

## **D. JUSTICE**

### **CIRCUIT COURT**

#### **1. Family Court Counseling Fee**

*Sections 3832k and 9309 (4w)*

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

I am vetoing these provisions because the fee increase is excessive, has not been justified and may inhibit involved parties from exploring their full range of legal options. The effect of this veto is to retain current law.

#### **2. Admitting Health Care Records into Evidence in a Trial or Proceeding**

*Sections 3872v and 9309 (7p)*

This provision reduces the time period during which a party must either serve health care records or notify the other parties of the location where records can be inspected or photocopied from forty days to twenty days in order for the health records to be admitted into evidence at trial without testimony by the custodian of the records.

I am vetoing this provision because the change in the time period has not been justified and is unreasonable.

#### **3. Civil Action for Domestic Abuse or Sexual Assault**

*Section 3871x*

This provision provides that any person, who suffers damage as the result of intentional conduct that constitutes sexual assault or as a result of domestic abuse, has a cause of action against the person who causes the damage.

I am vetoing this provision because the definition of who has a cause of action is very broad and due to its complexity this issue should be addressed in separate legislation. Further, language pertaining to domestic abuse restitution has been included in the budget to provide victims of domestic abuse broader legal avenues to address this problem.

## **CORRECTIONS**

### **4. Telemarketing and Data Entry**

*Sections 3325q and 9311 (7k)*

These provisions specify that the Department of Corrections may not enter into a contract or other agreement if, in the performance of the agreement, a prisoner would perform data entry or telemarketing services and would have access to any personal identifying information of an individual who is not a prisoner. Personal identifying information is defined in s. 943.201 as a name, address, telephone number, driver's license number, social security number, employer or place of employment, employer identification number, mother's maiden name, or identifying number of a depository account.

I am vetoing these provisions to retain the current programs. These programs have many procedures in place to prohibit inmate access to social security numbers, financial data and information that could serve to identify a juvenile.

Inmates currently employed in the telemarketing program make calls to previous donors on behalf of charities that have contracted with the Department of Corrections. The inmates inquire as to whether the donor is interested in donating again. The response is forwarded to the charity, who follows up with the donor if interest in donating is expressed. Inmates identify themselves and receive no personal information during the call.

Inmates employed in the data entry program are able to enter data into a computer, but are not able to retrieve data. Careful screening is conducted to ensure inmates with a propensity for committing a financial crime involving personal identifying information would not be hired. Inmates are prohibited from having access to social security numbers, credit card numbers, other financial data and information that would identify a juvenile. Verifiers conduct random checks of entered data and can identify who entered data for any record, and inmates are searched each day to make sure no information is taken with them.

Elimination of these programs will reduce the department's ability to provide meaningful work experience to inmates and result in increased inmate idleness. Inmates are carefully screened prior to being selected for the programs and are closely monitored while they are employed. The personal privacy of the general public is not being compromised under current law. Inmates involved in these programs have access to no more information than is readily available in a telephone book.

### **5. Residence of Sex Offenders on Parole or Extended Supervision**

*Sections 3329m, 3354g, 3354r, 3357m, 3385r, 3389m, 3389p, 3389q, 3389r, 3389s, 3389t, 3389u, 3389v, 3389w, 3389x and 3389y*

These provisions require serious sex offenders to live in a residence approved by the Department of Corrections or the Parole Commission as a condition of extended supervision or parole. They also require the department and the Parole Commission to

work cooperatively to minimize the residential population density of sex offenders who are on probation, parole, extended supervision or placed on supervised release as a sexually violent person.

I am partially vetoing these provisions because they would limit the department's ability to provide effective offender treatment and community protection. I am vetoing all provisions that relate to the Department of Corrections' utilizing specific criteria when placing sex offenders because these provisions are already in administrative rule or are part of internal departmental procedures. I am vetoing the provision that would require agreement of the sex offender before the department could place the offender in an approved residence because it would limit the department's ability to provide treatment to the offender and compromise the department's ability to ensure community protection. I am vetoing the Parole Commission from the requirement to minimize the residential density of sex offenders because the Division of Community Corrections is responsible for coordinating the placement of offenders in the community.

The effect of this veto will be to require the Department of Corrections to minimize the density of sex offender residential populations while leaving the department with the flexibility needed to make appropriate placements.

## **6. Inmate Rehabilitation and Aftercare**

### *Section 3333j*

This provision would allow the Department of Corrections to permit one or more community-based organizations to operate an inmate rehabilitation program in any departmental facility. As part of this provision, organizations seeking to operate such a facility would need to submit a detailed proposal, the department would be required to establish policies providing organizations with reasonable access to inmates, the department would be required to evaluate the program and contractors would be allowed to terminate an inmate's participation in the program.

I am partially vetoing this provision to remove limitations on the department's ability to restrict an inmate's participation and to remove the ability of the contractor to terminate an inmate from the program without the involvement of the department because it limits the department's flexibility and undermines the department's authority. The current language provides a nonprofit community-based organization with broad authority to suspend or terminate an inmate's participation in a rehabilitation program, but the department would only be allowed to restrict an inmate's participation if necessary for the security of the facility or the safety of the inmates or the public. The Department of Corrections is charged with supervising the custody and discipline of all inmates in state correctional facilities. As the official caretaker, the department needs to maintain order and control in correctional facilities. By removing the restrictions, the department and the contractor can jointly determine whether an inmate's participation in a rehabilitation program should be restricted.

The effect of this veto will be to permit community-based organizations to operate inmate rehabilitation programs in departmental facilities but not allow a contractor to unilaterally terminate an inmate's participation in the program.

**7. Inmate Health Care Reports and Procedures**

*Sections 3329p, 3329q, 3329r, 3329s, 3329t, 3329u, 9111 (3c), 9111 (3cb), 9111 (3cc) and 9111 (3cd)*

These provisions require the Department of Corrections to do all of the following:

- Submit reports to the Joint Committee on Finance by January 4, 2002, regarding the following: a review of all professional medical services contracts to determine whether costs can be controlled, plans to provide continuing education for health care staff, additional training in the delivery of controlled medications for correctional officers and the collection of monies from reimbursement available in health care services contracts.
- Submit a report to the Joint Legislative Audit Committee and the Joint Committee on Finance by the first day of the second month after the effective date of the bill on the progress toward meeting the standards selected as the basis for health care delivery to inmates.
- Prepare written contracts for all health care vendors for delivery of basic health services at correctional institutions and submit any contract, agreement or extension over \$500,000 to the Joint Committee on Finance for prior approval.
- Evaluate the effectiveness of efforts to allocate mental health resources to inmates in an equitable and efficient manner, to evaluate the outcome of random medical chart reviews conducted by a physician to ensure proper medical procedures are followed, and to evaluate efforts to negotiate Medical Assistance rates for eligible inmates.

I am vetoing these provisions because the reporting requirements and deadlines impose a burdensome work load without additional resources at a time when agency budgets are limited. The Department of Corrections is actively working to implement these provisions as recommended by the Legislative Audit Bureau.

**8. Inmate Death in Custody Reporting Act Requirements**

*Section 3330g*

This provision requires the Department of Corrections to comply with guidelines established by the U.S. Attorney General under 42 USC 13704 (2) in reporting, on a quarterly basis, information regarding the death of any person in the custody of the department, including inmates incarcerated in facilities located outside this state, and to provide this information to the Wisconsin Attorney General at the same time that it is submitted to the U.S. Attorney General.

I am vetoing this provision because the Department of Corrections is currently compliant with inmate death in custody reporting requirements under federal law to maintain eligibility for federal grant funding.

## **9. Inmate Tracking System and Integrated Corrections System Requirements**

*Sections 3329e, 3330c, 3330d, 3330e and 3330f*

These provisions require the Department of Corrections to create and maintain an inmate tracking system that includes the inmate's criminal history, medical and mental health history, alcohol and other drug abuse history, victimization history, violence history, education and vocational history, religion, marital status, and status of all of his or her children. They also require the department to collect and maintain information that determines the number of inmates that return to prison due to a probation or parole revocation and whether the revocation is due to the inmate committing a new crime or violating a condition or rule of probation or parole.

These provisions require the department to publish adult and juvenile statistical information on its Internet Web site. The required adult information includes total population, population in each institution, commitments to and releases from the adult correctional system, average sentence length, offenses, race, gender, educational level, marital status, parental status, religion, and county of commitment. The required juvenile information includes total population, population in each institution, average population, admissions to and releases from the juvenile correctional system, offenses, race, gender, average age, and county of commitment.

These provisions also require the department to create and maintain an Intranet site with the medical histories of all inmates sentenced to Wisconsin state prisons. It requires the site to be completed no later than June 30, 2003, and to include prescriptions, laboratory reports and x-rays ordered for each inmate.

I am vetoing these provisions because the requirements impose an undue burden and timing requirement on the development of the integrated corrections system (ICS). The department is just beginning the development of ICS and needs to maintain the flexibility to determine how it will be designed and the order in which elements will be added. The Department of Corrections currently has several computer systems, making it difficult to pull information together to create reports of the type required by these provisions. The ICS will be one complete system that encompasses the existing systems and adds new elements that will allow the department to synthesize information from all aspects of corrections. If the department does not have the flexibility to design elements of the system, the result will be a system that is not fully integrated, making it difficult to present information in a useful manner and increasing the costs of ICS. The department will be able to provide information as phases of ICS are completed.

## **10. Gender-Specific Treatment Programs and AODA Services**

*Sections 3327q, 3329x, 9111 (6e) and 9111 (7d)*

These provisions require the Department of Corrections to offer the same level of alcohol and other drug abuse treatment (AODA) to male and female inmates and to work with the Department of Health and Family Services to develop a gender-specific treatment program for addressing individual treatment needs of female inmates. The departments are required to submit a report with a program plan regarding the gender-specific treatment program to the Legislature by July 1, 2002. The Department of

Corrections is required to submit a report to the Joint Committee on Finance no later than six months after the effective date of the subsection comparing the alcohol and other drug abuse evaluation and treatment services provided to women to those provided to men.

I am vetoing these provisions because the Department of Corrections is currently exploring gender-specific treatment programs and comparing the level of alcohol and other drug abuse services for male and female inmates as part of an internal work group on female offender needs. In addition, the reporting requirements and deadlines imposed by these provisions would create a burdensome work load without additional resources at a time when agency budgets are limited.

**11. Performance Evaluations for Substance Abuse Intervention and Treatment Grants**

*Sections 1483j and 3327r*

These provisions require the Department of Corrections and the Department of Health and Family Services to evaluate and develop performance standards for substance abuse intervention and treatment services.

I am vetoing these provisions because both departments currently evaluate as many substance abuse programs as possible within available resources, including a requirement to evaluate at least twenty percent of programs that receive Community Block Grant funding. The departments are also working to conduct effective evaluations of more programs. In addition, these requirements impose a burdensome work load without additional resources at a time when agency budgets are limited.

**12. Community Reintegration Facility**

*Section 9111 (3g)*

This provision requires the Department of Corrections to prepare a feasibility study of the creation of a transitional placement facility for parolees. The department is required to submit the study and a funding proposal to the Joint Committee on Finance.

I am vetoing this provision because it imposes additional work load and reporting requirements on the Department of Corrections at a time when agency budgets are limited. The department will continue to look at the creation of a transitional placement facility as a possibility for the future.

