to cigarette wholesalers]

This provision allows an association of cigarette wholesalers to bring an action on behalf of a person injured or threatened with injury by a violation of the tobacco minimum markup law. The minimum markup law prohibits tobacco or motor fuel sellers from selling their products below cost.

I am partially vetoing this provision to remove the ability of cigarette wholesalers to bring an action on behalf of the person injured or threatened with injury. With passage of this bill, individual businesses that are injured or threatened with injury may bring an action under the minimum markup law and extending that right to uninjured third party wholesaler associations is unnecessary.

8. Food Advisory Council

Sections 168e and 2403e

These provisions establish a food advisory council within the Department of Agriculture, Trade and Consumer Protection composed of representatives of the department, industry and academia. The council is required to meet quarterly and to advise the department concerning issues related to providing a safe and wholesome food supply in Wisconsin.

I am vetoing this provision because it is unnecessary and duplicative. The department can and does meet regularly with industry and academic representatives regarding food safety in Wisconsin.

9. Producer Security Effective Date

Section 9404 (1) [as it relates to s. 221.0320 (2) (a) (intro.)]

Section 9404 (1) [as it relates to s. 221.0320 (2) (a) (intro.)] establishes an effective date of January 1, 2002, for the provision affecting grain warehouse keepers.

I am partially vetoing section 9404 (1) [as it relates to s. 221.0320 (2) (a) (intro.)] because it establishes the wrong effective date. The correct date of September 1, 2002, is established in section 9404 (4).

10. Producer Security Payment Schedule

Section 2813 [as it relates to s. 126.48 (1), (2) and (4)]

These provisions establish the schedule by which milk contractors, including qualified producer agents, must submit payments to producers. The provisions are part of the comprehensive overhaul of producer security regulation and the new producer security fund.

I am partially vetoing section 2813 [as it relates to s. 126.48 (1), (2) and (4)] because these provisions establish the wrong monthly payment schedule for qualified producer agents. By this veto, qualified producer agents will be subject to the same payment schedule as other milk contractors.

COMMERCE

11. Minority Business Certification Program

Sections 321j, 1111j, 1346t, 1372i, 1406w, 2001r, 2002m, 2003t, 2003vp, 2003vq, 2003wm, 2003wq, 2026k, 2307h, 2307i, 2307j, 2307ji, 2744m, 2760m, 3020h, 3020i, 3020j, 3020k, 3035x, 3037p, 3037q, 3037r, 3095j, 3097e, 3098v, 3141d [as it relates to the awarding of HIV prevention grants to organizations operated by minority group members], 3619sd, 3619sg, 3619sj, 3619sm, 3619sp and 3710j

These provisions extend the Department of Commerce's minority business certification process to make department certification the standard for other units of state and local government, including the State of Wisconsin Investment Board, Department of Transportation, counties, Milwaukee Metropolitan Sewerage District, public libraries and school boards.

I am vetoing sections 321j, 1111j, 1346t, 1372i, 1406w, 2001r, 2002m, 2003t, 2003vp, 2003vq, 2003wm, 2003wq, 2026k, 2307h, 2307i, 2307j, 2307ji, 2744m, 2760m, 3020h, 3020i, 3020j, 3020k, 3035x, 3037p, 3037q, 3037r, 3095j, 3097e, 3098v, 3619sd, 3619sg, 3619sj, 3619sm, 3619sp and 3710j and partially vetoing section 3141d [as it relates to the awarding of HIV prevention grants to organizations operated by minority group members] to maintain the current minority business certification system.

While I recognize that a uniform statewide minority business certification process would be beneficial, I object to including these provisions in this budget because they leave significant issues unresolved including potential conflicts between federal and state requirements that may result from the expanded scope of the certification program. I am requesting the Departments of Commerce and Administration to perform a thorough review of the process of minority business certification and to propose a uniform certification process in the next biennial budget. The plan should consider all affected groups including businesses; minority organizations; and federal, state and local governments.

12. Joint Committee on Finance Zone Approval Process

Sections 3706m [as it relates to the Joint Committee on Finance] and 3713 [as it relates to the Joint Committee on Finance]

These sections establish a technology zone program and an agricultural development zone program. The Department of Commerce is authorized to designate these zones with the approval of the Joint Committee on Finance.

I am partially vetoing these sections to remove the Joint Committee on Finance approval requirement because it would infringe on executive branch authority to manage programs and would cause unnecessary delays in the designation of the zones.

13. PECFA Interest Cost Reimbursement

Sections 2470p, 2470r and 9310 (1x)

These provisions repeal the two-tier reimbursement structure for PECFA claims and replace it with a maximum interest reimbursement of prime rate minus one percent on all loans.

I am vetoing these provisions to return to the current law two-tier rate schedule because I object to state taxpayers having to absorb significant interest cost subsidies to PECFA claimants. The two-tier schedule reimburses interest costs at the prime rate minus one percent for applicants with gross revenues of less than or equal to \$25,000,000 in the previous tax year, and at four percent for applicants with gross revenues of greater than \$25,000,000 in the previous tax year. 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, maintaining a lower interest reimbursement rate for these companies will help the fund remain solvent.

14. PECFA Rules for Arbitration and Mediation Recommendations

Sections 9110 (2x) and 9110 (2y)

These provisions direct the Department of Commerce to submit administrative rules for its arbitration process to the Legislative Council staff by May 1, 2002, and to submit recommendations for a process to mediate disputes over PECFA decisions to the Joint Committee on Finance by March 1, 2002.

I am vetoing these provisions because I object to this infringement on executive branch authority to manage programs and because they are unnecessary. Current law already instructs the department to promulgate rules for arbitration. Additionally, if the department determines that mediation is a cost-effective and efficient way to handle disputes, it can study the possibility and suggest solutions.

15. Brownfields Grant Program

Section 3631m

This section requires the Department of Commerce to semiannually consider brownfields grant applications and awards.

I am vetoing this section because I object to the Legislature excessively managing agency programs. The department is best able to assess whether or not it is plausible and/or advisable to award brownfields grants on a semiannual basis.

16. Gaming Economic Development Earmarks

Sections 451 [as it relates to the earmarks for the Lincoln Park Center, the Keyes Peak Recreation Center and the Great Lakes Forestry Museum] and 9110 (1), 9110 (10fk) and 9110 (10p)

These sections earmark or require funding from the Department of Commerce's gaming economic development and diversification program to the M7 Development Corporation for construction of the Lincoln Park Center, to the Keyes Peak Recreation Center for a construction project and to the Great Lakes Forestry Museum to develop a facility for educating the public about the history of forestry in the state.

I am vetoing sections 9110 (1), 9110 (10fk) and 9110 (10p) and partially vetoing section 451 [as it relates to the earmarks for the Lincoln Park Center, the Keyes Peak Recreation Center and the Great Lakes Forestry Museum] because they are inconsistent with the primary focus of the gaming economic development and diversification program, compromise the award selection process and limit the Department of Commerce in its efforts to create and retain jobs in Wisconsin. 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.

While funding for the Lincoln Park Center was included in my budget, I object to removing the requirement that the M7 Development Corporation obtain matching financing from the city of Milwaukee.

17. Wisconsin Development Fund Earmarks

Sections 438m [as it relates to the grant to the Clearwater Lake Distilling Company and the allocation to the Menominee Tribe] and 9110 (10eg)

These provisions earmark or require funding from the Wisconsin development fund for an economic development project for the Menominee Tribe and for a grant to the Clearwater Lake Distilling Company for a project that uses potato waste in vodka distillation.

I am partially vetoing section 438m and vetoing section 9110 (10eg) 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. 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.

18. Minority Business Finance Program Earmark

Section 439c

This section requires funding from the Minority Business Finance program for grants to the Multicultural Center of Greater Green Bay for programming to educate community businesses and nonprofit organizations in recruiting and retaining a multicultural work force.

