



STATE OF WISCONSIN

Senate Journal

Ninety–Seventh Regular Session

11:00 A.M.

TUESDAY, February 8, 2005

The Senate met.

The Senate was called to order by Chief Clerk Robert Marchant.

The roll was called and the following Senators answered to their names:

Senators Breske, Brown, Carpenter, Coggs, Cowles, Darling, Decker, Ellis, Erpenbach, S. Fitzgerald, Grothman, Hansen, Harsdorf, Jauch, Kanavas, Kapanke, Kedzie, Lassa, Lazich, Leibham, Miller, Olsen, Plale, Reynolds, Risser, Robson, Roessler, Schultz, Stepp, Taylor and Wirch – 31.

Absent – None.

Absent with leave – Senators A. Lasee and Zien – 2.

Senator Schultz, with unanimous consent, asked that Senator Leibham preside.

Senator Leibham in the chair.

The Senate stood for the prayer which was offered by Senator Carol Roessler.

The Senate remained standing and Senator Breske led the Senate in the pledge of allegiance to the flag of the United States of America.

LEAVES OF ABSENCE

Senator Schultz, with unanimous consent, asked that Senator A. Lasee be granted a temporary leave of absence for today's session.

Senator Schultz, with unanimous consent, asked that Senator Zien be granted a leave of absence for today's session.

CHIEF CLERK'S ENTRIES

The Chief Clerk makes the following entries dated Thursday, February 3, 2005.

The committee on **Energy, Utilities and Information Technology** reports and recommends:

MEYER, MARK, of La Crosse, as a member of the Public Service Commission, to serve for the interim term ending March 1, 2005 and for the full term ending March 1, 2011.

Confirmation.

Ayes, 5 – Senators Cowles, Leibham, Kapanke, Plale and Wirch.

Noes, 0 – None.

ROBERT COWLES
Chairperson

The committee on **Health, Children, Families, Aging and Long Term Care** reports and recommends:

ALVIN, ERIC, of Madison, as a member of the Marriage and Family Therapy, Professional Counseling and Social Work Examining Board, to serve for the term ending July 1, 2008.

Confirmation.

BALACHANDRAN, SWAMINAT, of Verona, as a member of the Optometry Examining Board, to serve for the term ending July 1, 2006.

Confirmation.

BARBEAU, LORI R., of New Berlin, as a member of the Dentistry Examining Board, to serve for the term ending July 1, 2006.

Confirmation.

BORON, ROSE, of Mosinee, as a member of the Board on Aging and Long Term Care, to serve for the term ending May 1, 2009.

Confirmation.

CLARK, MARY ANN, of Cumberland, as a member of the Nursing Home Administrator Examining Board, to serve for the term ending July 1, 2005.

Confirmation.

FISHER, THOMAS E., of Wausau, as a member of the Hearing and Speech Examining Board, to serve for the term ending July 1, 2008.

Confirmation.

FOSTER, GREGORY, of Neillsville, as a member of the Optometry Examining Board, to serve for the term ending July 1, 2007.

Confirmation.

FRANKLIN, LAMARR, of Glendale, as a member of the Marriage and Family Therapy Professional Counseling and Social Work Examining Board, to serve for the term ending July 1, 2007.

Confirmation.

GARCIA, TERRIE, of Waukesha, as a member of the Board of Nursing, to serve the term ending July 1, 2008.

Confirmation.

GLOCKE, CHAR, of Onalaska, as a member of the Chiropractic Examining Board, to serve for the term ending July 1, 2008.

Confirmation.

GOTTFREDSSEN, EUGENE, of Beloit, as a member of the Barbering and Cosmetology Examining Board, to serve the term ending July 1, 2008.

Confirmation.

GRIEBENOW, KERRY, of New London, as a member of the Optometry Examining Board, to serve for the term ending July 1, 2006.

Confirmation.

HEINE, MARGARET, of Janesville, as a member of the Board of Nursing, to serve for the term ending July 1, 2005.

Confirmation.

HEINZ, GERI A., of Wausau, as a member of the Council on Domestic Abuse, to serve for the term ending July 1, 2007.

Confirmation.

HEISER, RAYMOND, of Wausau, as a member of the Optometry Examining Board, to serve the term ending July 1, 2008

Confirmation.

JOHNSON, DIANE L., of Hazelhurst, as a member of the Dietitians Affiliated Credentialing Board, to serve for the term ending July 1, 2006.

Confirmation.

JORDAN, VIRGINIA, of Eau Claire, as a member of the Dietitians Affiliated Credentialing Board, to serve for the term ending July 1, 2007.

Confirmation.

KAILAS, SUJATHA, DR., of Fond du Lac, as a member of the Medical Examining Board, to serve for the term ending July 1, 2008

Confirmation.