**13. Reduce Funding for the Mendota Juvenile Treatment Center**

*Section 1491*

This provision directs the Department of Corrections to transfer \$1,379,300 GPR in each of fiscal years 2001-02 and 2002-03 and \$2,694,400 PR in fiscal year 2001-02 and \$2,947,200 PR in fiscal year 2002-03 to the Department of Health and Family Services

to pay for services provided for juveniles placed at the Mendota Juvenile Treatment Center.

I am vetoing in part the provision that transfers PR funding to the Department of Health and Family Services because new population estimates indicate a declining juvenile population. These new estimates do not support the current funding levels or current population levels at the Mendota Juvenile Treatment Center. The veto will strike out the new fiscal years and amounts, thereby restoring the current language that directs the transfer of \$2,489,300 in fiscal year 1999-2000 and \$2,489,900 in fiscal year 2000-01.

In accordance with s. 46.057 (2) it is my intent with this veto for the Department of Health and Family Services to charge the Department of Corrections not more than the actual cost of providing services for juveniles placed at the Mendota Juvenile Treatment Center. The Department of Corrections will compensate the Department of Health and Family Services as specified in s. 20.410 (3) (hm). Based on current population projections this cost is estimated to be \$1,817,200 PR in fiscal year 2001-02 and \$2,070,000 PR in fiscal year 2002-03.

#### **14. Juvenile Justice Study**

##### *Section 9111 (6c)*

This provision creates a committee to study the costs to the state of assuming responsibility for the operation of the juvenile justice system from the counties by January 1, 2004. The provision requires the committee to report its findings, conclusions and recommendations to the Legislature by May 1, 2003, and to include in its report legislation for the assumption by the state of all or part of the operating costs of the juvenile justice system and the elimination of youth aids payments.

I am vetoing this provision because the timeframe for assuming that responsibility is unrealistic and the Blue-Ribbon Commission on State-Local Partnerships for the 21st Century has already addressed much of what the committee would be required to study.

#### **DISTRICT ATTORNEYS**

#### **15. Vehicle Fines and Forfeitures for Additional Prosecutor Positions**

##### *Sections 395 [as it relates to s. 20.475 (1) (g)], 781m, 1996f, 1996h, 1996j and 9113 (1q)*

These provisions create a new annual appropriation and authorize \$1,135,000 PR in the 2001-03 biennium from vehicle-related fines, penalties and forfeitures under Chapters 341 to 347, 349 and 351 to fund an additional 14.55 FTE PR assistant district attorney positions beginning January 1, 2002, in Ashland, Brown, Chippewa, Columbia, Dane, Jefferson, Kenosha, Juneau, La Crosse, Manitowoc, Marathon, Outagamie, Rock, Sauk and Winnebago counties and to increase the Pepin County elected district attorney by 0.20 FTE PR position.

I am vetoing these provisions because the identified funding source is contrary to the state's commitment to pay for prosecutor positions, limits revenues for county judicial operations and requires all counties to forego revenue increases to aid a few counties. Since 1990, the state has been committed to funding the salary and fringe benefit costs of prosecutors and the funding source identified by the Joint Committee on Finance reneges on this commitment. The proposed shift in financing would set a bad precedent by requiring the counties to bear the responsibility of paying for prosecutor positions. Also, these provisions unfairly freeze the amount that counties may retain from fines and forfeitures at the level collected in state fiscal year 2000-01. Finally, requiring all counties to provide funding for prosecutor positions while only a few would receive the positions would be inequitable.

I recognize and support the need for additional prosecutorial resources. By vetoing this provision, it is my intent that the need for additional prosecutor positions be addressed in a s. 13.10 meeting, which will give the Joint Committee on Finance the opportunity to consider a more appropriate funding source for prosecutor positions.

**16. Assistant District Attorney Positions for Restorative Justice Programs**

*Section 4031p*

This section authorizes 2.0 FTE PR-S project assistant district attorney positions annually to establish restorative justice programs. Funding comes from the federal Edward Byrne Memorial Law Enforcement Assistance Program and penalty assessment match funds administered by the Office of Justice Assistance. Under this section, Milwaukee County and a county to be determined by the Attorney General, in consultation with the Department of Corrections, will each receive 1.0 FTE assistant district attorney position to serve as a restorative justice coordinator.

I am partially vetoing this section to eliminate the discretion of the Attorney General to select the second county to receive an assistant district attorney position for restorative justice efforts. Because one of the central themes of restorative justice is exploring alternatives to incarceration, the Department of Corrections is better equipped to make the determination of which county should implement such a program.

**JUSTICE**

**17. Post-Conviction and Post-Commitment DNA Testing**

*Sections 395 [as it relates to s. 20.410 (1) (be)], 676r and 4028j*

These provisions relate to GPR funding to cover the costs of post-conviction and post-commitment DNA tests and the ability of the courts to order the State Crime Lab to accept biological evidence for preservation.

I am partially vetoing these provisions to eliminate the GPR appropriation at the Department of Corrections that would have been used to cover the costs of post-conviction and post-commitment DNA testing if a defendant is determined indigent because of the severe funding constraints facing the general fund.



It is my intent to grant the courts authority to order the Department of Justice to cover such costs with program revenue from the crime laboratories and drug law enforcement assessments authorized under s. 165.755 and DNA surcharges authorized under s. 973.046. Accordingly, the Department of Justice may submit a request under s. 16.515 near the end of each fiscal year to use the appropriation under s. 20.455 (2) (kd), drug law enforcement, crime laboratories and genetic evidence activities.

I am also partially vetoing these provisions to eliminate the ability of the crime lab to prohibit the courts from ordering a transfer of evidence for the purpose of preservation. I am vetoing this provision because it undermines the court's discretion regarding the preservation of biological evidence and its ability to designate who shall preserve such evidence.

**18. Attorney General Authority in Civil Rights Actions and Inquests**

*Sections 1996m, 2854m, 4033g, 4033k, 4033n, 4034b, 4034c, 4034d, 4034f, 4034g, 4034h, 4034j, 4034m, 4034n, 4034p, 4034r, 4034t, 4034u, 4034v, 4034w and 4034y*

These provisions authorize the Attorney General to investigate alleged civil rights violations, order and participate in inquests, request autopsies and medical examinations, and bring actions for injunction.

I am vetoing this provision because it is duplicative and unnecessary. District attorneys have this authority under current law. Wisconsin's district attorneys have provided commendable service to the residents of this state regarding the defense of individual and civil rights and granting the Attorney General the same authority would serve no useful purpose.

**19. Law Enforcement Training on Alzheimer's Disease Recognition**

*Section 2858p*

This provision specifies that, of the 48 hours of biennial recertification training required for law enforcement officers, at least one hour of training be dedicated to recognizing the symptoms of Alzheimer's disease and other related dementia.

I am vetoing this provision because the Law Enforcement Standards Board should determine if this addition to the curriculum for officer recertification training is needed. The Law Enforcement Standards Board under the Department of Justice establishes minimum training standards and develops the training curriculum for Wisconsin's law enforcement officers. I encourage the board to review its curriculum on the recognition of Alzheimer's disease and other dementia as part of its ongoing curriculum development function.

**20. AFIS Workstation Grant Program**

*Sections 395 [as it relates to s. 20.455 (2) (kh)], 770n, 770p, 855n, 855p, 9131 (2c) and 9431 (1c)*

These provisions provide penalty assessment revenue in fiscal year 2001-02 to create a grant program in the Department of Justice to fund the purchase of automated fingerprint identification system (AFIS) workstations by local law enforcement agencies and to cover the initial costs of installing a BadgerNet line.

I am vetoing these provisions because projected revenues from the penalty assessment surcharge would not be sufficient to support any new programs. This action is also necessary to cover the lapse of \$675,200 in penalty assessment revenues to the general fund in fiscal year 2001-02.

It should also be noted that I am providing \$3,540,200 over the biennium from various state and federal funding sources to improve and upgrade the statewide AFIS system to better serve Wisconsin's law enforcement agencies.

**OFFICE OF JUSTICE ASSISTANCE**

**21. Federal Byrne Anti-Drug Enforcement Program**

*Sections 327n, 395 [as it relates to s. 20.395 (5) (jt)], 672L, 1375r, 2340q, 9101 (21j) and 9101 (22w)*

These provisions earmark funding to provide one-time community justice center planning grants, to expand the pretrial intoxicated driver intervention grant program under the Department of Transportation and to fund a crime prevention resource center at the Fox Valley Technical College.

I am vetoing these earmarks because they subvert the existing grant application review and approval process for federal Byrne funding administered by the Office of Justice Assistance. This action ensures that use of these funds will conform to federal regulations and will restore the set-aside for the Governor's Law Enforcement and Crime Commission and discretionary special project funding for local law enforcement agencies to the greatest extent possible.

**22. Penalty Assessment Surcharge Balance Transfers**

*Sections 9201 (6c), 9211 (2c) and 9240 (1c)*

These provisions require the transfer of 85 percent of the unencumbered balances from certain appropriations on June 30, 2001, to the penalty assessment surcharge receipts appropriation under s. 20.505 (6) (j). Appropriation accounts affected by the transfer are the aid for alcohol and other drug abuse programs appropriation at the Department of Public Instruction, the victim services appropriation at the Department of Corrections and three appropriations at the Office of Justice Assistance used to match funding from the federal Byrne anti-drug program.

I am partially vetoing these provisions to increase the required balance transfer from 85 percent to 100 percent. This action is necessary to cover the lapse of \$875,200 in penalty assessment revenues to the general fund in fiscal year 2001-02 and to ensure that enough funding is available for ongoing programs that are supported by revenues from the penalty assessment surcharge.

**23. Southern Oaks Girls School Mental Health Unit Funding**

*Section 9201 (5v)*

This provision directs the Department of Administration secretary, to the extent permitted under federal regulations, to transfer \$433,100 PR-S in fiscal year 2001-02 and \$541,700 PR-S in fiscal year 2002-03 in federal Juvenile Accountability Incentive Block Grant funds from the Office of Justice Assistance to the Department of Corrections to operate the mental health unit at the Southern Oaks Girls School.

I am vetoing this provision because it is unnecessary to earmark these funds through the budget process. The Office of Justice Assistance has funding available for this purpose and these funds have already been allocated for this purpose.

**STATE PUBLIC DEFENDER**

**24. Base Budget Reductions and Reporting Requirements**

*Sections 395 [as it relates to s. 20.550 (1) (c)] and 9139 (2q)*

These provisions provide funding for the State Public Defender's office and require the State Public Defender to submit a quarterly report and a s. 13.10 request if a funding shortfall occurs in any of its appropriations.

In my budget I recommended a five percent GPR state operations base budget cut for most state agencies and branches of government and I intended for all agencies and branches to absorb these reductions in their budgets. However, the Legislature partially restored the five percent cut to the State Public Defender's budget and added 59.3 FTE GPR positions. Funding was shifted from the private bar appropriation to the trial representation appropriation to fund these positions. The effect of the Legislature's changes results in base budget reductions of only 0.528 percent in fiscal year 2001-02 and 4.4 percent in fiscal year 2002-03.