I am vetoing this section because it compromises the award selection process and limits the Department of Commerce in its efforts to promote minority business development in Wisconsin. I support minority business development in the state and feel that all minority businesses should have equal chance to receive funding. Local communities, organizations, businesses and individuals associated with the identified program can continue to compete for funding through the wide array of economic development and minority business assistance offered by the department.

19. Community-Based Economic Development Earmarks

Sections 439, 9110 (8x) and 9110 (8y)

These sections earmark funding from the Community-Based Economic Development Program for Gateway Technical College for costs related to a consortium for a manufacturing training center and for CAP Services, Inc., to provide technical assistance and management services to small businesses.

I am vetoing these sections because they compromise the award selection process and limit the Department of Commerce in its efforts to promote economic development in Wisconsin. Furthermore, the department already provides training programs and technical and managerial assistance to small businesses. 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.

20. Grant to Westby Fire Department

Section 9110 (10d)

This section requires the Department of Commerce to make a Community Development Block Grant to the Westby Fire Department for costs related to the purchase of a new fire engine and the construction of a new fire station. The grant is to be made only in the event that the Federal Emergency Management Agency does not make a fire grant to the fire department.

I am vetoing this section because it is inconsistent with federal rules and regulations concerning the awarding of Community Development Block Grant 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.

21. International Division Audit

Section 9132 (5q)

This section requests the Joint Legislative Audit Committee to direct the Legislative Audit Bureau to perform a financial and performance evaluation audit of the Department of Commerce's Division of International and Export Services.

I am vetoing this section because it is unnecessary. The division and its overseas offices have been regularly evaluated by independent consultants. Furthermore, the division is subject to periodic financial audits by the Legislative Audit Bureau, as are other agencies.

22. Office of Economic Strategy Report

Section 9110 (8z)

This section requires the Department of Commerce to submit a report to the Legislature concerning a plan to create an Office of Economic Strategy. The office would be responsible for coordinating all state government efforts and activities related to economic development.

I am vetoing this provision because it creates an unnecessary burden on the department. Furthermore, the department is already charged with the responsibility to foster the growth and diversification of the economy of the state and to serve as the central agency and clearinghouse for economic development activities.

23. Fire Suppression Grant Program

Section 3664m

This section creates a fire suppression grant program in the Department of Commerce. Under the program, the department may award up to \$250,000 from Community Development Block Grant funds annually to first-responder fire departments that serve areas with populations under 6,000. The grants may be used for equipment and training materials.

I am vetoing this provision because it is unnecessary. The department is currently authorized to make such grants to fire departments under the Community Development Block Grant program. Most awards already go to areas with populations under 6,000. Imposing additional population and funding restrictions unnecessarily reduces administrative flexibility.

24. Certified Capital Companies Administration Lapse

Section 442g

This section lapses the unencumbered balance in the certified capital companies administration appropriation to the general fund at the end of each fiscal year. Funds in the appropriation derive from fees charged to certified capital companies for administration of the program.

I am vetoing this section because the fees have been collected for the purpose of administering the certified capital companies program, and the proposed transfer would limit the resources available for this purpose.

25. Certification of Crane Operators

Sections 2447x, 2490b, 2490f, 9110 (9q), 9110 (9qq), 9110 (9qr), 9310 (2q) and 9410 (2q)

These sections prohibit the operation of cranes over fifteen tons without a valid operator certificate and require the Department of Commerce to certify private crane operator certification programs. The sections include exceptions for training, the uniformed services, personal use, emergencies and public utilities. The requirements do not apply where they are inconsistent with a collective bargaining agreement. Operation of a crane without a certificate is punishable by a \$500 fine or up to three months imprisonment.

I am vetoing these sections because they are unnecessary. Crane operators are subject to regulation by the federal Occupational Safety and Health Administration. Costly and duplicative state training requirements would not improve safety. Furthermore, the regulation has the potential to increase construction costs and reduce employment opportunities in the construction trades by prohibiting otherwise properly trained and qualified tradespersons from operating crane equipment.

26. Fire Dues Distribution

Sections 2490r, 2495m and 2497m

These sections prohibit the Department of Commerce from withholding fire dues payments from a municipality because of the municipality's failure to meet eligibility requirements. The prohibition will be removed after the department promulgates rules modifying the eligibility requirements. The rules must be approved by the Joint Legislative Audit Committee and must be based on the recommendations of a forthcoming Legislative Audit Bureau performance evaluation of the fire dues program.

I am vetoing these sections because they are unnecessary. The department has been examining the fire dues distribution program independently and is able to promulgate necessary rule changes without a formal requirement to do so. The ability to withhold fire dues payments is required for the department to oversee the fire safety efforts of municipalities.

27. Storage and Handling of Ammonia

Section 2449d [as it relates to pollution control devices]

This provision exempts facilities where ammonia is used in pollution control devices from the Department of Commerce's rules regarding the safe storage and handling of ammonia.

I am vetoing this provision because these facilities often store large quantities of ammonia. Exempting them from regulation would create an excessive safety hazard.

28. Milwaukee Development Opportunity Zone

Sections 2146, 2147p, 2177, 2178p, 2191 and 2192p [as they relate to the use of credits to offset the income from partnerships', companies' or corporations' business operations or directly related business operations]

These provisions limit partners, members of limited liability companies and shareholders of tax-option corporations to using the tax credits available in the Milwaukee Development Opportunity Zone to offset taxes attributable to their income from all of the partnership's, company's or corporation's business operations or directly related business operations.

I am vetoing these provisions to allow partners, members of limited liability companies and shareholders to use the affected tax credits to offset all of their income. This change removes an unintended limitation on the use of the tax credits and is in keeping with the original intent of the Milwaukee Development Opportunity Zone.

LAND USE

29. Land Information Board and Land Council Changes

Sections 163, 164, 165, 166, 167, 200b, 201c, 1999n, 2001n, 4039b, 4041b [as it relates to the effective date], 4059b, 4059g and 9459 (5r)

These provisions add members to the Wisconsin Land Council, extend the deadline for submission of a report concerning the continuation and combination of the council and the Land Information Board, and extend the sunset of both the council and the board to September 1, 2007.

I am vetoing these provisions because I object to the extension of the report deadline. The report was required in 1997 Wisconsin Act 27, and the council and board have sufficient time to begin and complete the required report by September 1, 2002. I object to the addition of three members to the council and the extension of the sunset for both the council and the board prior to receipt of the required report. After reviewing the report, I will consider the future of the council and board.

30. Wisconsin Land Information System

Sections 342m, 342n, 343r and 4041b [as it relates to s. 16.966 (5)]

These provisions require the Land Information Board to promulgate rules to create and maintain a land information system and require the Department of Administration to contract for operation and maintenance of such a system.

I am vetoing these provisions because they put an administrative burden on the Land Information Board and infringe on executive branch authority to manage programs. Under this budget bill, the staff provided to the Land Information Board is reduced by 2.0 FTE PR positions. In addition, the board and the Wisconsin Land Council are required to submit, no later than September 1, 2002, a report concerning the issue of continuation and the feasibility of combination of their function.

31. Release of Smart Growth Data

Section 9101 (19b)

This section requires the Department of Administration to make the initial release of state land information submitted to the Land Information Board by May 31, 2002.

I am vetoing this section because the deadline is unrealistic. The board would receive the information by March 31, 2002, and the department would not be able to prepare the information for release until the board has determined how the information should be integrated and presented to the public. In addition, the budget bill reduces funding and positions allocated to the Land Information Board. I am requesting that the board and the department strive to make this information available in a reasonable timeframe.

32. Comprehensive Planning Grants

Sections 332 [as it relates to establishing a deadline and opening applications to public inspection] and 395 [as it relates to s. 20.505 (1) (cm)]

These provisions increase funding to the Department of Administration for comprehensive planning grants by \$157,900 GPR annually. The provisions also require the department to establish a deadline for receipt of applications and to open all applications received by the department to public inspection after the deadline.

I am vetoing these provisions because they increase expenditure authority for this appropriation at a time when the state is experiencing significant financial constraints. Furthermore, I object to legislative interference in the way the department currently conducts the application process.