KUEHL, BRUCE, of Menomonie, as a member of the Marriage and Family Therapy Professional Counseling and Social Work Examining Board, to serve for the term ending July 1, 2007.

Confirmation.

LEACH, KATHI, of Junction City, as a member of the Optometry Examining Board, to serve for the term ending July 1, 2008.

Confirmation.

LEASE, MARY K., of Oregon, as a member of the Nursing Home Administrator Examining Board, to serve for the term ending July 1, 2007.

Confirmation.

MCFARLIN, LINDA, of Friendship, as a member of the Rural Health Development Council, to serve for the interim term ending June 31, 2004, and for the full term ending July 1, 2009.

Confirmation.

NITZKE, SUSAN, of Cottage Grove, as a member of the Dietitians Affiliated Credentialing Board, to serve for the term ending July 1, 2007.

Confirmation.

PALMER, DIAN, of Brookfield, as a member of the University Hospital and Clinics Board, to serve for the term ending July 1, 2006.

Confirmation.

PATTERSON, JEFFREY, of Madison, as a member of the Barbering and Cosmetology Examining Board, to serve for the term ending July 1, 2008.

Confirmation.

PHILLIPS, PAMELA, of Green Bay, as a member of the Pharmacy Examining Board, to serve for the term ending July 1, 2006.

Confirmation.

PUTRA, SUSAN, of Watertown, as a member of the Marriage and Family Therapy, Professional Counseling and Social Work Examining Board, to serve for the term ending July 1, 2007.

Confirmation.

REINICKE, LISA, of Janesville, as a member of the Podiatrists Affiliated Credentialing Board, to serve for the term ending July 1, 2007.

Confirmation.

SAINI, BHUPINDER, DR., of Cudahy, as a member of the Medical Examining Board, to serve for the term ending July 1, 2008.

Confirmation.

SCHWALLIE, LINDA, of Green Bay, as a member of the Marriage and Family Therapy Professional Counseling and Social Work Examining Board, to serve for the term ending July 1, 2008.

Confirmation.

SILVERMAN, STEVEN, of Merrill, as a member of the Chiropractic Examining Board, to serve for the term ending July 1, 2007.

Confirmation.

SIZE, TIM, of Sauk City, as a member of the Rural Health Development Council, to serve for the term ending July 1, 2008.

Confirmation.

SIZE, TIM, of Sauk City, as a member of the Wisconsin Health and Educational Facilities Authority, to serve for the term ending July 1, 2011.

Confirmation.

VISTE, KENNETH, of Oshkosh, as a member of the University of Wisconsin Hospital and Clinics Authority, to serve for the term ending July 1, 2007.

Confirmation.

VISTE, KENNETH, of Oshkosh, as a member of the University of Wisconsin Hospital and Clinics Board, to serve for the term ending July 1, 2007.

Confirmation.

WORKINGER, MARILYN, of Marshfield, as a member of the Hearing and Speech Examining Board, to serve for the term ending July 1, 2007.

Confirmation.

WRIGHT, RICHARD, of Sun Prairie, as a member of the Optometry Examining Board, to serve for the term ending July 1, 2007.

Confirmation.

YOUNGER, JAMES G., of Neenah, as a member of the Council on Domestic Abuse, to serve for the term ending July 1, 2007.

Confirmation.

Ayes, 5 – Senators Roessler, Darling, Brown, Erpenbach and Carpenter.

Noes, 0 – None.

CAROL ROESSLER
Chairperson

INTRODUCTION, FIRST READING AND REFERENCE OF PROPOSALS

Read first time and referred:

Senate Bill 46

Relating to: campaign financing, designations for the Wisconsin election campaign fund by individuals filing state income tax returns, creating a nonrefundable individual income tax credit for contributions to the Public Integrity Endowment, candidate time on public broadcasting television stations and public access channels, statewide voter registration, staffing of the Elections Board, providing exemptions from emergency rule procedures, granting rule-making authority, and providing penalties.

By Senators Ellis, Risser, Harsdorf, Schultz, A. Lasee, Lassa and Cowles; cosponsored by Representatives Freese, Kaufert, Musser, Zepnick and Albers.

To committee on **Campaign Finance Reform and Ethics**.

Senate Bill 47

Relating to: expenditure of a sum sufficient equal to \$158,800 plus accrued interest from the general fund in payment of a claim against the state made by the Village of Sturtevant.

By Senator Stepp; cosponsored by Representatives Lehman and Vos.

To joint committee on **Finance**.

Senate Bill 48

Relating to: voluntary contributions made by persons applying for the issuance or renewal of a certificate of number for, or registration of, a boat.