I object to some of the modifications made to the five percent reduction and the creation of the 59.3 FTE GPR positions. I am vetoing this provision because additional savings are needed and a contribution by all state agencies is essential to this effort. By lining out the State Public Defender's s. 20.550 (1) (c) appropriation and writing in a smaller amount that deletes \$2,894,800 GPR in fiscal year 2001-02 and \$373,100 GPR in fiscal year 2002-03, I am vetoing section 395 [as it relates to s. 20.550 (1) (c)] to provide a base budget cut of five percent in each year of the biennium and I am deleting the funding for the additional 59.3 FTE GPR positions. Furthermore, I am requesting the Department of Administration secretary not to allot these funds and not to authorize the additional 59.3 FTE GPR positions. I am also vetoing section 9139 (2q) to remove the

report requirement because it is no longer applicable due to the reduction in funding. All agencies should have the same ability to make emergency requests under s. 13.10. Singling out the State Public Defender for a special report and s. 13.10 request authority is unnecessary and inequitable to other agencies faced with similar reductions.

Since 1997, the caseload for the State Public Defender has remained stable. However, during this same time period, the number of cases assigned to State Public Defender staff as a percentage of total cases has been reduced by 6.7 percent while the number of cases assigned to the private bar has increased by 6.7 percent. By returning to the 1997 assigned caseload ratios, the State Public Defender should be able to implement the base budget reductions without any reductions in positions. According to the State Public Defender, it is more efficient for State Public Defender staff to prosecute a case than the private bar. Therefore, I am requesting the State Public Defender to implement this reduction through improved efficiencies rather than personnel reductions.

## **SUPREME COURT**

### **25. Court Interpreter Program**

*Sections 395 [as it relates to s. 20.680 (2) (a)] and 9147*

These sections provide \$97,800 GPR in fiscal year 2001-02 and \$100,800 GPR in fiscal year 2002-03 and 1.0 FTE two-year project interpreter coordinator position.

I am vetoing section 9147 in its entirety because the cost is excessive. All branches of government need to prioritize and seek efficiencies in the use of taxpayer funding. By lining out the Supreme Court's s. 20.680 (2) (a) appropriation and writing in a smaller amount that deletes \$97,800 GPR in fiscal year 2001-02 and \$100,800 GPR in fiscal year 2002-03, I am vetoing the portion of the bill that funds the two-year project interpreter coordinator position. Furthermore, I am requesting the Department of Administration secretary not to allot these funds and not to authorize the additional 1.0 FTE position. My vetoes retain the \$456,200 GPR increase in the state reimbursement rate to counties for court interpreters.

### **26. Prison Impact Assessment**

*Sections 97m, 114v and 395 [as it relates to s. 20.765 (3) (d)]*

These provisions require the Legislative Fiscal Bureau to provide prison impact assessments for any bill or, upon request, any bill draft that creates a felony or modifies the period of imprisonment for a felony. Funding and positions are also provided to support this requirement.

I am vetoing these provisions because the cost is excessive and other fiscal impact requirements included in the budget will provide estimates of the cost of criminal legislation. By lining out the Legislature's s. 20.765 (3) (d) appropriation and writing in a smaller amount that deletes \$101,500 GPR in fiscal year 2001-02 and \$113,300 GPR in fiscal year 2002-03, I am vetoing the requirements and the additional positions.

Furthermore, I am requesting the Department of Administration secretary not to allot these funds and not to authorize the additional 2.25 FTE GPR positions.

**27. Court Commissioner Education**

*Section 3780q*

This provision requires court commissioners to participate in programs of continuing education and requires that the court commissioners be charged a fee by the Supreme Court for the costs of the continuing education classes.

I am partially vetoing this provision to remove the requirement that court commissioners be charged the fee. This veto will maintain the current billing status, with the fee being assessed to the county where the court commissioner is employed.

**28. Appropriation Modifications**

*Sections 395 [as it relates to s. 20.680 (2) (a)] and 926r*

These provisions convert the general program appropriation for the director of state courts from an annual to biennial appropriation.

I am vetoing these provisions in order to maintain the stricter fiscal controls provided under annual appropriations and to continue to adequately monitor appropriation expenditures. The effect of this veto is to retain current law.

## **E. STATE GOVERNMENT OPERATIONS**

### **ADMINISTRATION**

#### **1. Vacant Positions in State Government**

##### *Section 9101 (26n)*

This provision requires the secretary of the Department of Administration, within thirty days of the budget's effective date, to determine vacant positions of various funding sources in executive branch agencies as of July 1, 2001; determine the associated salary and fringe benefit costs; and lapse these amounts to the respective appropriation and fund balances. In addition, the authorized positions determined by the secretary are deleted.

My budget recommendations to the Legislature included GPR state operations base appropriations reductions of five percent for most state agencies. Since the budget was introduced, agency managers have been planning how to implement these cuts. Many are holding authorized positions vacant in anticipation of using them to help meet the funding reductions. While these five percent reductions involve GPR, agencies with other funding sources have been holding vacancies in program revenue and segregated funds so that employees may be reallocated in order to minimize layoffs. The cuts of vacant positions and associated funding proposed by the Legislature place an additional burden on agencies in that the dollars associated with many vacancies have already been accounted for in agency planning.

I understand that the estimated GPR savings of \$7,900,000 annually related to this provision are needed to maintain the general fund balance. However, estimated savings from vacant positions in other funding sources that would lapse to those sources would be of no benefit to the general fund.

For these reasons, I am partially vetoing this provision to give the department secretary and state agencies needed flexibility to implement the several general fund reductions and lapses in the budget. Specifically, my partial veto deletes the thirty-day deadline for determining vacant positions; removes non-GPR funding sources from the lapse requirement; eliminates the requirement that individual appropriations be part of the secretary's determination and implementation of GPR lapses; and strikes the requirement that vacancies identified be deleted. I am also vetoing the limitation of this lapse provision to only the executive branch, since I believe all branches of state government should share responsibility for reducing costs in each fiscal year. The effect of this partial veto will give the secretary flexibility to apportion the required general purpose revenue lapse equitably among all agencies.

#### **2. Dues and Membership Lapses**

##### *Section 9101 (22k)*

This provision requires the secretary of the Department of Administration to determine the amount spent by each state agency in fiscal year 2000-01 for membership dues for

any state or national organization and to lapse twenty percent of those amounts from each affected agency appropriation.

This language, as presented, provides no latitude regarding the appropriations or respective amount of required lapse that must be assessed. Because there are appropriations that exist solely for payment of a dues or membership fee which will require all of their budgeted resources in the 2001-03 biennium, I find the requirement to take twenty percent of each and every such appropriation to be overly restrictive. I am therefore partially vetoing the provision in a way that will permit the Department of Administration secretary to apportion the provision's overall required lapse on a more flexible basis across agencies and their appropriations. The fiscal effect of this veto will be neutral, since the total required amount will be lapsed.

### **3. Audit of State-Owned Aircraft Usage**

*Sections 9132 (3y) and 9159 (3y)*

These provisions request the Joint Legislative Audit Committee to direct the Legislative Audit Bureau to conduct a performance evaluation audit of aircraft usage by state agencies. If the bureau does not initiate this audit by December 1, 2001, the Department of Administration, Department of Transportation and Department of Natural Resources are directed to conduct a joint study to determine how reductions can be made in the costs associated with use of aircraft by state agencies.

I object to the required Legislative Audit Bureau study because I believe the three state agencies involved can perform this study adequately. I am, therefore, partially vetoing these provisions to remove the Legislative Audit Bureau study, but leave in place the requirement that the three agencies do the evaluation and report the results to the chief clerk of each house of the Legislature.

### **4. University of Wisconsin System Fleet Merger**

*Section 9156 (3s)*

This section transfers to the Department of Administration the assets and liabilities of the board of regents of the University of Wisconsin System relating to its fleet maintenance functions at the Madison campus, as determined by the secretary of the Department of Administration.

I am vetoing this section because it is unnecessary. An interagency committee is already studying how to optimize state fleet maintenance and is working toward this same goal. Combining the University of Wisconsin-Madison and Department of Administration fleet maintenance operations at this time would be premature until those study efforts have been completed.

**5. Procurement Conversion to Program Revenue**

*Sections 395 [as it relates to s. 20.505 (1) (kf)] and 817*

This provision creates a new biennial appropriation for support of central procurement operations.

I believe that a biennial appropriation does not provide enough flexibility to carry out the goals of the program. I am, therefore, partially vetoing this provision to give the Department of Administration greater flexibility in providing procurement services. The effect of this veto will be to change the biennial appropriation to continuing.

**6. Procurement Services Audit**

*Section 9132 (2ak)*

This section requests the Joint Legislative Audit Committee to direct the Legislative Audit Bureau to conduct a performance evaluation audit of procurement services provided by the Department of Administration to state agencies.

I am vetoing this section because it is unnecessary. The Legislature does not need nonstatutory authority to direct that a Legislative Audit Bureau study be conducted.

**7. Purchasing Card Rebates**

*Sections 227q and 9101 (19r)*

This provision requires the Department of Administration to credit any rebates received by state agencies through the use of the purchasing card to the fund from which the purchase was incurred.

The budget includes the conversion of funding for the state procurement program from GPR to program revenue. Among the intended sources available to agencies to fund the charges for the central procurement bureau are internal savings realized through the use of innovations such as the purchasing card. Requiring agencies to lapse such savings contradicts the original concept of converting state procurement functions to program revenue. It also would act to discourage agencies from trying to use technology in their operations. For these reasons, I am vetoing the purchase card rebate requirement.



## **BUILDING PROGRAM**

### **8. Retainage on Public Works Contracts**

*Sections 321m, 2026m and 9359 (10b)*

These provisions reduce the percentage of payments withheld on public works contracts from ten percent to five percent.

I am vetoing this provision because it is contrary to the industry standard of ten percent on such payments and reduces the state's ability to manage state building projects by decreasing the incentive of contractors to complete projects in a satisfactory manner. The effect of this veto will be to retain the ten percent standard, which is current law.

### **9. Wisconsin History Center Reporting Requirement**

*Section 9107 (7x)*

This provision requires that at least \$75,000,000 in gift, grants or other receipts funding be secured before any bonds are sold for the Wisconsin History Center project. It also requires that the Building Commission notify the Joint Committee on Finance when this gift funding has been secured which is then subject to the fourteen-day passive approval authority of the Joint Committee on Finance before the Building Commission may authorize any public debt for the project.

I believe the Building Commission should remain the sole state government body responsible for oversight of building projects. I object to the requirement that this project be subject to the additional review and approval of another legislative committee. Therefore, I am vetoing this provision.

### **10. Facility Operating Cost Estimates**

*Sections 104m and 227m*

These sections require the Department of Administration to provide the Building Commission with a statement of anticipated annual operating costs and other information for each building project proposed for enumeration. They also prohibit the Building Commission from recommending any project for enumeration in the authorized state building program unless the commission adopts and provides an estimate of the anticipated annual operating costs or the increased annual operating costs, plus the anticipated annual debt service costs of all projects in the first full year following their completion, and the revenue source for these costs.

I am vetoing these sections because the Building Commission already collects this information and includes these costs as part of its recommendations on the authorized state building program through the Department of Administration. The commission and the department are committed to addressing anticipated operating costs when considering building projects for approval.

## **11. Distributed Generation Units**

### *Section 319s*

This section requires the Department of Administration to investigate the potential of incorporating and using distributed generation units in any state building project that is expected to cost \$5,000,000 or more. The department is required to consider the cost effectiveness of these units, their potential for statewide power generation capacity and their potential for cost savings to the state. The department is also required to report its findings, together with its recommendations and the reasons for its recommendations, to the Building Commission prior to the commission's consideration of a project.