The effect of this veto will be to delete the provisions allocating additional funding to the department for comprehensive planning grants and establishing further administrative requirements. Although there is no language in the budget bill that authorizes the funding increase, the purpose of this funding was included in the Conference Committee amendment to the bill. By lining out the Department of Administration's

s. 20.505 (1) (cm) appropriation and writing in a smaller amount that deletes \$157,900 GPR provided for this purpose annually, I am vetoing that part of the bill which funds the increase to comprehensive planning grants. Furthermore, I am requesting the Department of Administration secretary not to allot these funds.

33. Property Development Rights

Sections 3862w and 9309 (5z)

These provisions allow the seller of property development rights lasting longer than thirty years to bring an action to recover the difference in the sale price of the property development rights and value of those rights.

Retaining and protecting Wisconsin's agricultural, natural, recreational and open spaces has become a very important issue in recent years. The purchase of property development rights is a voluntary agreement that places deed restrictions on a property to ensure that the parcel will remain agricultural or open space. I am vetoing these provisions because of the potential dampening effect they could have on the purchase of property development rights, especially by nonprofit organizations and local units of government.

34. Dane County Regional Planning Commission Sunset

Section 4046s

This section repeals the October 1, 2002, sunset date of the Dane County Regional Planning Commission as established by 1999 Wisconsin Act 9.

I am vetoing this section because I object to the repeal of the sunset prior to receipt of the task force report required by 1999 Wisconsin Act 9. The task force is to study and make recommendations regarding the creation of a multicounty regional planning commission. I will review the continuation or modification of the Dane County Regional Planning Commission after receiving that report.

NATURAL RESOURCES

35. Creation of a Department of Forestry

Sections 1bg, 1br, 99m, 178f, 179t, 183m, 343p, 394 [as it relates to s. 20.375], 395 [as it relates to ss. 20.370 (1) (mv) and (mx) and 20.375], 425c, 458m, 582i, 582j, 584d, 584h, 584p, 584t, 585gm, 585hm, 585im, 589g, 591m, 591q, 591r, 591s, 600p, 603i, 603m, 603p, 603rd, 603rf, 603rk, 603rn, 603rp, 603rs, 603rw, 603sub, 603x, 604m, 608e, 608m, 608s, 621b, 621hc, 621hL, 621hx, 629db, 629dj, 629dk, 629dL, 629dm, 629dn, 629do, 629dom, 629dp, 629dq, 629ds, 629dsm, 629dt, 629dy, 629dz, 629dzb, 629dzd, 629dzi, 629fb, 629fd, 629fg, 629fj, 629fm, 632g, 753m, 759p, 962b, 969eg, 988m, 1034fb, 1034fd, 1034fg, 1034fh, 1034fj, 1034fk, 1034fL, 1034fn, 1034fp, 1034fq, 1034fr, 1034fs, 1034ft, 1034fu, 1034fv, 1034fw, 1034fx, 1034fyr, 1034hm, 1034r, 1036b, 1036bb,

1036bd, 1036be, 1036bf, 1036bg, 1036bm, 1036br, 1036bv, 1036f, 1036x, 1036yi, 1036yj, 1036yk, 1036yL, 1036ym, 1036yn, 1036yp, 1037m, 1038bb, 1038bd, 1038be, 1038bg, 1038bi, 1038bk, 1038bm, 1038bp, 1038br, 1038dc, 1038dm, 1038p, 1038qc, 1038sam, 1038sb, 1038sc, 1038sd, 1038se, 1038sf, 1038sg, 1038sh, 1038si, 1038sj, 1038sk, 1039aj, 1042kb, 1042kd, 1042kn, 1042kp, 1042kpm, 1042kr, 1042ks, 1042kt, 1042ku, 1042kv, 1046m, 1066am, 1066atg, 1066ati, 1066atv, 1066atz, 1066aui, 1066auk, 1067g, 1067r, 1107g, 1107r, 1113g, 1113r, 1119c, 1119g, 1119L, 1119p, 1119t, 1119x, 1146g, 1146r, 1146t, 1146u, 1147m, 1147r, 1148c, 1148f, 1148j, 1148r, 1149b, 1149c, 1149d, 1149e, 1149g, 1149h, 1149i, 1149j, 1149k, 1149L, 1149Lb, 1149Ld, 1149m [as it relates to distribution of seedling surcharge revenue], 1149md, 1149rx, 1153h, 1153ic, 1153iL, 1153iq, 1153ir, 1153is, 1153it, 1153Lb, 1153Lc, 1153Ld, 1153Le, 1153Lf, 1153Lg, 1153Lh, 1153Lj, 1153Lm, 1153Ln, 1153Lp, 1153Lq, 1153Ls, 1153Lt, 1153Lu, 1153nc, 1153np, 1153nx, 1153nxb, 1153nxc, 1153nxd, 1153nxf, 1153nxg, 1153nxh, 1153nxj, 1153nxk, 1153nxp, 1153nxq, 1153nxr, 1153pc, 1153pd, 1153pdg, 1153pdm, 1153pdr, 1153pdu, 1153pe, 1153ph, 1153phb, 1153phf, 1153phk, 1153php, 1153phs, 1153prm, 1153pr, 1153qc, 1153r, 1153rm, 1153sc, 1153t, 1153u, 1153v, 1153w, 1153x, 1153y, 1153yc, 1153yf, 1153yg, 1153yj, 1153ym, 1261r, 1266m, 1304g, 1304r, 1306m, 1319m, 1328m, 1346g, 1346r, 1387e, 1389r, 1398ym, 1405g, 1414g, 1993z, 2001nm, 2003mn, 2019g, 2019mn, 2020m, 2021g, 2021p, 2022tb, 2114gb, 2114gd, 2114ge, 2114gf, 2114gj, 2114gk, 2114gL, 2114gn, 2114gp, 2115m, 2195m, 2243b, 2243c, 2243d, 2243e, 2243f, 2243g, 2243h, 2243i, 2243j, 2243k, 2243L, 2243m, 2243n, 2243p, 2243q, 2243r, 2243s, 2243t, 2243u, 2243v, 2243w, 2243x, 2243y, 2243z, 2243zm, 2247c, 2247pg, 2247q, 2247r, 2247tg, 2247tj, 2247tk, 2247tm, 2247tn, 2247tp, 2247tr, 2247tt, 2247tu, 2294j, 2294m, 2294pm, 2304g, 2308p, 2308sc, 2349m, 2586r, 2672m, 2813m, 2854r, 2858no, 3035c, 3035g, 3035n, 3035r, 3035w, 3050g, 3050r, 3080m, 3081d, 3081t, 3389gm, 3390m, 3407w, 3408w, 3445c, 3445d, 3457m, 3483m, 3484m, 3485c, 3485g, 3485n, 3485r, 3485w, 3491d, 3491h, 3491p, 3491t, 3816p, 3866d, 3866h, 3866p, 3866t, 3984t, 4034yu, 9137 (5mk) [as it relates to s. 20.375 (2) (rq) and the Department of Forestry], 9137 (5vy) [as it relates to s. 20.375 (2) (w) and the Department of Forestry], 9137 (5x) [as it relates to s. 20.375 (2) (w) and the Department of Forestry], 9137 (5y) [as it relates to s. 20.375 (2) (w) and the Department of Forestry], 9137 (9zw), 9137 (9zy), 9437 (1z), 9437 (3mk) [as it relates to the July 1, 2002 date] and 9437 (3mkx) [as it relates to the treatment of s. 20.375 (2) (rq)]

These sections create a Department of Forestry from the Department of Natural Resources' current Division of Forestry, effective July 1, 2002. The new department would be responsible for six major state forests (Northern Highlands-American Legion, Flambeau River, Black River, Brule River, Governor Knowles and the Coulee Experimental forest) and some smaller forests. The Department of Forestry would also oversee several tree nurseries, local governmental and private forestry assistance, forest health, and fire management as well as grants, loans and payments to certain towns, counties and private forest owners. The "southern forests" (Point Beach, Havenwoods and five units of the Kettle Moraine State Forest) would continue to receive support from forestry revenues and would remain under the jurisdiction of the Department of Natural Resources Bureau of Parks for operations and maintenance.