By Senators Breske, Wirch, Roessler and Lassa; cosponsored by Representatives Mursau, Jeskewitz, Black, Ott, Pocan, Musser, Hines, Hahn, Molepske, Lehman, Shilling, Albers, Townsend, Pridemore and Sheridan.

To committee on **Natural Resources and Transportation.**

Senate Bill 49

Relating to: removal of zebra mussels from boats, boat trailers, and boating equipment.

By Senators Breske, Risser, A. Lasee, Wirch, Roessler and Lassa; cosponsored by Representatives Ott, Musser, Hines, Freese, Hahn, Lehman, Staskunas, Albers, Townsend and Sheridan.

To committee on **Natural Resources and Transportation.**

Senate Bill 50

Relating to: grants to control invasive species and requiring the exercise of rule-making authority.

By Senators Breske, Wirch, Roessler, Hansen and Lassa; cosponsored by Representatives Gronemus, Ott, Hines, Freese, Staskunas, Sheridan and Gunderson.

To committee on **Natural Resources and Transportation.**

Senate Bill 51

Relating to: the cutoff time for receipt of documents for filing and recording with a register of deeds, federal tax lien forms, and maintenance of county highway registers.

By Senators Olsen, Breske, Grothman, Kedzie, Lassa, Risser and Roessler; cosponsored by Representatives Wood, Kreibich, Albers, Bies, Gielow, Gunderson, Hahn, Hines, Kerkman, Kessler, Kestell, Krawczyk, LeMahieu, F. Lasee, Musser, Ott, Parisi, Towns, Townsend, Van Roy, Vos, Vrakas, Ward, M. Williams, Freese and Gronemus.

To committee on **Natural Resources and Transportation.**

Senate Bill 52

Relating to: apportioning remaining net income by using a single sales factor based on creating and retaining new jobs.

By Senators Kanavas, S. Fitzgerald, Grothman, Leibham and Roessler; cosponsored by Representatives Nischke, Jensen, Gard, McCormick, Kreibich, F. Lasee, Albers, Gunderson, Hines, Pettis and Vrakas.

To committee on **Job Creation, Economic Development and Consumer Affairs.**

Senate Bill 53

Relating to: allowing an individual income tax deduction for certain amounts contributed by a divorced or legally separated parent to his or her child's college savings account or college tuition and expenses program and limiting the deduction that may be claimed by a married person who files separately.

By Senators Kanavas, Miller, Darling, A. Lasee, Roessler, Grothman and Stepp; cosponsored by Representatives Kreibich, Pridemore, Suder, Kestell, Zepnick, Gronemus, F. Lasee, Hahn, Parisi, Wood, Moulton, Musser, Grigsby, Ainsworth, Hundertmark, Gard, Nass, Petrowski, Albers, Townsend, Van Roy, Gunderson, Pocan, Hines, Vrakas, Mursau, Ott, Ballweg and Berceau.

To joint survey committee on **Tax Exemptions.**

REPORT OF COMMITTEES

The joint committee on **Finance** reports and recommends:

Senate Bill 28

Relating to: school district revenue limits and levy limits for cities, villages, towns, counties, and technical college districts.

Introduction and adoption of Senate Amendment 2 to Senate Substitute Amendment 1, Introduction and adoption of Senate Amendment 3 to Senate Substitute Amendment 1, Adoption of Senate Substitute Amendment 1.

Ayes, 12 – Senators S. Fitzgerald, Lazich, Darling, Cowles, Leibham and Olsen. Representatives Kaufert, Ward, Jensen, Stone, Rhoades and Meyer.

Noes, 4 – Senators Decker and Taylor. Representatives Colon and Pocan.

Passage as amended with emergency statement attached pursuant to s. 16.47(2), Wisconsin Statutes.

Ayes, 12 – Senators S. Fitzgerald, Lazich, Darling, Cowles, Leibham and Olsen. Representatives Kaufert, Ward, Jensen, Stone, Rhoades and Meyer.

Noes, 4 – Senators Decker and Taylor. Representatives Colon and Pocan.

SCOTT FITZGERALD
Senate Chairperson

PETITIONS AND COMMUNICATIONS

State of Wisconsin

February 3, 2005

The Honorable, The Senate:

With the position of Senate President comes the appointing authority to many boards and councils. Due to his Wisconsin legislative experience and strong commitment to serve his constituents and the citizens of Wisconsin in a fair and equitable manner, I am appointing Senator Luther Olsen to the Child Abuse and Neglect Prevention Board to begin immediately. I am confident that he will be an asset to the Board and the great citizens of Wisconsin.

Sincerely,
ALAN LASEE
Senate President

State of Wisconsin

February 2, 2005

The Honorable, The Senate:

Attached please find the final report of the 2003-04 session Senate Select Committee on State and Local Relations.