I am vetoing this section because the Department of Administration already reviews the feasibility of using this type of generation in larger building projects and incorporates such units when found to be cost-effective.

## **12. Restrictions on Acquisition Through Lease Purchase**

### *Sections 108b, 108c, 108e, 994e and 9307 (1x)*

These provisions prohibit the state from entering into a lease-purchase agreement that contains an option for the state to purchase a building constructed for purposes of initial occupancy by the state, unless construction and purchase of the facility is enumerated in the state building program prior to entering into the lease-purchase agreement.

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

## **13. Sale of Residual State Property**

### *Sections 107m, 107mm, 107n, 107nm, 107p, 107pm, 983m, 983mn, 2307jn, 2307jp and 9459 (5s)*

These provisions require each state agency that has jurisdiction over residual state property to solicit bids for the sale of that property no later than the end of a two-year period beginning on the effective date of the bill. They also require that any agency selling residual state property during that two-year period would have to sell the property to the highest responsible bidder, if any, who offers to pay at least the fair market value of the property. Residual property is defined as vacant state-owned land, including any improvements on that land, which is not utilized under any statutory program or any plan or proposal of a state agency. Annually, no later than September 1, each state agency that sold a parcel of residual property would be required to file a report with the cochairpersons of the Joint Committee on Finance that specifies the location and size of each parcel sold, the date sold, the estimated fair market value of the parcel sold, sales price and the allocation of the proceeds of the sale. The requirement for the sale of residual property would not apply to property that is leased to a person other than a state

agency on the effective date of the bill, if the terms of lease preclude the sale of property during the term of the lease, until the lease expires or is modified, renewed or extended, whichever occurs first. Finally, current law governing the sale of the surplus property by the Building Commission is subject to the requirements relating to the sale of residual property. These provisions would sunset on March 1, 2004.

I am vetoing these provisions because they place unnecessary time constraints on state agencies that may prevent them from realizing the full value of any state property sold. In addition, existing state policies on the sale of surplus land are adequate.

#### **14. Utility Service Cost Allocation Study**

##### *Section 9107 (12w)*

This provision requires the Building Commission to direct the Department of Administration to contract with a private person to study the extent of utility services provided to state programs funded by program revenue and to determine whether the charges made to the programs utilizing this service are fairly compensating the state for the cost of the service provided to the programs. The report must include any recommendations for changes in allocation of charges for utility services. The department must report the results of the study, together with any recommendations included in the study report, to the cochairpersons of the Joint Committee on Finance no later than July 1, 2002.

I am vetoing this provision because it is unnecessary. The Building Commission and the Department of Administration have the authority under current law to conduct a utility service cost allocation study.

#### **15. Revision of Enumerated Projects**

##### *Section 9101 (20z)*

In this provision, the Legislature requires the Department of Administration's Division of Facilities Development and the Building Commission to revise the enumerated projects listed in the authorized state building program. At the second quarterly s. 13.10 meeting of the Joint Committee on Finance, the Department of Administration must provide the Joint Committee on Finance the recommendations of the Building Commission to revise the 2001-03 authorized state building program to reflect the reduction of \$13,100,000 general fund supported borrowing provided in the budget bill. The Joint Committee on Finance is required to introduce appropriate legislation required to implement any revisions approved by the committee.

I am vetoing this provision because it is unnecessary. The legislative members of the Building Commission can introduce appropriate legislation required to make changes in the authorized state building program if such changes are deemed necessary. I believe the Building Commission should remain the sole state body responsible for oversight of building projects. I object to the requirement that changes in the authorized state building program be subject to s. 13.10 review prior to being introduced as separate legislation.

**16. Restriction on General Fund Supported Borrowing**

*Section 392p*

This section prohibits the level of general fund supported borrowing that is authorized in any biennium, excluding borrowing for the purpose of refunding previously authorized bonds, from exceeding 3.5 percent of the estimated taxes of the first year of the biennium.

I am vetoing this section because I believe the formula provided is unworkable and does not recognize that the cost of borrowing is controlled by the amount of annual debt service on bonds issued, not the principal amount of the bonds issued. The proposed formula does not take into account the different forms of borrowing the state enters into, which have different interest costs, as well as different amortization periods, affecting both the interest cost as well as the average life of the debt. Most importantly, the section does not recognize the time variability of debt issuance. Debt authorized by the Legislature in this budget may not be issued for several years. Moreover, the overall bonding increase included in the bill, as passed by the Legislature, is two-and-one-half times what would be allowed under the proposed formula. Wisconsin is one of the few states with a constitutional limitation on the amount of debt that it can incur. I am striking this section which attempts to create a different standard.

**17. Wausau State Office Facility Study**

*Section 9107 (12mk)*

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

I am vetoing this provision because it is unnecessary. The Building Commission is already authorized to conduct studies on the feasibility of constructing state office facilities.

**ELECTIONS BOARD**

**18. Recall Elections of City, Village, Town or School District Officials**

*Sections 94f, 94i, 94L, 94p, 94s, 3828m and 9359 (11q)*

These provisions revise the procedures for recalling city, village, town or school district officials. I am vetoing these provisions in their entirety because I believe changes in the procedures for recalling these officials should be adopted through separate legislation.

**19. Lease of Electronic Voting Equipment**

*Sections 906m, 9101 (20x), 9115 and 9129 (1x)*

These provisions require the Department of Administration to enter into a master lease on behalf of the Elections Board to obtain sufficient electronic voting equipment suitable for use in municipalities that employed a punch card electronic voting system at the 2001 spring election. I am vetoing these provisions because the department should make the determination as to whether use of master leasing is appropriate to replace punch card voting systems.

**ELECTRONIC GOVERNMENT**

**20. Appropriation Structure**

*Sections 395 [as it relates to s. 20.530 (1) (g), (is), (it), (kf), (kL) and (kr) ], 914, 9101 (7) and 9201 (4v)*

These provisions establish appropriations in the new Department of Electronic Government. In my budget recommendations to the Legislature, I proposed that the department have one continuing appropriation with which to conduct general program operations. I did this because the new direction the state must take in managing its information technology resources requires both the broader authorities vested in the chief information officer position heading the agency and the financial flexibility inherent in a continuing appropriation.

The Legislature adopted several of the recommended changes in powers and duties recommended for the chief information officer. However, it approved an annual appropriation instead of continuing. By applying my partial veto, the continuing appropriation authority which I originally recommended will be retained.

Because my partial veto simplifies and eliminates several appropriations under the new department, I also am partially vetoing some of the language relating to appropriation transfers. I am doing this to clarify that the secretary of the Department of Administration has full authority to ensure that appropriate assets and liabilities of operations and programs previously in the Department of Administration are transferred to the new department. Further, my veto is intended to give the secretary of the Department of Administration full authority to determine any question that might arise with respect to treatment of appropriation revenues and expenditures in the new department.

**21. Administrative Rule to Set Fees**

*Section 1030d*

The Department of Electronic Government created in the budget derives its funding through the assessment of fees for various services and activities. This section requires the department to establish all fees and charges through the administrative rule process. I am removing this requirement with my partial veto because it will unnecessarily burden the chief information officer in expeditiously implementing the agency's mission.

**22. Chief Information Officer Vote on Information Technology Management Board**

*Section 176*

This section creates the Information Technology Management Board which is attached to the Department of Electronic Government. The chief information officer is given membership on the board which is limited to a nonvoting status. I object to this limitation because I believe the chief information officer should be a full participating member. I am, therefore, vetoing the provision to remove the nonvoting status for the chief information officer.

**23. Ethics Board Procurement Authority**

*Sections 275m and 355m*

The Department of Electronic Government is authorized to oversee and provide technical assistance and training to small agencies. Provisions added in the budget permit the State Ethics Board an exemption from department oversight. The board may utilize any funding made available for small agency support to obtain assistance or training from any source. I am vetoing these provisions because the department should retain authority to determine the form and source of technical assistance for these agencies.

**24. Veterans Museum Distance Learning Support**

*Section 1030m*

This provision requires the Department of Electronic Government to administer a program providing outreach and training to veterans through a satellite system that is linked to five remote locations throughout the state.

I am vetoing this requirement because it is unnecessary. I believe that the Departments of Veterans Affairs and Electronic Government will mutually explore and pursue the best ways to use technology to assist veterans. The department will work with the Department of Veterans Affairs to increase outreach to veterans regarding veterans services and benefits and to provide training to Department of Veterans Affairs employees and to county veterans service officers. However, the new department should be allowed to decide how to accomplish this task after an assessment of how best to provide this assistance.

## EMPLOYEE TRUST FUNDS

### 25. Private Employer Health Insurance Coverage Program Changes and Funding

*Sections 395 [as it relates to s. 20.515 (2) (a)], 910t, 1400mm, 3741amb, 3766ec, 3766ef, 3766em, 9327 (3q) (a) [as it relates to s. 635.05 (1)] and 9427 (3q) [as it relates to s. 635.05 (1)]*

These sections provide funding for the start-up costs associated with the private employer health care coverage program, restrict the variance in health insurance premium rates which insurers are allowed to charge small employers and revise the definition of small employer. One provision requires the state life fund to provide an interest-free loan to the general fund in the amount of \$850,000. The same amount is appropriated under the Department of Employee Trust Funds. The loan is to be paid back from program receipts or from the general fund if the program receipts are not sufficient within a reasonable period of time. Another provision reduces the variance permissible in health insurance premiums charged by insurers to plus or minus ten percent of the midpoint rate for small employers with similar case characteristics. A third provision revises the statutory definition of small employer to incorporate an eligible employee standard present under current state law.

I am partially vetoing these provisions for the following reasons. The additional premium rate variance restrictions may have the effect of increasing costs to many small businesses that currently provide health insurance benefits to their employees. Therefore, I am striking out the rate band change. Also, I object to funding this program by an interest-free loan from the state life fund to the general fund. The life fund's assets are owned by the policyholders and are managed by the State of Wisconsin Investment Board, which has investment guidelines which such a required loan may violate. Therefore, I am vetoing the loan provision, and by lining out the Department of Employee Trust Funds' s. 20.515 (2) (a) appropriation and writing in a smaller amount that deletes \$850,000 GPR in fiscal year 2001-02, I am deleting the funds appropriated for this program. I am also requesting the Department of Administration secretary not to allot these funds. The Department of Employee Trust Funds, Office of the Commissioner of Insurance and State of Wisconsin Investment Board should explore arranging a loan which addresses needed program costs and conforms with the investment requirements of the board. Finally, I am vetoing the change in definition of small employer. I do so because the new definition would not meet the requirements of the federal definitions under the Health Insurance Portability and Accountability Act of 1996.

## EMPLOYMENT RELATIONS

### 26. Funding for Shared Human Resources System

*Sections 395 [as it relates to s. 20.512 (1) (k)], 910d and 9129 (1m)*

These provisions change the appropriation for the shared human resources system from continuing to a sum certain. In addition, these provisions prevent the Joint Committee

on Finance from supplementing the appropriation above \$16,000 until provided a number of reports.

I object to the change in appropriation status because I believe a continuing appropriation is better suited to the requirements of maintaining the system. I also am concerned that the requirements to prepare and submit additional reports as a condition for having supplemental funding requests considered will unnecessarily delay implementation of the shared human resources system. I am, therefore, vetoing these provisions in their entirety. The effect of my veto will retain the current law continuing appropriation.