Prior to July 1, 2002, the Governor, with the advice and consent of the Senate, could appoint a secretary to head the new department, who could then appoint one unclassified division administrator, a deputy secretary and an executive assistant. The number of division administrators within the Department of Natural Resources would be reduced from seven to six. The operational budget of the Department of Forestry, excluding aids and debt service appropriations, would be over \$54,100,000 and include 619 positions.

The Department of Forestry would consult and cooperate with other state agencies, especially the Department of Natural Resources. The two departments would confer on funding issues, the Warren Knowles-Gaylord Nelson Stewardship 2000 Program, grant awards, environmental clean-up activities, outdoor recreation policies, proposed laws that affect snowmobiles, approval of National Forest boundaries, leases and treaties with the federal government establishing state forests, the Natural Areas Preservation Council activities and in all other areas where the departments' interests and responsibilities overlap. Like other agencies, the Department of Forestry would be required to keep the Governor informed of its actions and activities, to obtain the Governor's approval before acquiring new lands and to meet set conditions for selling or trading public land.

The Department of Forestry would have the same powers as other state agencies to accept gifts, grants, bequests, devises or donations. The Department of Forestry would have the authority to extend or consolidate lands under its supervision, to grant or acquire easements to areas of state forests, to acquire land to furnish access to state forests, to determine the value of donated lands, to lease lands in state forests and to designate special use areas within state forests. Twice each year, the department would be required to inspect trail signs and designated features. The department would manage forestry fund support of wildlife management and habitat development, private and county forestry, urban land conservation, forest law, fire suppression, county forest administrator grants, and distribution of federal national forest income payments.

The department would pay aids in lieu of taxes for properties under its jurisdiction, as well as debt service, for the acquisition and development of state forests. A forestry land endowment fund would be created to parallel the Department of Natural Resources' natural resources endowment fund.

Responsibilities transferred from the Department of Natural Resources to the Department of Forestry would include gypsy moth eradication, plant protection, forestry education and grants to cooperatives, support of the Wisconsin Conservation Corps, forestry-related environment education grants, reforestation, forestry recording fees, forest fire emergencies and reimbursements related to timber sales contract oversight. The Department of Forestry would support the resource aids and debt service payments formerly provided by the forestry account of the conservation fund.

Under the provisions of the new department, state forest rangers would be classified as law enforcement officers and as such, would have additional general authority.

On July 1, 2002, the staff, assets, liabilities, obligations, rules and orders primarily associated with the Department of Forestry would vest in that agency, as determined by the secretary of the Department of Administration. All incumbent Department of Natural Resources employees relating primarily to the functions of the Division of Forestry would

be transferred to the Department of Forestry. The secretary of the Department of Administration would also determine which incumbent Department of Natural Resources employees that relate primarily to general administration and program support would be transferred to the Department of Forestry. After determining these employees, the secretaries of the Department of Natural Resources and the Department of Forestry could submit a request to the Joint Committee on Finance to transfer monies between the departments' GPR, FED, PR and SEG appropriations to reflect the personnel transfer.

I am vetoing these provisions to retain forestry-related activities and programs in the Department of Natural Resources. I object to the duplication of effort and reduced accountability to the public for management of Wisconsin's abundant natural resources that would result from creation of a separate department. Forests are an important and integral part of Wisconsin's environment, history, culture and economy. In addition to providing valuable timber, Wisconsin's forests also support wildlife, endangered resources, recreational opportunities for residents and visitors, and lake and river ecosystems. These forests improve water quality and aquatic habitat by reducing erosion and regulating water temperatures. In order for a separate Department of Forestry to adequately manage the state's forest resources, staff would need to be reallocated to provide expertise in fish and wildlife, endangered resources and recreational issues. Also, the Department of Natural Resources would need to reallocate staff to address forestry-related management issues on properties such as the Willow, Chippewa and Turtle-Flambeau Flowages.

Separation of forestry management from the Department of Natural Resources would also result in each department having to devote fee and other segregated revenues to activities for which the revenues were not originally collected. Federal regulations restrict the use of fish and wildlife fee revenue to the state agency responsible for fish and wildlife management. Therefore, the Department of Forestry would be required to use forestry revenues or to find an alternative revenue source to complete wildlife-related activities in the forests. Likewise, the Department of Natural Resources would be required to expend fish and wildlife, endangered resources, parks, recreational vehicle and other segregated revenues on forestry-related activities on land under its jurisdiction. The departments could agree to jointly manage these state lands, though this would result in foresters reporting to wildlife managers and vice versa. Creation of a separate department would result in the same problems it is purported to solve.

I also object to the creation of a new state police force, the state forest rangers. State forest rangers would be the equivalent of conservation wardens. Having two equivalent police forces in the same areas of the state would lead to public confusion and could result in uncoordinated law enforcement. For example, a snowmobiler could be stopped multiple times within a relatively short period of time by a conservation warden for a routine check on land under the Department of Natural Resources' jurisdiction and then by a state forest ranger on land under the jurisdiction of the Department of Forestry. Having separate police forces would also reduce accountability, as the public would have two possible contacts with which to register a complaint. Investigations of complaints would take more time, as each department would need to determine if the complaint is correctly filed against one of its officers, or should have been filed with the other department.

Wisconsin's forests are vital to the well-being of the state, its residents and visitors because of their impact on the state's history, economy (both through timber harvesting and tourism and recreational use), environment and culture. I support the continued improvement in management of this significant component of the quality of life for Wisconsin's citizens. Under the budget bill, funding for forestry activities and programs in fiscal year 2001-02 will increase by \$4,514,400 SEG and 15.0 FTE additional forester positions are authorized. The division administrator of the Division of Forestry will be designated the chief state forester and will be required to be a professional forester. Funds within the Warren Knowles-Gaylord Nelson Stewardship 2000 Program will be set aside to match federal funds for protection of forested lands, and public education and awareness of forestry issues will be increased through a new kindergarten through twelfth grade education curriculum and public education program. Since my veto cannot restore funding in the Department of Natural Resources forestry-related appropriations, I request the Department of Natural Resources to review the funding needs for fiscal year 2002-03 and submit either a request for corrective legislation or a request for supplemental funding to address funding and position needs for forestry-related programs, assistance and activities.

I recognize the serious concerns raised by the forestry industry and other interested groups concerning the diversion of forestry account resources and the lack of adequate attention by the Department of Natural Resources to the importance of a sustainable forest industry in Wisconsin. The bill I am signing includes considerable funding increases to support more positions in the field to meet the planning and management needs of private and industrial forest land owners. To continue to better address these serious concerns, I am directing the secretary of the Department of Natural Resources to increase efforts to serve the needs of forest land owners and Wisconsin's forest industry.

36. Recycling

Sections 395 [as it relates to s. 20.285 (1) (tb) and (tm)], 3222e, 3222f, 3222g, 3222h, 3222m, 3222p, 3222q, 3222r, 3225c, 3225f, 3226k, 3227e, 3619k, 3619m, 3619n, 3619s, 9137 (1k) and 9137 (1km)

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

- Convert the existing grant distribution formula to a per capita formula, with a rate of \$5.30 per capita;
- Limit grant amounts to eligible costs incurred two years earlier and prorate grants if available funds are insufficient;
- Create a recycling efficiency incentive grant program, funded with \$1,900,000 SEG in fiscal year 2002-03 and reduce the per capita rate for responsible units ineligible for recycling efficiency incentive grants by \$1.50 per capita;
- Create a pilot program to identify workable alternatives for compliance with the landfill bans which became effective in 1995;

- Modify the Department of Natural Resources' audit requirement to require the department to annually review, in cooperation with the University of Wisconsin-Extension, at least 5 percent of grant recipients for compliance with the landfill bans and effective recycling program criteria and to identify ways for the responsible unit to become more efficient and effective;
- Prohibit solid waste facilities from accepting solid waste from a building containing five or more dwelling units or a facility not providing for collection of recycled materials;
- Require the Recycling Market Development Board to give priority to projects that seek to use materials that either constitute a relatively high volume of solid waste generated in the state or are hazardous to human health and the environment; and
- Allocate up to \$200,000 annually in forgivable loans for projects that have an exceptional potential to meet one of the existing four eligibility criteria but do not comply with fiduciary responsibility criteria established by Recycling Market Development Board or the Department of Commerce

Section 3222m [as it relates to the reporting requirement] requires the Department of Natural Resources to submit two reports concerning the pilot program for compliance with banned materials to the Legislature and the Joint Committee on Finance. The first would be submitted by January 1, 2003, and the second by January 1, 2005. I am partially vetoing this section to remove the reporting requirement because it places an unnecessary administrative burden on the department.