## **LEGISLATURE**

### **27. Legislative Hotline**

*Sections 102p, 2304p and 9432 (1z)*

This provision prohibits the Legislature from maintaining a toll-free telephone service for use of the public to contact members of the Legislature.

The legislative hotline provides a convenient means for the public to contact members of the Legislature. Eliminating this central point of access could discourage citizens from communicating with their legislators. For this reason, I am vetoing deletion of the legislative hotline.

### **28. Emergency Rule Changes**

*Sections 3034d, 3034j and 3034k*

This provision changes the initial length of time that emergency administrative rules may be in effect from 150 to ninety days. It also modifies the maximum extension of the effective period from 120 days to 180 days. Also included is a new requirement that any proposed administrative rule must be submitted to the Revisor of Statutes and the Secretary of State within thirty days after legislative review is complete.

I am vetoing this provision because it places unnecessary restrictions on the executive branch and the emergency rule process.

### **29. Legislative Council Studies**

*Sections 9132 (4b) and 9132 (4z)*

Section 9132 (4b) requests the Joint Legislative Council to study how juries are selected, including what actions are needed to increase the participation of racial and ethnic minorities on juries so that juries reflect the racial and ethnic composition of the areas from which the juries were selected. Section 9132 (4z) requests the council to study how state government, the state's research universities and the state's business



community can foster economic development in this state by assisting industries and businesses that are based on science and technology.

I am vetoing these provisions because they are unnecessary. These studies can be completed without a nonstatutory requirement.

**30. Capstone Certificate Program Reimbursement Funding**

*Section 395 [as it relates to s. 20.765 (1) (a)]*

This section provides \$9,500 GPR annually to the Assembly to reimburse staff members who participate in the Capstone Certificate Program. This program provides professional development courses to staff members of the Legislature.

I am vetoing this section because providing funding to only one house of the Legislature would discourage other staff members from participating in the program. By lining out the s. 20.765 (1) (a) appropriation and writing in a smaller amount, I am deleting \$9,500 each year for the Capstone Certificate Program.

**MILITARY AFFAIRS**

**31. National Guard Tuition Grant Program**

*Sections 1024bg, 1024c, 1024m, 9336 (2gk) and 9436 (1gk)*

These sections reduce the reimbursement percentage for the National Guard Tuition Grant program from 100 percent to 85 percent. They also make grant recipients ineligible for tuition reimbursement if they are members of the U.S. armed forces, including the National Guard, for ten years or more and make guard members eligible for grants after June 30, 2005, only if they attend University of Wisconsin System schools, schools participating in the Minnesota-Wisconsin reciprocity agreement or any technical college.

I am vetoing these sections in their entirety because they will have an adverse affect on maintaining a strong National Guard. I am committed to maintaining a 100 percent tuition grant reimbursement program for the National Guard in Wisconsin. The program is a vital recruitment incentive. While I cannot restore funding for the current law reimbursement rate through a veto, I will support legislation that provides full funding of the program at a 100 percent reimbursement level.

**32. Badger Challenge Program**

*Section 9159 (1) (b)*

This provision prohibits the Department of Military Affairs from submitting a request to reduce funding for the Badger Challenge Program as part of the department's general purpose revenue appropriation reduction for state operations.

I am vetoing this provision because it will have an adverse affect on the department. Every other state agency that must reduce general purpose revenue funding in state operations may request to reallocate its reduction to any other general purpose revenue appropriation for state operations within the agency. It is inequitable to prohibit the Department of Military Affairs from requesting to reduce general purpose revenue in the Badger Challenge Program when other state agencies are not restricted in such a manner.

## REGULATION AND LICENSING

### 33. Regulation of Closing Agents

*Sections 3579c, 3608cg, 3608cm, 3608cr, 3608dg, 3608dq, 3608dr, 3608eg, 3608em, 3608er, 3608fg, 3608fm, 3608fr, 3608gg, 3608gm, 3608gr, 3608hg, 3608hm, 3608hr, 3608ig, 3608im, 3608ir, 3608jg, 3608jm, 3608jr, 3608kg, 3608km, 3608kr, 3608Lg and 9443 (3km)*

These provisions newly regulate real estate closing agents and require that all trust accounts used by closing agents be interest-bearing. The interest earned by these trust accounts would be transferred to the Department of Administration to provide grants to alleviate homelessness.

I am vetoing these provisions in their entirety because the licensing requirements do not respond to a demonstrated need and will add little additional protection for consumers.

### 34. Regulation of Cemeteries

*Sections 395 [as it relates to 20.165 (1) (q)], 465p, 1104p, 1144m, 2077, 2093, 2100m, 2852bb, 2852bf, 2852bj, 2852bL, 2852bn, 2852bp, 2852br, 2852bt, 2852bx, 2852da, 2852dc, 2852de, 2852dk, 2852dm, 2852ds, 2852dt, 2852dy, 2852fb, 2852fd, 2852fh, 2852fj, 2852fL, 2852fn, 2852fp, 2852fr, 2852ft, 2852fu, 2852fw, 2852fx, 2852gb, 2852hb, 2852jd, 2852jf, 2852jh, 2852jj, 2852jL, 2852jn, 2852jp, 2852jr, 2852jt, 2852jv, 2852jx, 2852jy, 2852jz, 2852Lb, 2852Ld, 2852Lf, 2852Lh, 2852Lj, 2852LL, 2852Ln, 2852Lp, 2852Lt, 2852ob, 2852obm, 2852oc, 2852od, 2852oh, 2852of, 2852og, 2852oj, 2852ok, 2852oL, 2852on, 2852op, 2852or, 2852ot, 2852ov, 2852ox, 2852oz, 2852pb, 2852pd, 2852pf, 2852ph, 2852pj, 2852pL, 2852pn, 2852pp, 2852pr, 2852pt, 2852pv, 2852px, 2852pz, 2852qb, 2852qd, 2852qf, 2852qh, 2852qhk, 2852qhL, 2852qj, 2852qL, 2852qn, 2852qp, 2852qr, 2852qt, 2852qv, 2852se, 2852sh, 2852si, 2852sj, 2852sk, 2852sL, 2852sm, 2852sn, 2852snb, 2852so, 2852sp, 2852sq, 2852sr, 2852ss, 2852st, 2852sv, 2852sx, 2852sz, 2852w, 2852yh, 2852yL, 2852yu, 3492w, 3504f, 3504h, 3504k, 3605gb, 3605gf, 3605gL, 3605gn, 3605gp, 3605gx, 3605ic, 3605ih, 3605in, 3605iq, 3605is, 3605iv, 3605kd, 3605kL, 3605km, 3605kn, 3605kp, 3605kr, 3605kt, 3605kv, 3605kx, 3605kz, 3605mb, 3605md, 3605mf, 3605mh, 3605mj, 3605mm, 3605mn, 3605mv, 3605mx, 3605mz, 3605ob, 3605od, 3605of, 3605oh, 3605oj, 3605oL, 3605on, 3605op, 3605or, 3605ot, 3605ov, 3605ox, 3605oz, 3605qb, 3605qd, 3605qg, 3605qh, 3605qhc, 3605qhe, 3605qhg, 3605qhj, 3605qhk, 3605qj, 3605qjd, 3605qjf, 3605qr, 3605qt, 3605qx,*

3605qz, 3605sb, 3605sd, 3605sh, 3605sj, 3605sl, 3605sn, 3605sp, 3605sr, 3605st, 3605sv, 3605ud, 3605uh, 3605uv and 3605ux.

Under current law, if a cemetery is abandoned, the respective city, town or municipality having jurisdiction is obliged to assume care for the property. These provisions change the law to require that if a cemetery in Milwaukee County is abandoned or neglected for a period of six months, the city, town or municipality in which the cemetery is located must report the problem to a cemetery authority. The authority then has 90 days (plus one 90-day extension) to address the situation. If the cemetery authority does not succeed with a remedy, a court may appoint a trustee to manage the cemetery and correct existing problems.

The provision also creates a new Cemetery Management Insurance Trust Fund. This fund would consist of revenues collected in Milwaukee County from a \$10 filing fee for death certificates and a \$1 surcharge on certified copies of death certificates. The amounts available are to be used to fund activities of the trustee appointed to manage the neglected or abandoned cemetery.

I am concerned that the trustee's ability to adequately maintain the cemetery will be linked to the new Cemetery Management Insurance Fund balance. Currently, no other state requires a fee to file a death certificate. This fee could provide a disincentive for individuals to file a death certificate, which could impact the official number of deaths for Milwaukee County as well as limit the liquidity of the new fund.

Also, there has not been a formal inventory to estimate how many neglected cemeteries might require management by a trustee. Nor has there been a study to determine the trustee costs for managing a neglected cemetery. The provision provides no alternate means of payment of trustee costs should the insurance fund become depleted.

For these reasons, I am vetoing this provision in its entirety. Although local units of government in Milwaukee County are naturally concerned with the costs in assuming control of an abandoned cemetery, the provisions in the budget proposal offer questionable relief and would likely prove to be insufficient to accomplish their goals.

### **35. Evaluation of Credentialing Fees**

#### *Section 9132 (3v)*

This section requires the Legislative Audit Bureau to conduct a review to evaluate the methodology used by the Department of Regulation and Licensing for recalculating administrative and enforcement costs as part of fee setting for issuing and renewing credentials.

I am vetoing this section because this review can be completed without a session law requirement.

**36. Inclusion of an Institutional Pharmacist on the Pharmacy Examining Board**

*Sections 182q, 182r and 9443 (2x)*

This provision changes the makeup of the Pharmacy Examining Board to require that one of the seven members appointed to the board shall be employed as an institutional pharmacist.

I am committed to the appointment to the board of individuals who represent diverse aspects of the profession. However, I object to having membership dictated by statute, in this case, and am, therefore, vetoing this provision. Appointments to the board will continue to show the proper balance of interests without this requirement.

**VETERANS AFFAIRS**

**37. Regional Veterans Claims and Benefits Coordinators**

*Sections 1451m, 1451n, 1451p, 1451r and 9157 (5mk)*

These provisions prohibit the Department of Veterans Affairs from employing more than eight regional coordinators, more than seven claims officers, more than two mobile claims officers, and more than one claims officer in each of the department's other three regions. In addition, the department is required to study the need for additional mobile claims officers and regional coordinators with the focus of each study to be on needs outside of the southeastern regional service area. Finally, the provisions require that the department consult with and receive the concurrence of a county veterans' service officer organization before submitting a request to the Joint Committee on Finance under a 14-day passive review procedure for additional regional coordinator positions if both the department and the organization find that more positions are needed.

These sections unduly constrain the current statutory authority of the Veterans Affairs Board which oversees the operations of the department and limits the ability and flexibility of the secretary of the department to analyze and accommodate the changing demographics and needs of Wisconsin's veterans. I object to restrictions and am vetoing these provisions. Currently, five committees comprised of eighteen representatives from the County Veterans Service Organization and 21 veterans service organizations provide counsel and recommendations on department programs and processes. The board also receives public testimony. This is sufficient oversight. The proposed language mandating consultation or concurrence from advocacy groups regarding internal staffing management is unacceptable.

**38. Veterans Outreach Initiative**

*Sections 788s, 788sf, 792j, 1458m and 9157 (6c)*

These provisions require the Department of Veterans Affairs to provide funding for federal benefits dispute training for the Wisconsin Chapter of Vietnam Veterans of America, Inc., and to provide funding to the Armitage House for homeless veterans in Onalaska, Wisconsin.