Sections 3222p and 3222q replace the department's current audit requirement with a requirement to review, in cooperation with the University of Wisconsin-Extension, at least five percent of grant recipients to ensure compliance with landfill bans and effective recycling program criteria and to identify activities, methods or procedures that would make the responsible unit's program more efficient or effective. Section 3222r requires the department to annually report to Joint Committee on Finance on the number of recycling programs reviewed. I am vetoing sections 3222q and 3222r and partially vetoing section 3222p to remove the University of Wisconsin-Extension's participation, the list of items for which the review would be conducted and the reporting requirement. I object to the infringement on the executive branch's ability to manage programs. I also object to requiring the University of Wisconsin-Extension to participate in a review that could be viewed as regulatory. The University of Wisconsin-Extension provides technical assistance and educational support to responsible units and creating a situation in which the University of Wisconsin-Extension could be viewed as a regulatory entity could undermine its relationship with responsible units.

Section 3222e allows the Department of Natural Resources to promulgate rules regarding incidental amounts of materials banned from landfills and specifying the minimum elements for coordinated program delivery. Sections 3222f, 3222g and 3222h prohibit solid waste facilities from accepting solid waste with more than an incidental amount of recyclable waste and section 3227e imposes fines for violations. Sections 3226k and 9137 (1k) create a recycling efficiency incentive grant program to provide grants to responsible units which engage in coordinated program delivery. I am vetoing sections 3222f, 3222g, 3222h, 3227e and 9137 (1k) and partially vetoing sections 3222e

and 3226k to remove the solid waste facility enforcement requirements and the recycling efficiency incentive grant program requirements. I object to placing the burden of enforcing recycling laws on solid waste facilities. Enforcement is a governmental responsibility, and it is unfair to punish a solid waste facility or hauler for not knowing all contents of the waste it receives. I also object to the restrictions placed on the department's ability to develop a recycling efficiency incentive grant. My vetoes retain \$1,900,000 for grants under this program, and I am requesting the department to solicit input from the public, responsible units, businesses and other interested groups on development of this program.

Sections 3225c and 3225f establish a per capita grant formula beginning with grants awarded for 2002. Grants would be awarded on a per capita basis at a rate of \$5.30 per capita. Beginning with grant year 2005, recipients that are not eligible for a recycling efficiency grant would be awarded grants at a rate of \$3.80 per capita. I am vetoing these sections because I object to the effect redistribution will have on many communities. Smaller, rural communities in particular would receive less funding than under the current formula; whereas large, urban communities would gain additional funding. This redistribution is not based on the cost-effectiveness and efficiency of the local programs, merely population.

Section 9137 (1km) provides the Department of Natural Resources with 1.0 FTE SEG position to be funded with existing monies. I am vetoing this section because with the significant base budget reductions to the department included in this budget bill, it is inappropriate to require the department to further reallocate funds for this position.

Section 395 [as it relates to s. 20.285 (1) (tb) and (tm)] provides funding for recycling education and solid waste research. I object to this funding because the limited resources for recycling should be focused on implementation of effective programs. By lining out the University of Wisconsin's s. 20.285 (1) (tb) and (tm) appropriations and writing in \$0, 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.

Sections 3619k, 3619m, 3619n and 3619s require the Recycling Marketing Development Board to give priority to projects that involve recovered materials that constitute a relatively high volume of solid waste generated in the state or that are hazardous to human health or the environment; to annually allocate up to \$200,000 for forgivable loans for projects that have exceptional potential to meet one of the qualifying considerations, but do not comply with the board's or the Department of Commerce's criteria for meeting fiduciary responsibilities; and in consultation with the Council on Recycling, to annually establish a list of materials for which the board may award financial assistance. I am vetoing these sections because they create additional administrative burdens for the board and infringe on the board's authority to determine how to best use its limited resources.

My vetoes retain the increase in the state tipping fee to allow the recycling program to continue and to begin exploring different approaches to the current program. The Department of Natural Resources should closely monitor the pilot program for compliance with landfill bans and the recycling efficiency incentive grant program. The effects of these programs should be considered in the proposal I am requesting the department to submit for the 2003-05 biennial budget.

37. Brownfields Staff

Section 395 [as it relates to s. 20.370 (2) (mq)]

This provision appropriates \$242,400 in fiscal year 2001-02 and \$306,900 in fiscal year 2002-03 for 5.0 FTE SEG two-year project waste management specialist positions to geo-locate brownfields properties and update the Department of Natural Resources' Web-based registry of closed sites. 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 section 395 [as it relates to s. 20.370 (2) (mq)] because I object to the increase in the number of positions related to this program. The department has received a total of 25.0 FTE positions in the last two budgets (7.0 FTE positions in the 1999-2001 biennial budget and 18.0 FTE positions in the 1997-99 biennial budget) for brownfields program activities and should use those resources as effectively as possible. The department has streamlined the work load at PECFA sites in order to provide additional staff and resources for brownfields work. By lining out the Department of Natural Resources' s. 20.370 (2) (mq) appropriation and writing in a smaller amount that deletes \$242,400 SEG provided in fiscal year 2001-02 and deletes \$306,900 SEG provided in fiscal year 2002-03, 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 5.0 FTE SEG positions in fiscal years 2001-02 and 2002-03.

38. Land Recycling Loan Program Site Assessments

Section 3168n [as it relates to site assessments and investigations]

This provision directs the Department of Natural Resources to accept site assessments and investigations as eligible costs under the program for applicants able to demonstrate that remediation will be necessary.

I am partially vetoing section 3168n [as it relates to site assessments and investigations] to remove the requirement that the department accept site assessments and investigations as eligible costs because it is unnecessary. Under the program, reimbursement for previously incurred site assessment expenses is available as part of an overall project loan. Additionally, the department's Site Assessment Grant Program provides grant funding to eligible applicants for initial investigations of contaminated properties.

39. Land Recycling Loan Program Intent to Apply

Sections 3168p and 3168r [as it relates to the notice to apply]

These provisions repeal the requirement that applicants submit a notice of intent to apply for financial assistance under the program to the Department of Natural Resources by December 31 of the preceding fiscal year.

I am partially vetoing section 3168r [as it relates to the notice to apply] and vetoing section 3168p because these provisions are unnecessary. Under current law, the department has the ability to waive this notice requirement if an eligible applicant makes a written request for a waiver.

40. Regulation of High-Capacity Wells

Sections 3160v [as it relates to s. 281.17 (1) (c) 2.] and 9137 (1x)

These provisions direct the Department of Natural Resources to condition approval of high-capacity wells for bottled drinking water based on possible adverse effects to the quality and quantity of state waters, and to prepare an environmental impact statement with each approval of a high-capacity well for bottled drinking water. Additionally, new requirements on high-capacity wells are retroactively applied to all wells approved by the department on or after September 1, 2000.

I am partially vetoing section 3160v [as it relates to s. 281.17 (1) (c) 2.] and vetoing section 9137 (1x) because these provisions are unnecessary and because I object to applying them retroactively. First, the department already has an established environmental analysis and review process. Under this process, an environmental impact statement is prepared for all major actions that will significantly affect the quality of the human environment. Since not all high-capacity wells will significantly impact the human environment, and their potential to do so depends upon the location, aquifer type and rate of withdrawal, conditioning each approval on an environmental impact statement and a study of possible adverse effects is excessive. Second, applying these new restrictions to already issued permits would hurt businesses that have moved forward and based plans around those permits.