I am vetoing the requirement to provide funding to the Wisconsin Chapter of Vietnam Veterans of America, Inc., because I object to the duplication this creates in services already available under existing department programs. The National Vietnam Veterans of America Office has approved the department's use of contractual claims training in place of National Vietnam Veterans of America sponsored training to meet accreditation requirements. There is no need for additional funding to support other training for this purpose.

I am also vetoing the requirement to provide funding to the Armitage House in Onalaska, Wisconsin. Although it is a worthy project and one that could be considered for increased funding in the future, I believe it is inappropriate to require the department to provide a grant to one specific program housing homeless veterans when the department already operates the Veterans Assistance Program which provides housing and veterans rehabilitation services to homeless veterans in several locations around the state.

### **39. Veterans Emergency Aid Pilot Program**

*Sections 788s, 9157 (8c) and 9457 (3c)*

These provisions establish a Veterans Emergency Aid Pilot Program in Monroe County. This program requires the department to provide a grant of \$20,000 to the Monroe County Veterans Service Office to administer an emergency assistance program to low-income veterans receiving services from the Veterans Administration Medical Center in Tomah or at the Veterans Assistance Center in the same location. The program would allow the Monroe County Veterans Service Officer to determine eligibility of veterans for aid, which may consist of emergency services such as transportation services, food or temporary housing.

I am vetoing this program because it duplicates existing federal, state and local emergency aid facilities, programs and services to low-income veterans currently in use in Monroe County and surrounding counties. Discharge planning programs from the Veterans Administration Medical Center and Veterans Assistance Center at Tomah offer adequate referral services for veterans in transition from those facilities into, and around, Monroe County. The department currently operates the Veterans Assistance Program, which offers services to homeless veterans, and the Subsistence Aid Grant Program, which offers financial assistance for the same transportation services, food and temporary housing as the proposed emergency aid pilot program would provide. In addition, the proposed program would establish an inequitable use of a veterans trust fund allocation to one county and may establish a precedent in which multiple counties may pursue funding for similar purposes.

## F. TAX, FINANCE AND LOCAL GOVERNMENT

### ADMINISTRATION

#### 1. Division of Gaming – License Requirements for Simulcast Racing

*Sections 3713c, 3713d and 3713e*

These provisions change the license requirements for simulcast racing. These sections would increase the number of live race performances from 250 to 275 performances, remove the requirement that simulcast wagering be conducted at a track only as an adjunct to live performance wagering and remove the requirement that simulcast revenues could not be a primary source of revenue.

I am vetoing these sections because I am concerned about this expansion of gaming. These sections could give rise to a virtual off-track betting facility at a racetrack. I believe such an expansion is beyond the scope envisioned in the constitutional amendment that originally authorized pari-mutuel wagering at racetracks. Such an expansion does not belong in the budget but should instead be subject to extensive legislative scrutiny and should be considered as separate legislation.

### BUDGET MANAGEMENT

#### 2. Budget Stabilization Fund, Cash Building Projects Fund and "Buy Down" of School Aid Payment Shift

*Sections 103, 245, 395 [as it relates to s. 20.867 (6) (a) and (q)], 980c, 1104n, 1145d, and 9101 (25j) [as it relates to the cash building projects fund]*

These sections create a cash building projects fund and specify an allocation of unanticipated tax revenues. Unanticipated revenues are split three ways under these provisions. One-half of unanticipated revenues are paid to the budget stabilization fund. Of the remainder, the first \$115,000,000 is used to annually reduce the amount of the \$115,000,000 June school aid payment shift. Any residual amount after paying the \$115,000,000 is paid to the cash building projects fund.

I am vetoing these provisions because the payment flow to the cash building projects fund is badly flawed. Before any funds are actually paid to that fund, the unanticipated revenues must exceed \$230,000,000 in a year. This seems unlikely in most years. Even in years this would occur, only a small amount of any unanticipated revenues would actually be allocated to the fund.

I am also vetoing these provisions because I am concerned with the "buy down" provisions of the school aid payment shift. The provisions preserve the \$115,000,000 payment shift permanently and only reduce the amount shifted by one-half of unanticipated revenues in any one year. Rather than use a gain in revenues to permanently restore the payment, the payment shift is allowed to continue as an unfunded commitment in future years.

The fiscal future of the state is better served by investing unanticipated revenues toward paying its bills on time and building budget reserves. By vetoing this provision, I am maximizing the amount of revenues allocated to the general fund balance and placing the state on firmer financial footing.

### **3. Statutory Minimum Balance**

*Sections 392m and 9101 (25j) [as it relates to establishing the statutory minimum balance for fiscal year 2002-03]*

These provisions reduce the statutory minimum balance from 1.4 percent of general fund appropriations and compensation reserves to \$90,000,000.

I am vetoing this provision because the reduction in the minimum balance would jeopardize the financial soundness of the general fund. At \$90,000,000, the minimum balance would be less than one percent of general fund appropriations. This is inadequate as a financial reserve to preserve a balanced budget. As a result of my veto, the minimum balance would be increased to 1.2 percent for fiscal year 2002-03.

The state of Wisconsin has one of the weakest financial reserves of any state in the nation. Unlike the vast majority of states, Wisconsin has failed to build budget balances or set-aside revenues in a stabilization fund. During the last biennium, recognizing this weakness, the Legislature saw fit to adopt a staged approach to building higher budget balances. This biennium, the Legislature chose to retreat from this objective by adopting a minimum balance that is the lowest in years.

If Wisconsin had developed adequate reserves in times of surplus, some of the difficult decisions made in this budget would be unnecessary. To avoid retreating on the budget balance, I am partially vetoing these sections to preserve the budget balance standard in place for fiscal year 2000-01.

## **EMPLOYMENT RELATIONS COMMISSION**

### **4. Qualified Economic Offer**

*Sections 2609L, 2609m, 2609p, 2609t and 9317 (8m)*

These sections make three major changes to Wisconsin's qualified economic offer provision, which affects the collective bargaining process between school boards and teachers unions. First, section 2609L requires a qualified economic offer to maintain all conditions of employment that existed in the previous contract. Second, section 2609m requires a qualified economic offer to maintain all permissive subjects of borrowing that existed in the previous contract. Third, section 2609p requires that school boards submit qualified economic offers on a timely basis. Section 2609t requires the Employment Relations Commission to establish a methodology for assessing the validity of qualified economic offers, and section 9317 (8m) makes the changes first apply to petitions for arbitration on the effective date of the budget act.

I am vetoing these sections in their entirety because their potential economic and policy impact has not received any objective review or analysis. Before any changes are made to the qualified economic offer provision it is critical to know what impact they will have on the state's financial commitment to support elementary and secondary education and on school district revenue limits.

It is also important to analyze how the changes will effect the collective bargaining process itself. For example, requiring school boards to maintain all permissive subjects of borrowing may increase the reluctance of school boards to include these subjects in future contracts. Maintaining all conditions of employment, no matter how innocuous, could result in otherwise qualified offers being invalidated on technicalities. Depending on the interpretation, requiring school boards to submit qualified economic offers on a timely basis could force school boards to impose qualified economic offers instead of actively bargaining with teachers unions. In addition, making this provision apply to petitions for arbitration filed after the effective date creates a double standard between districts that have already settled their contracts for the 2001-03 contract period and those that have not.

The collective bargaining process is very complex and has significant implications for both the financing and management of the state's public school system. Major changes to the process must not be made without careful study and review. Including these changes in an omnibus budget bill without objective analysis or public hearings is not good public policy.

I recognize that state programs need to be reviewed periodically and sometimes require revision. I would support efforts to provide for a comprehensive and objective study of Wisconsin's qualified economic offer law.

## **DEPARTMENT OF FINANCIAL INSTITUTIONS**

### **5. Regulation of Rent-to-Own Agreements**

*Sections 3020p, 3020v, 3021v, 3021w, 3492f, 3492r, 9120 (1d), 9320 (1d) and 9420 (1d)*

These sections remove rental purchase companies from the jurisdiction of the Wisconsin Consumer Act and create Subchapter XI of Chapter 218 under which these companies would be licensed and rental purchase agreements regulated. The sections also authorize the Department of Financial Institutions to promulgate rules regarding certain licensing fees required under Subchapter XI.

Merchants who offer credit sales and merchants offering rental purchase agreements should be regulated to guarantee a level playing field for the merchants and fairness for consumers. Although these provisions recognize that the rental purchase industry offers a service that is in some ways different from credit sales, they do not sufficiently recognize the issues common to both rental purchase and credit sales merchants. One of these issues is disclosure of annual percentage rates. Without full disclosure of these rates, comparison shopping by consumers becomes even more difficult. These provisions fail to address this essential issue of consumer fairness.



I am vetoing these sections entirely because these provisions do not adequately address the common issues of consumer protection and because I object to the inclusion of this substantial and important policy change in the budget. The rental purchase industry offers consumers a valuable service and the unique features of this service should be recognized. Revisions to acknowledge the appropriate manner and substance of the regulation of rental purchase companies should be considered as separate legislation.

## **GENERAL FUND TAXES**

### **6. Internal Revenue Code Update**

*Sections 2130d, 2130db, 2130dd, 2130df, 2130dh, 2130dj, 2130dL, 2130dn, 2130dp, 2130dr, 2130dt, 2158d, 2158db, 2158dd, 2158df, 2158dh, 2158dj, 2158dL, 2158dn, 2158dp, 2158dr, 2158dt, 2158du, 2158dv, 2158dw, 2158dx, 2158dy, 2158dz, 2158dzb, 2158dzd, 2158dzf, 2175d, 2175db, 2175dc, 2175dd, 2175de, 2175df, 2175dg, 2175dgm, 2175dh, 2175dj, 2176d, 2182d, 2182db, 2182dc, 2182dd, 2182de, 2182df, 2182dg, 2182dh, 2182dj, 2182dk, 2182dL, 2182dm, 2182dn, 2182dp, 2182dq, 2182dr, 2182ds, 2182dt, 2182du, 2182dv, 2182dw, 2184r, 9144 (3z) and 9344 (28z)*

Beginning in tax year 2001, these sections, with three exceptions, provide that state individual and corporate income and business tax provisions referenced to the federal Internal Revenue Code (IRC) would refer to the code in effect on December 31, 2000, rather than to December 1999, as under current law.

The Legislature intended to exclude the three federal law changes that relate to the deductions for environmental remediation costs, donations of computer equipment and the treatment of foreign sales corporations. However, the bill as passed by the Legislature excludes these provisions only for tax years prior to 2001. It inadvertently adopts them for 2001 and subsequent years. In so doing, there could be a decrease in tax revenue not intended by the Legislature.

I am vetoing these sections to avoid the potential revenue loss. This would keep the revenue estimates in accord with the estimates the Legislature considered in passing the budget.

I recognize the inherent complexity of the Internal Revenue Code. I request the Legislature to reconsider the IRC update as it intended and pass the update as separate legislation.

### **7. Sales Tax Exemption for Water Slides**

*Sections 2246nm and 9444 (3w)*

This provision provides a sales and use tax exemption for commercial water-park slides including support structures, attachments and parts. The exemption reduces general fund revenues by \$90,000 in 2001-02 and by \$120,000 in 2002-03.