I recognize that there are serious concerns about the impact of these wells and believe that the existing Department of Natural Resources' requirements combined with the new permit process for wells that produce water for bottling which I am retaining in this bill will adequately protect the state's interests.

41. Legislative Council Studies

Sections 9132 (1q) and 9132 (2x)

These sections request that the Joint Legislative Council study high-capacity well usage as well as the need to modify state laws to address the impacts of groundwater usage.

I am vetoing these sections because they are unnecessary. The Joint Legislative Council can conduct these studies without a nonstatutory law requiring them to be performed.

42. Residential Well Air Filtration

Sections 3160q and 9437 (6p)

These sections require an owner of a residential well to install an air filter to prevent airborne bacteria from contaminating the well water if the well was constructed on or after January 1, 2003, or if water from the well tests positive for bacteria.

I am vetoing these sections because I object to requiring well owners and the Department of Natural Resources to invest substantial time and effort in a program of unproven value. There is no solid evidence that these filters will bring about the intended public health benefit, or that they will even work correctly. Further research on the public health protection offered by these filters and potential alternatives is needed.

43. Elcho Land Spreading Grant

Sections 395 [as it relates to s. 20.370 (6) (dc)], 615t and 3207v

These provisions provide an annual \$25,000 GPR grant to the Elcho Sanitary District #1 to subsidize wastewater treatment costs for residents of that community. The district received financial hardship assistance in early 1999 from the Clean Water Fund Program for the purpose of constructing a wastewater treatment facility. A portion of the financial assistance was provided as a grant and the remainder as a loan with an interest rate of 0.823 percent.

I am vetoing these provisions because they set a bad precedent. The Clean Water Fund Hardship Program uses formulas that consider costs but will not always result in user rates at exactly the target of 2 percent of median household income. Communities must establish and maintain user charges sufficient to make payments on their obligations even if all forecasted revenues do not materialize or if costs are greater than predicted. The Clean Water Fund Program has over 400 loans to Wisconsin communities and it would be unfair to single out the Elcho Sanitary District #1 for this grant.

44. Municipal Flood Control and Dam Rehabilitation

Sections 395 [as it relates to s. 20.370 (7) (da)], 621h, 962 [as it relates to s. 20.370 (7) (da)], 962b [as it relates to s. 20.370 (7) (da)], 967 [as it relates to municipal flood control and riparian restoration grants], 967e [as it relates to municipal flood control and riparian restoration grants] and 1345cm [as it relates to promulgating rules]

These sections provide \$9,000,000 of general obligation bonding authority in a new appropriation for municipal flood control and riparian restoration cost-sharing grants. The sections also create a new grant program to match federal funds for rehabilitation of flood control dams and allocate \$500,000 of the bonding authority for these grants.

I am vetoing section 621h and partially vetoing sections 395, 962, 962b, 967 and 967e to remove the separate appropriation and bonding authority for municipal flood control and riparian restoration. I object to the separation of funding for municipal flood control from

urban nonpoint pollution abatement issues. Combining the funding for these two programs recognizes the effect of storm water control and pollution abatement measures on flooding and gives the Department of Natural Resources and the Natural Resources Board more flexibility to direct funds to maximize water quality and quantity improvements.

Recognizing the need for rehabilitation of flood control dams in western Wisconsin and around the state, I am retaining the \$500,000 set-aside to match federal funding for dam rehabilitation. To allow the department and counties to maximize the amount of federal funding received by the state and expedite the awarding of grants, I am partially vetoing section 1345cm to remove the requirement that the department promulgate rules for the grant program.

45. Funding Notices of Discharge

Section 3173j

This provision would require the Department of Natural Resources to provide a cost-sharing grant to an animal feeding operation to correct unacceptable practices identified in a notice of discharge.

I am vetoing this provision because I object to singling out animal feeding operations which have violated pollution control laws for special consideration under this program. These animal feeding operations should compete for this funding like any other entity. Furthermore, requiring the department to make cost-sharing grants in this manner would be in direct violation of federal law, which bars this practice in some cases.

46. Watershed Center

Sections 1066d and 1358m

These sections would require the Department of Natural Resources 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.

I am vetoing these sections because they are unnecessary and are not a cost-effective use of water resources account monies. Given the limited revenues available in the water resources account of the conservation fund, it would not be prudent at this time to expand the uses of this account to support a new center. The university may pursue watershed research or establishment of such a center without a statutory directive.

47. Wisconsin Waters Initiative

Sections 395 [as it relates to s. 20.370 (4) (ax)], 600r and 9137 (2t)

These provisions create an appropriation to receive funds from the environmental fund for providing computer accessible water resources management information and allow the Department of Natural Resources to submit a proposal to the Joint Committee on

Finance concerning the continued development of a system to provide computer accessible water management information. If the committee does not notify the department within 14 days of submittal of the request that a meeting would be scheduled to review the proposal, the new appropriation and the appropriation under s. 20.370 (4) (aq) would each be supplemented by \$100,000 SEG.

I am vetoing these provisions because I object to the infringement on executive branch authority to manage programs. This information is important for water management and planning activities. Therefore, I encourage the department to pursue cost-effective continued development of this system with existing funds allocated for this project.

48. Lake Management Grant for Fish Lake

Section 9137 (8g)

This section requires the Department of Natural Resources to provide a lake management grant to Dane County for water quality and lake level improvements for Fish, Mud and Crystal Lakes. The grant would not be subject to the statutory limitation on the portion of project costs that may be funded.

I am vetoing this section because it infringes on the department's authority to decide which projects, and associated funding, will provide the best management of Wisconsin's lakes. I also object to the waiver of the 75 percent limitation. Dane County can continue to compete for funding through the various assistance programs provided by the department.

49. Stewardship Earmarks

Sections 1034h, 1034hm [as it relates to s. 23.197 (7)], 1034pm, 1039bv, 1039fm, 1039k, 1039km, 1039m, 1039s and 9107 [as it relates to (1) (i) 2.]

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

- Provide up to \$175,000 SEG for the development of a recreational area on Keyes Lake in Florence County;
- Provide \$60,000 SEG to the city of Hillsboro and waive the 50 percent matching requirement for the development of a camping and recreational area near the Hillsboro and Northeastern Spur Trail;
- Provide \$135,000 SEG to acquire conservation easements along the Plover River in Marathon County and Portage County;
- Provide \$648,100 SEG to Milwaukee County to redevelop the beach at Grant Park;
- Provide \$25,000 to the city of Menasha for the purchase of land to be used for a skateboard park facility in Winnebago County; and

- Provide up to \$200,000 SEG in matching funds for the development of a conservation law enforcement museum.

I am vetoing these provisions because I object to the infringement on executive branch authority to manage programs and because these provisions are unnecessary. The department currently reviews grant applications under several criteria that 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 and supported by the communities affected by the projects. Circumventing this process undermines the integrity of the Stewardship 2000 Program.

50. Forest Legacy Program Funding

Section 1034k

This section requires the Department of Natural Resources to set aside not less than \$12,000,000 from the land acquisition subprogram of the Warren Knowles-Gaylord Nelson Stewardship 2000 Program. These funds may be obligated only to provide matching funds for the purchase of land or easements under the federal Forest Legacy Program.

By striking the digit "1", I am partially vetoing this section to limit the set aside amount to not less than \$2,000,000. I object to the amount of funding being set aside because this requirement limits the department's flexibility in determining the best use of the Stewardship 2000 Program funds. In addition, the Forest Legacy Program matching requirement is 25 percent of the program costs. Although I strongly support the conservation of Wisconsin's forested land, the state is not expected to receive enough federal funding for the department to obligate the total amount of the proposed set-aside. If additional federal funding becomes available, I am requesting the department to set aside additional Stewardship 2000 Program funds to maximize the amount of federal dollars coming to the state.

51. Stewardship Appraisal Requirements

Section 1035g

This section requires governmental units or nonprofit organizations to submit at least one appraisal to the Department of Natural Resources if they request a Warren Knowles-Gaylord Nelson Stewardship 2000 Program grant to purchase land which the department estimates has a fair market value exceeding \$200,000. The department is required to also obtain a separate independent appraisal.

I am vetoing this section because it creates an unnecessary burden on the department. The department did not receive any additional resources to obtain and review these appraisals. Requiring the department to manage this requirement with existing funds may result in delays in awarding grants to applicants.

52. Stewardship Purchase Notification

Sections 1038q, 1038qc and 9437 (1z) [as it relates to s. 23.14 (1m)]

These sections require the Department of Natural Resources to notify, in writing, affected local units of government of any acquisition of land or interest in land at least thirty days prior to completion of the acquisition.

I am vetoing sections 1038q and 1038qc and partially vetoing section 9437 (1z) [as it relates to s. 23.14 (1m)] because they unduly limit the department's ability to work with sellers and to expedite the protection of sensitive environmental areas.

53. Chiwaukee Prairie-Carol Beach Acquisition

Section 1038saq

This section prohibits the Department of Natural Resources from promulgating administrative rules or establishing a department policy that imposes a specific maximum purchase price per parcel or per acre for real property that the department acquires within the Chiwaukee Prairie-Carol Beach National Natural Landmark.

I am vetoing this section because it limits the department's flexibility to determine how best to use limited resources to protect and preserve sensitive areas of the state.

54. Signage for Fishing Easements

Section 1038dq

This section requires the Department of Natural Resources to place a sign on any property where the department acquires an easement allowing public access for fishing. The sign must inform the public that the easement allows public access to the body of water for fishing.

I am vetoing this section because it is unnecessary and infringes on the property owner's rights. The department may erect signs on property with fishing easements at its own discretion and in cooperation with the property owner.

55. Forestry Demonstration and Education Center

Sections 1038r, 1038sam and 9437 (1z) [as it relates to s. 23.14 (2)]

These provisions would require the Department of Natural Resources to notify the Joint Committee on Finance of any proposed acquisition, for a forestry demonstration and education center, of rights in lands that are part of Milwaukee County grounds.

I am vetoing these provisions because I object to legislative intrusion in this area. In addition, sufficient oversight procedures already exist in cases where large, expensive land purchases are being made and do not require additional legislative oversight.

56. World Paper Center

Sections 395 [as it relates to s. 20.370 (5) (ax)], 603rb and 9137 (8mk)

These provisions would allocate \$250,000 SEG in fiscal year 2001-02 to the Paper International Hall of Fame, Inc., to renovate the Atlas Mill and retitle it the World Paper Center.

I am vetoing these provisions because I object to expending state fiscal resources for this purpose. By lining out the Department of Natural Resources' s. 20.370 (5) (ax) appropriation, I am vetoing that part of the bill which funds the renovation of the Atlas Mill. The effect of this veto will be to delete all funding for this purpose.

57. Great Lakes Forestry Museum

Sections 395 [as it relates to s. 20.375 (2) (rq)], 603q, 603r, 629do, 629dom, 9137 (5mk), 9437 (3mk) and 9437 (3mkx)

These sections require the Department of Natural Resources and the proposed Department of Forestry to award grants of up to \$150,000 to an organization known as the Great Lakes Forestry Museum to develop a facility in the city of Rice Lake for educating the public about the history of forestry and logging in this state. In addition, within six months of receiving the grant, the grant recipient is required to submit a report to the Department of Natural Resources or the Department of Forestry detailing how the grant proceeds were used.

I am vetoing these sections because I object to expending state fiscal resources for this purpose. Forestry revenues should be focused on the protection, acquisition, development, operation and maintenance of forests of the state. Although Wisconsin's rich history of forestry and logging is important, other funds should be found to support this facility.

58. Managed Forest Land Eligibility

Sections 2247d, 2247h, 2247p, 2247t and 9337 (3f)

These sections modify criteria used to define a parcel of land that is capable of producing merchantable timber for designation as managed forestland.

I am vetoing these sections because they inappropriately expand the use of the managed forest land program. Managed forest land receives preferential tax treatment because it is dedicated to timber production and recreational use. Allowing more land that is not favorable to timber production to enroll in this popular program would endanger its original focus and purpose.

59. Urban Forestry Grant Earmarks

Sections 9137 (5vy), 9137 (5x) and 9137 (5y)

These sections earmark funding within the urban forestry grant program for tree planting demonstration projects in the cities of Waupaca, Milwaukee and Racine.

I am vetoing these sections because they are unnecessary and unduly infringe on executive branch authority to manage programs. The cities may continue to compete for grants through the established grant review process.

60. Urban Land Conservation Grant

Sections 395 [as it relates to ss. 20.370 (5) (ay) and 20.375 (2) (sm)], 1036bx, 1036c, 1036d, 1036e, 1036em [as it relates to the grant amount and the purposes of the grant], 1036f [as it relates to the grant amount and the purposes of the grant], 1036g, 1036h, 1036j, 1036k, 1036m, 1036n, 1036p, 1036q, 1036r, 1036s, 1036t, 1036u, 1036v, 1036w and 1036y

These sections increase the amount of an annual grant to the Urban Open Space Foundation and modify the requirements the foundation must comply with in order to receive the grant.

I am partially vetoing sections 395 [as it relates to ss. 20.370 (5) (ay) and 20.375 (2) (sm)], 1036em [as it relates to the grant amount and the purposes of the grant] and 1036f [as it relates to the grant amount and the purposes of the grant] because the increase is excessive and unnecessary. By striking "of \$150,000" in the amended language of section 1036f and by lining out the appropriations under ss. 20.370 (5) (ay) and 20.375 (2) (sm) and writing in \$75,000 for this purpose in each fiscal year, I am notifying the Legislature of my intent to veto the increase in the grant amount. I am also requesting the Department of Administration secretary not to allot these funds. In addition, I am requesting the Department of Natural Resources to continue to provide an annual grant of \$75,000 to the foundation.

I am vetoing sections 1036bx, 1036c, 1036e, 1036g, 1036h, 1036j, 1036k, 1036m, 1036n, 1036p, 1036q, 1036r, 1036s, 1036t, 1036u, 1036v, 1036w and 1036y to retain the current requirements the foundation must meet to receive the grant. I object to the expansion of the activities the grant funds may support because they are redundant. The department already has an urban forestry grant program to address these issues and the foundation may compete with other nonprofit organizations for land acquisition grants through the Warren Knowles-Gaylord Nelson Stewardship 2000 Program.

61. Sustainable Forestry Grant Program Rules

Section 1153s

This section allows the Department of Natural Resources to make grants to counties having forest land to fund the cost of activities related to improving the sustainable forestry on the land. The section specifies that the department will promulgate rules to

include the following: establish criteria to award grants; maximum amount of grant available to each recipient; activities for which a grant may be awarded; required match from counties; and a method for establishing priorities for awarding grants or providing partial grants.

I am partially vetoing this section to eliminate the requirement for the department to promulgate rules to establish criteria and procedures for awarding sustainable forestry grants to provide the department with more flexibility in administering and establishing rules for this program.

62. Conservation Fund Transfers

Section 585m, 624m, 9237 (3k) and 9237 (5z)

These sections transfer \$15,000 SEG from the fish and wildlife account to the endangered resources account and \$200,000 SEG from the forestry account to the *Natural Resources Magazine* account. All accounts are within the conservation fund.

I am vetoing these sections because the transfers are inappropriate and unnecessary. Each account receives revenues collected from citizens of the state for a specific purpose. Although the transfers would enhance funding for endangered resources and *Natural Resources Magazine* activities, the monies were not collected for these purposes.

63. State Parks Concessions Report

Section 9137 (4z)

This section requires the Department of Natural Resources to submit a report to the Governor and the Joint Committee on Finance by October 1, 2002, on the operation and profitability of concession operations in the state parks. In addition, the department is to investigate the option of contracting with the private sector for concession services.