I am vetoing this section because I object to such a narrowing of the sales tax base. This is a highly selective exemption for one form of construction and maintenance of entertainment or recreational structures. This favors a single industry among a variety of industries providing recreation

## **8. Individual Income Tax Exclusion for Military Pensions**

### *Sections 2142m and 2142n*

Starting in tax year 2002, these sections exclude from taxation all payments, other than surviving spouse benefits, received from the U.S. military employee retirement system that are not excluded under current law.

I object to the exclusion of surviving spouse benefits from this new tax benefit. Under current law pre-1964 military pension and surviving spouse benefits are not taxed. It is inequitable to broaden the exemption to include only post-1963 military pension and to not include post-1963 surviving spouse military retirement benefits. My partial veto of this section will make these surviving spouse benefits tax exempt.

## **9. Estate Tax**

### *Section 2200L*

This section requires persons who prepare an estate tax return for deaths occurring after December 31, 2002, to prepare a return under this newly decoupled Wisconsin estate tax. Other provisions in the bill decouple the Wisconsin estate tax from the federal estate tax beginning in fiscal year 2003-04. Because estate taxes are due nine months after a death, the relevant date for deaths should have been for deaths occurring after September 30, 2002.

I am partially vetoing this section to remove the December 31, 2002, date because it does not reflect legislative intent. This partial veto realizes the Legislature's intent to begin the new, separate Wisconsin estate tax in fiscal year 2003-04 by requiring estate tax preparers to prepare returns under the decoupled Wisconsin tax in fiscal year 2003-04. It is my intent to rescind the decoupling of Wisconsin's estate tax from the federal estate tax in my 2003-05 biennial budget.

## **10. Artistic Endowment Foundation Tax Credits**

### *Sections 2148m, 2150d, 2150t, 2175, 2179d, 2179h, 2193d, 2193h and 2205n*

Sections 2148m, 2150d, 2150t, 2175, 2179d, 2179h, 2193d and 2193h provide a nonrefundable individual, corporate and insurance company tax credit for contributions to the Artistic Endowment Foundation created in this budget.

Under this credit a tax filer could claim ten percent of the amounts contributed to the artistic endowment fund. The maximum credit is \$50 (\$100 for married couples filing jointly) or \$500 for the corporate tax credit.

Section 2205n requires the Department of Revenue to provide for an income tax form provision that would allow a taxpayer to contribute additional funds to the Artistic Endowment Foundation. These additional contributions would reduce a taxpayer's refund or increase a taxpayer's payment for tax liability.

I support the new Artistic Endowment Foundation, but I object to the new ten percent credit as it doubles the amount of the current five percent itemized deductions credit. Many contributions or expenses that are eligible for the current five percent credit are as worthy of tax code benefits as are contributions to the arts. I support the arts, but I do not believe Wisconsin should provide a new and exceptional tax benefit to artistic contributions. I am vetoing these sections to eliminate this new credit. As a charitable contribution, contributions to the Artistic Endowment Fund will be eligible for the current five percent itemized deductions credit.

I am vetoing section 2205n entirely because I object to the requirement that the Department of Revenue should modify the tax forms as indicated in section 2205n. The above veto of the credit removes the need for the department to modify the tax forms.

#### **11. Baseball Park District Income Tax Checkoff**

*Sections 395 [as it relates to s. 20.566 (1) (hp)] 917r, 2153g, 3037m, 3037n and 9311 (8x)*

These sections:

- Provide funding for the Department of Revenue's administration of voluntary payments for professional baseball park districts.
- Define voluntary payments for these districts and establish the procedure for making such contributions to a baseball park district on the income tax return. These additional contributions would reduce a taxpayer's refund or increase a taxpayer's payment for tax liability.
- Specify how the department must handle taxpayer conditional donations and errors such as failures to remit correct amounts or refunds insufficient to pay the designated contribution.
- Structure the collection and distribution of any such contributions for administrative expenses and to retire bonds issued for the initial construction of such baseball park facilities.
- Provide for refunds of such donations under specific circumstances.

I am vetoing these sections entirely because I object to this checkoff. Wisconsin should strive to simplify and reduce the length of income tax forms. This provision will increase the complexity and length of our forms. This veto will not prevent taxpayers and other interested parties from contributing to a baseball park district. Therefore, this checkoff is not needed and this veto eliminates the provision.

## **PUBLIC SERVICE COMMISSION**

### **12. Promulgation of Rules to Facilitate the Production of Distributed Energy**

#### *Section 9142 (2zq)*

These provisions direct the Public Service Commission to promulgate rules on distributed energy by the first day of the ninth month after the effective date of the budget.

I am vetoing this section to give the commission flexibility in developing these rules. The technical requirements for engineering, electric reliability and safety set elsewhere in the bill are extensive. The bill also adds review and analysis by an advisory panel in addition to the review already required by the Joint Committee on Administrative Rules. To ensure there is adequate time for complete review and analysis of these rules, I am partially vetoing this section to remove the nine month deadline.

### **13. Technical Veto – Telecommunications Regulation**

#### *Section 3011d*

This provision was among a series of changes I recommended regarding the Public Service Commission's enforcement authority against telecommunications providers. The Joint Committee on Finance decided to remove the proposal from the budget. However, due to a drafting error this section of the proposal remained in the bill.

I am vetoing this section to conform the bill to the record of legislative intent.

### **14. Voice Mail for the Homeless**

#### *Section 395 [as it affects s. 20.155 (1) (q)]*

This provision provides funding from the universal service fund. This includes \$20,000 each year for voice mail for the homeless.

By lining out the Public Service Commission's s. 20.155 (1) (q) appropriation and writing in a smaller amount that deletes \$20,000 SEG in fiscal year 2001-02 and \$20,000 SEG in fiscal year 2002-03, I am vetoing the funding for voice mail for the homeless. Relative to the overall needs of the homeless, this is a luxury. Funds for homeless services should first be allocated for food and shelter. It is ironic that working families are called upon to pay for voice mail services they cannot afford for themselves.

This is not an area requiring state involvement. It can be handled through private donations and corporate contributions. In many states, and even in Wisconsin, telecommunications providers have stepped forward to provide the homeless with voice mail.

**15. Wisconsin Advanced Telecommunications Foundation Contributions**

*Section 9142 (3mk) (d)*

This provision would allow telecommunications providers to pass assessments related to the Wisconsin Advanced Telecommunications Foundation (WATF) onto a customer's bill in the form of a surcharge. A telecommunications provider could only levy such a surcharge if the bill states that the surcharge is being assessed because of the telecommunications provider's failure to contribute to the WATF prior to its dissolution.

I am vetoing this provision because it would result in additional charges on consumers' phone bills at a time when consumers are already paying significant state and federal charges on their bills. The effect of this veto would be to delete telecommunications providers' ability to pass remaining WATF assessments onto consumers.

**DEPARTMENT OF REVENUE**

**16. Volunteer Income Tax Assistance Program**

*Sections 2205m and 9144 (2x)*

These sections require the Department of Revenue to work with the Internal Revenue Service and the University of Wisconsin-Extension to undertake a volunteer income tax assistance program. The program is to encourage volunteering by the state's financial and legal professionals, provide training for the volunteers, and assist in creating mobile sites to offer income tax assistance to rural and underserved areas.

I am making two partial vetoes to these sections. First, I am vetoing the requirement that the department assist in the creation of mobile sites because this may not be the best means to serve all rural and underserved areas of the state. With my veto, the department will be able to examine other means of service delivery and consider the cost and benefit of each option. Second, I am vetoing the requirement that sufficient volunteers be recruited by January 1, 2002, to meet the demand for tax assistance services. I am vetoing this provision because the department will not be able to perfectly discern the level of demand for services by this date. If necessary, the department may need to recruit additional volunteers after January 1. Both of my partial vetoes of these sections reflect the Department of Revenue's ongoing effort to serve Wisconsin residents in the most efficient and effective manner possible.

**SHARED REVENUE AND TAX RELIEF**

**17. Municipal Shared Revenue Payments**

*Section 2281e*

This section specifies that each municipality in calendar years 2002 and 2003 shall receive a one percent increase in its shared revenue payment compared to the payment the municipality received in the previous year. It also specifies that in 2004 and

thereafter, each municipality shall receive a shared revenue payment equal to the payment it received in 2003.

I am partially vetoing this section in two ways. I am partially vetoing the section to eliminate the freeze in shared revenue payments that the section creates beginning in 2004. I am vetoing this provision because the shared revenue formula should be allowed to redistribute state aid according to need over time. Without my veto, payments would remain static forever into the future regardless of whether a municipality gains tremendous property wealth or loses a large share of its tax base. With my veto, shared revenue payments will increase for those municipalities with greater needs.

I am also using a partial veto to eliminate an ambiguity in the language. I am vetoing the phrase "under this section" because deleting this phrase will clarify that the one percent across-the-board increases provided in 2002 and 2003 include the utility component of shared revenue but exclude small municipality shared revenue. This technical correction was recommended by the Legislative Fiscal Bureau to ensure that this section's language reflects legislative intent.

#### **18. Exclude Lafayette County from Maximum Constraint**

##### *Section 9344 (9m)*

This section specifies that the exemption of Lafayette County from the maximum constraint provision of the shared revenue formula shall first apply to the shared revenue payments made in November 2001.

I am partially vetoing this section to move the initial applicability of the Lafayette County exemption from the 2001 to the 2002 payments. I am making this partial veto because it is disruptive to change shared revenue payments this late in counties' 2001 fiscal year. Without this partial veto, shared revenue payments for nineteen counties will be reduced in November 2001 to amounts below those anticipated by these counties when they set their 2001 budgets. As a consequence, these counties could end up in deficit situations by no fault of their own. My veto avoids this concern. By shifting the first year to which the exemption applies to 2002, counties will have adequate time to incorporate all of the bill's shared revenue provisions into their budget planning.

Because my veto moves the first year of the Lafayette County provision to coincide with the first of two back-to-back increases in shared revenue under the bill, I expect no county to experience, solely as a result of the exemption, a decline in its 2002 payment compared to 2001. This is because I am signing into law increases in county shared revenue payments that exceed the amount of funding that the Lafayette County exemption reallocates. For the 2002 payments, I am approving increases in county shared revenue and county mandate relief payments that total \$1,897,400. The Lafayette County exemption will redirect to that county approximately \$1,200,000 of this increase. The additional aid will more than offset the amount redistributed by the exemption and will largely flow to the specific counties impacted by the Lafayette exemption. The bill's second increase in county shared revenue and county mandate relief totaling \$1,916,400 in 2003 should further relieve concerns over the redistributive impact of the Lafayette County exemption because it provides an additional increase

after the Lafayette County exemption is already implemented. Only a small portion of the 2003 increase is expected to go to Lafayette County.

Lafayette County's need for assistance is clear. Lafayette County imposed the second highest tax rate of all counties on the December 2000 property tax bills. The first and third highest, Menominee and Florence, were previously exempted from the maximum constraint. In 2001, the county's operating levy was the highest permissible under the county mill rate limit. By far, Lafayette County is the most negatively impacted county under the current minimum/maximum provisions of the shared revenue formula. In 2001, the county is receiving only sixteen percent of the amount it is entitled to under the equalization formula.

The county's situation is not new. Lafayette County has been on the maximum constraint for years. As the county with the largest share of its property value in agricultural land, the fall in farmland values in the 1980s hit the county's tax base very hard. The county's 2001 tax base is virtually identical to what it was twenty years ago. In 1981, the county's equalized value was \$682,437,900. In 2001, it is only one percent higher, at \$690,737,800. During this same time period, the tax base of all counties statewide increased by 177 percent. Adjusted for inflation, Lafayette County's tax base is half of what it was twenty years ago.

I am not content, however, with the means the Legislature chose to assist Lafayette County. Exempting a county from the maximum constraint is a crude on/off switch for adjusting state aid. This approach provides only two choices: allowing a county to be punished by the constraint or allowing it to gain substantially without regard to the needs of others. Consequently, I encourage the Legislature to consider other means to adjust the maximum constraint. Other approaches could create a more equitable situation rather than an environment in which each county subject to the maximum seeks to become the next exception.

## **19. Special Charges for Municipal Services**

*Sections 2022tL, 2022w, 2022x, 2023 and 9359 (8z)*

These sections allow municipalities to impose special charges for services available, regardless of whether the services are actually rendered, by allowing municipalities to allocate all or part of the cost of the services to properties served or eligible to be served.

I am vetoing these sections because the imposition of a charge for services not rendered blurs the line between fees and taxes. I am also concerned that this provision will have a negative impact on the activities of many nonprofit organizations because the provision would broaden the scope of charges that could be applied to tax-exempt property. While this provision would help municipalities finance public services, it could hinder private entities that produce public benefits. I am especially concerned that this provision would lead to reductions in programs that help the homeless, the disabled and other populations assisted by the many nonprofit organizations across the state. I do hope, however, that a dialogue between municipalities and the owners of tax-exempt property will occur that will produce an acceptable means to ensure that municipalities are enabled to adequately finance public services without impairing the benevolent efforts of our nonprofit organizations.

## **20. Automatic Teller Machines**

### *Sections 2108q and 9344 (23k)*

These sections exclude automatic teller machines from the property tax exemption for computer equipment beginning January 1, 2002.

I am vetoing this provision because it will lead to higher fees for Wisconsin residents to use automatic teller machines by increasing the costs of operating the machines. I am also vetoing this provision because it is an unnecessary intrusion into the Department of Revenue's administrative responsibility to apply the computer exemption fairly and uniformly to all property. As a result of my veto, GPR expenditures under the sum sufficient appropriation to reimburse local governments for the tax base lost by the computer exemption under s. 20.835 (1) (e) will increase by an estimated \$1,117,500 in fiscal year 2002-03.

## **21. Area Cooperation Compacts**

### *Section 2022t*

This section requires municipalities in standard metropolitan statistical areas to enter into area cooperation compacts with other municipalities or counties in the same region. The compacts will produce savings to taxpayers by improving cooperation in service delivery. Beginning in 2003, each municipality will be required to enter into an area cooperation compact with at least two municipalities and/or counties to perform at least two governmental services. Beginning in 2006, each municipality will be required to enter into an area cooperation compact with at least four municipalities and/or counties to provide at least five governmental services. An exception is provided for municipalities with less than two adjacent municipalities.

I am partially vetoing this section to eliminate the broader compact requirement that begins in 2006. As a result of my veto, the compacts will be with at least two local governments for at least two services for 2003 and each year thereafter. I am vetoing the broader requirement beginning in 2006 because it is premature. Municipalities should be given greater opportunity to gain experience with this new means for seeking cooperative gains before it is expanded. Although my veto eliminates the mandate for broader compacts, broader compacts will not be prohibited. Indeed, I encourage local governments to fully explore all opportunities to create savings by working together.

## **22. Annexations Creating Town Islands**

### *Section 2019n*

This section allows a city or village to create a town island by annexation if an intergovernmental cooperation agreement or a cooperative plan for boundary change applies to the territory that is annexed in creation of the town island.

Intergovernmental cooperation agreements can cover a wide range of concerns. I am partially vetoing this section to eliminate the use of these agreements to create town



islands because the provision does not specify that the agreement must cover boundary issues. My veto prevents the use of agreements related to nonboundary concerns from being inappropriately applied to this section. As a result of my veto, a city or village may create a town island by annexation, but only if a cooperative plan for boundary change between the city or village and the town exists and the plan applies to the land that is annexed.

### **23. Classification of Certain Property as Swamp and Waste**

*Sections 2114m and 9344 (28v)*

These sections require undeveloped land to be classified as swamp and wasteland if the land is not classified as agricultural or productive forest land and the land is part of a parcel where the other part of the parcel is enrolled in the Managed Forest Program.

I am vetoing these sections because they undermine the property tax system while providing no tax relief. Except for agricultural property, real property is assessed at market value. Consequently, no property impacted by these sections would receive a property tax reduction. In addition, determining the classification of land based on the characteristics of adjacent land rather than the characteristics of the land itself weakens the uniformity of the property tax system.

## **STATE TREASURER**

### **24. Changes in Statutory Appropriations**

*Sections 395 [as it relates to s. 20.585 (2) (tm)] and 920x*

These sections convert a continuing appropriation to an annual appropriation for College Savings Program administrative expenses. I object to this conversion because it is premature. The current appropriation structure was approved less than four months ago in 2001 Wisconsin Act 7. Also, this change may be programmatically unwise. The Legislature's first choice of a continuing appropriation type for these administrative expenses was sound and, until we have more experience with the program, I believe that a continuing appropriation is most suitable for these program expenses. For these reasons, I am partially vetoing these sections to restore this appropriation as a continuing appropriation.

## **TOBACCO SECURITIZATION PERMANENT ENDOWMENT FUND**

### **25. Technical Veto to Remove Erroneous Cross-Reference**

*Section 940*

This section creates the appropriation for the annual transfer from the permanent endowment fund to the general fund.

I am partially vetoing this section to remove a cross-reference to a section that does not exist. This correction conforms Senate Bill 55 to the intent of the Conference Committee.

## **TRIBAL GAMING ALLOCATIONS**

### **26. Health and Family Services – Minority Health Program**

*Section 2848r*

This section provides \$250,000 in tribal gaming funding for a minority health program. Of this funding, \$200,000 will be used for grants to improve minority health and \$50,000 will be used for a public awareness campaign. I am vetoing the grant funding in fiscal year 2002-03 because I believe the ongoing funding commitment is excessive. As a result, I am requesting the Department of Administration secretary to place \$200,000 in unallotted reserve in fiscal year 2002-03 in appropriation s. 20.435 (5) (kb) to lapse to the tribal gaming appropriation, s. 20.505 (8) (hm), at the end of that fiscal year.

### **27. Office of Justice Assistance – County-Tribal Law Enforcement Grants**

*Sections 395 [as it relates to s. 20.505 (6) (kr)], 859r, 859s, 890g, 890h, 9101 (21k) and 9401 (3k)*

These provisions create a cooperative county-tribal law enforcement grant program funded with Indian gaming receipts and administered by the Office of Justice Assistance. The new program will provide Vilas County with \$210,600 PR-S annually to support a law enforcement agreement with the Lac du Flambeau and provide Oneida County with \$50,000 PR-S annually to support a law enforcement agreement with the Lac du Flambeau.

I am vetoing these provisions because both counties already participate in existing law enforcement grant programs. Vilas County receives funding for an agreement with the Lac du Flambeau under the cooperative county-tribal law enforcement grant program under s. 165.90 in the Department of Justice. Oneida County has received statutorily-established maximum award amounts through the Office of Justice Assistance's county law enforcement grant program under s. 16.964 (7). Furthermore, these earmarks would provide disparate treatment for these two counties compared to other recipients of Indian gaming receipts for tribal law enforcement efforts. By creating a fourth separate but related grant program for tribal law enforcement assistance using Indian gaming receipts, these provisions are unnecessary and duplicative.

### **28. Natural Resources – Trout Management**

*Section 395 [as it relates to s. 20.370 (1) (jk)]*

This provision appropriates \$20,000 in fiscal year 2001-02 and \$150,000 in fiscal year 2002-03 for the study and reintroduction of the coaster brook trout.

By lining out the appropriation and writing in a smaller amount in fiscal year 2002-03, I am limiting the appropriation to \$20,000 in each fiscal year. I am vetoing this provision because I am concerned about the depletion of tribal gaming revenue. Appropriations from tribal gaming revenue in fiscal year 2002-03 exceed the revenues taken in that year. Without restraint, there will be a mismatch between revenues and expenditures for the next fiscal year. Further, funding for introduction should await the findings of the study. If the findings are favorable, full reintroduction should also be supported by fish and wildlife revenues. In addition, I am requesting the Department of Administration secretary not to allot these funds.

**29. Natural Resources – Wild Crane Study**

*Sections 395 [as it relates to s. 20.370 (1) (kk)] and 9137 (6f)*

This provision appropriates \$30,000 in each fiscal year for the study of crop damage by wild cranes.

By lining out the appropriation and writing in smaller amounts that delete \$10,000 in fiscal year 2001-02 and \$30,000 in fiscal year 2002-03, I am limiting the appropriation to \$20,000 in fiscal year 2001-02 only. I am vetoing this provision because I object to the continuing nature of this study. Funds were appropriated for such a study in the last biennium as well. That study was to have been completed by July 1, 2001, and this should not become a continuing obligation. There should be adequate revenues remaining to complete the study and report the findings. In addition, I am requesting the Department of Administration secretary not to allot these funds.

**30. Tourism – Kickapoo Valley Reserve, Law Enforcement Services**

*Section 395 [as it relates to s. 20.380 (2) (kc)]*

This provision appropriates \$31,300 in fiscal year 2001-02 and \$41,800 in fiscal year 2002-03 to provide law enforcement services for the Kickapoo Valley Reserve.

By lining out the appropriation and writing in a smaller amount in fiscal year 2002-03, I am limiting the appropriation to \$31,000 in each fiscal year. I am vetoing this provision because I am concerned about the depletion of tribal gaming revenue. Appropriations from tribal gaming revenue in fiscal year 2002-03 exceed the revenues taken in that year. Without restraint, there will be a mismatch between revenues and expenditures for the next fiscal year. This veto limits the amount provided in fiscal year 2002-03 to the amount appropriated in fiscal year 2001-02. This should be sufficient to provide the necessary services. In addition, I am requesting the Department of Administration secretary not to allot these funds.

**31. University of Wisconsin-Extension – Grazing Education Grants**

*Sections 395 [as it relates to s. 20.285 (1) (kj)], 580t, 890n and 1356g*

These provisions create and fund a grazing education grant program of \$100,000 annually. The program would provide grants for education and technical assistance on intensive grazing.

I am partially vetoing these sections because I am concerned about the depletion of tribal gaming revenue. Appropriations from tribal gaming revenue in fiscal year 2002-03 exceed the revenues taken in that year. Further, such technical assistance to agriculture has been a long-standing mission of the University of Wisconsin-Extension. This assistance should be provided from its base resources. A new program is not warranted.

**32. Workforce Development – Trade Masters Pilot Program**

*Section 2560r*

This provision creates the Trade Masters Pilot Program. It also provides that an evaluation be submitted to the Legislature by July 1, 2010.

I am partially vetoing this provision because I find the nine year deadline excessive. Instead, I am directing the Department of Workforce Development to explain how the funds were spent at the conclusion of the fiscal year. Moreover, an independent evaluation of the program can be done on a continuing basis as necessary by the Legislative Audit Bureau or the Performance Evaluation Office in the Department of Administration.