I am vetoing this section because this provision would limit the department's ability to effectively administer the operation of concession services at state parks. The department continually evaluates these operations and investigates options for providing concession operations. In addition, several of these operations are now provided by not-for-profit charitable organizations and such a provision could adversely affect their fund-raising capabilities.

64. Perrot State Park Bridge Study

Section 9137 (8m)

This section requires the Department of Natural Resources to conduct a study and submit a report to the Legislature by June 30, 2002, on the feasibility of constructing a bridge at Perrot State Park that would provide access by park users to Trempealeau Mountain.

I am vetoing this section because it is unnecessary. The department is already looking at the feasibility of the proposed bridge as part of the master planning process in cooperation with local units of government and other interest groups.

65. Mountain-Bay State Trail Access

Section 1153m

This section allows the town of Weston to establish a public access site to the Mountain-Bay State Trail and prohibits the Department of Natural Resources from requiring the closure of another public access site to offset the opening of the new site.

I am vetoing this section because opening another public access site along a state trail without closing an existing access site may pose a safety hazard for recreational users of the state trail system. I will support such a provision if it can be demonstrated that it will not pose a safety hazard.

66. Park and Forest Beaches

Sections 395 [as it relates to s. 20.370 (1) (es)], 585k, 600p and 9437 (1z) [as it relates to s. 20.370 (4) (aw)]

These provisions create an appropriation to provide \$150,000 SEG annually from the Department of Natural Resources' Division of Land for the operation, development and maintenance of beaches at state park and southern forest properties.

I am partially vetoing section 395 [as it relates to s. 20.370 (1) (es)] to eliminate \$150,000 SEG in fiscal years 2001-02 and 2002-03. I am vetoing these provisions because this is not an appropriate use of motor boat gas tax revenues.

67. State Trail Funding

Section 590m [as it relates to trail operation]

This section creates an appropriation funded by all-terrain vehicle (ATV) registration fee revenue for operation and maintenance of trails in state parks and southern forests.

I am partially vetoing this section to limit the expenditure of ATV revenue to the maintenance of these trails. I object to the use of this fee revenue for trails that may not be open to ATV riders. However, I recognize the need to maintain these heavily traveled trails. I encourage the Department of Natural Resources, to the extent possible, to focus these funds on trails open for recreational vehicle use.

68. Hunting and Fishing in State Parks

Sections 1162h, 1162p, 1162t, 1162w and 1162wm

These sections require the Department of Natural Resources to open all state parks to hunting and fishing if the park has received any funding from the fish and wildlife account of the conservation fund at any time during the preceding ten years. The Natural Resources Board may exempt a state park from this requirement.

I am vetoing this provision because this is a policy issue that should be addressed by the Natural Resources Board as part of its public hearing process. In addition, I have concerns pertaining to the safety of other persons using the state parks during designated hunting seasons.

69. Recreational Boating Earmarks

Sections 605 [as it relates to Black Point Estate, a recreational fishing pier, the Wausau Whitewater Course and a museum in Racine], 605b, 605c, 848r, 962 [as it relates to s. 20.505 (5) (c)], 972m, 1036yr, 1036yt, 9107 [as it relates to (1) (p) 2. and 3.], 9137 (4x), 9137 (5e), 9137 (6g), 9137 (7f), 9137 (8k), 9437 (2q) and 9437 (2x)

These provisions make various earmarks of funding from the recreational boating facilities aids appropriation for grants to:

- Village of Whiting for a recreational fishing pier;
- City of Wausau to upgrade the Wausau Whitewater Course;
- City of Racine for the Discovery Place Museum;
- City of Racine for dredging the Root River;
- City of Oconto for dredging the Oconto River; and
- City of Marinette for improvements to boat launching facilities on the Menominee River.

The provisions also repeal an earmark of recreational boating aid and general obligation bonding authority for Black Point Estate.

I am vetoing sections 605b, 605c, 1036yt, 9137 (4x), 9137 (5e), 9137 (6g), 9137 (7f), 9137 (8k), 9437 (2q) and 9437 (2x) and partially vetoing sections 605 [as it relates to a recreational fishing pier, the Wausau Whitewater Course and a museum in Racine] and 9107 [as it relates to (1) (p) 2. and 3.], because I object to the infringement on the Department of Natural Resources' and Waterways Commission's authority to decide which projects, and associated funding, will provide the best recreational opportunities to the many users of Wisconsin's waters. In addition, the funding earmarked for a museum

in the city of Racine is excessive. Under the budget bill, the city of Racine will receive a separate grant of \$1,000,000 of general obligation bonding authority for this project.

I am vetoing sections 848r, 972m and 1036yr and partially vetoing sections 605 [as it relates to Black Point Estate] and 962 [as it relates to s. 20.505 (5) (c)] to retain the earmarked funding and general obligation bonding authority for Black Point Estate. I object to the removal of these funds because Black Point Estate reflects an important part of Wisconsin's culture and history. This project would not be eligible for funding without these earmarks and although the future of the estate is still under discussion, these funds should remain available to preserve the estate in whatever manner is decided.

70. All-Terrain Vehicle Ambassador Program

Section 1066ar

This section requires the Department of Natural Resources to establish a program to award grants to organizations that meet specified qualifications, including that the organization is a nonprofit corporation that is tax-exempt under section 501 (a) of the Internal Revenue Code. In addition, the section requires grant recipients to use the grant monies to enhance all-terrain vehicle law enforcement safety and education programs.

I am partially vetoing this section because I object to the requirement that eligible grant recipients be from a nonprofit corporation that is tax-exempt under section 501 (a) of the Internal Revenue Code. Without this veto, many of the organizations that would benefit from receiving these grants would not be eligible because they are organized as social all-terrain vehicle groups.

71. All-Terrain Vehicle Warden Report

Section 1066atk

This section requires the Department of Natural Resources to submit an annual report to the Joint Committee on Finance on how the increase in conservation wardens has benefited the department's efforts to enforce laws relating to the operation of all-terrain vehicles and to educate the public on these laws.

I am vetoing this section because it places an unnecessary administrative burden upon the department.

72. Chief Warden Authority

Section 1038bq

This section requires the Department of Natural Resources to designate a conservation warden as the chief warden. The chief warden will direct, supervise and control conservation wardens and the performance of their duties.

I am vetoing this section because I object to the infringement on the executive branch's authority to manage programs. I am requesting the department to follow-up on public complaints against a warden's actions to ensure accountability of the wardens.

73. Determination of Fish and Wildlife Fee Use

Section 1117m

This provision would allow the Joint Committee on Finance to determine what constitutes an eligible administrative expense in regard to the management of fish and wildlife resources in the state.

I am vetoing this provision because I object to legislative interference in executive branch functions. Moreover, federal auditing processes are already in place to ensure that the Department of Natural Resources does not misuse fish and wildlife fee revenues for its administrative functions.

74. Commercial Fishing Suspended License

Section 1184m

This section authorizes a commercial fishing license holder to retain a license without conducting any commercial fishing operations in Green Bay for one period of up to seven years. The section also exempts a commercial fishing license holder from the minimum catch requirements during the seven-year period.

I am vetoing this section because it infringes on the Department of Natural Resources' and the Natural Resources Board's authority to protect and manage the fisheries of the state for the benefit of all residents and visitors. The department and the board are working to address the concerns of commercial fishing license holders and the declining fish populations in Green Bay and other Great Lakes waters. I request the department and the Natural Resources Board to continue working with the commercial fishing license holders and other users of these resources on this issue.

75. Fish Ladder Exemption

Sections 1340r and 1345c

These sections prohibit the Department of Natural Resources from requiring the city of Jefferson to include a fish passage as part of a dam safety project and require the department to provide the city with a grant for the dam safety project.

I am vetoing these sections because they set an undesirable precedent by providing assistance to a project that does not comply with requirements established to protect Wisconsin's aquatic resources. I am requesting the department to continue working with the city of Jefferson to address this issue.