I appreciate the hard work of all who have participated in this effort including committee members, local and state government officials, and members of the public. Please contact me at (608) 266-8546 if you have any questions regarding the attached documents.

Sincerely,
RON BROWN
State Senator

**THE STATE OF WISCONSIN
OFFICE OF THE GOVERNOR**

EXECUTIVE ORDER #88

Relating to the Recreation of the Governor's Council on Workforce Investment

WHEREAS, the State of Wisconsin recognizes that economic health, growth, and global competitiveness are dependent on a highly skilled workforce; and

WHEREAS, Wisconsin recognizes that a highly skilled workforce capable of attracting and sustaining quality industries and promoting economic growth is dependent on quality education, employment and training systems; and

WHEREAS, the quality and preparedness of the Wisconsin workforce are the shared responsibility of many people and

organizations, both public and private, at the state and local levels; and

WHEREAS, Wisconsin has a need for a coordinated and comprehensive approach to workforce development, utilizing federal, state and local resources in conjunction with our economic development goals and strategies; and

WHEREAS, a coordinated system will better meet the needs of those it serves, including the needs of employers for skilled workers, and the needs of workers, including new entrants into the labor force, incumbent workers and those seeking employment; and

WHEREAS, building a workforce investment system recognizes the strong need for preparing our youth and providing high quality post-secondary education and other initiatives, which develop skilled workers and high performance workplaces; and

WHEREAS, the federal Workforce Investment Act of 1998 (hereinafter "WIA. Public Law 105-220") requires that a multitude of workforce preparation and development programs form the foundation of the system to deliver the state's training, education and employment programs in a single, customer-focused, user friendly service system; and

WHEREAS, a high quality, continuously improving and comprehensive workforce system in Wisconsin necessitates a state workforce council with strong business leadership, commitment and collaboration of business, labor, state and local government, educational institutions and workforce-related organizations;

NOW, THEREFORE, I, JIM DOYLE, Governor of the State of Wisconsin, by the authority vested in me by the Constitution and the laws of this State, and specifically by Section 14.019 of the Wisconsin Statutes, do hereby:

1. Create the Governor's Council on Workforce Investment (hereinafter "Council");
2. Provide that the Council shall consist of members appointed in accordance with 29 U.S. Code Section 2821, and that the Council may include additional members concerned with workforce development, as the Governor may so designate;
3. Direct that the Council shall meet the criteria and carry out the duties and functions prescribed in WIA, Public Law 105-220 (see required list);
4. Direct that all appropriate state agencies work together on the Council and at the local level to develop a strong, skilled workforce for Wisconsin's future;
5. Direct that the Council also advise the Governor on workforce development strategy and policy and undertake research and other activities to assist the Governor in enhancing the operation and performance of workforce programs in the state;
6. Direct the Council to provide direction and guidance for the Wisconsin Forward Award to advance high performance workplace and advance other initiatives to support a skilled workforce. In carrying out these responsibilities, the Council may establish necessary public-private partnerships to provide ongoing operating support to the Wisconsin Forward Award and other initiatives;
7. Direct that the Wisconsin Department of Workforce Development, as the lead agency, shall provide staff support for the Council, with assistance from other agencies as appropriate; and
8. Direct the Secretary of the Department of Administration to provide the Council with such sums of money as are necessary for travel and

operating expenses in accordance with section 20.505(4)(ba) of the Wisconsin Statutes.

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of Wisconsin to be affixed. Done at the Capitol in the City of Madison this second day of February in the year two thousand five.

JIM DOYLE
Governor

BY THE GOVERNOR:

DOUGLAS LA FOLLETTE
Secretary of State

**State of Wisconsin
Department of Administration**

January 28, 2005

The Honorable, The Legislature:

In compliance with Wisconsin Statute 16.548, enclosed, please find the Wisconsin Office of Federal/State Relations quarterly report, to be submitted to the Legislature for the fourth quarter of 2004. This report provides information on the activities of the Office and the status of federal legislation of concern to the State of Wisconsin.

Please contact me if you have any questions about this material.

Sincerely,
MARC MAROTTA
Secretary

**State of Wisconsin
Ethics Board**

February 8, 2005

The Honorable, The Senate:

The following lobbyists have been authorized to act on behalf of the organizations set opposite their names.

For more detailed information about these lobbyists and organizations and a complete list of organizations and people authorized to lobby the 2005 session of the legislature, visit the Ethics Board's web site at <http://ethics.state.wi.us>

- | | |
|-----------------------|--|
| Alexander, Jennifer | Greater Madison Chamber of Commerce, Inc. |
| Andersen, Robert | Wisconsin Council on Children & Families |
| Andrews, Morris | Wisconsin Professional Police Assoc. |
| Aronin, Gregory | Johnson & Johnson |
| Bazan, Bill | Wisconsin Hospital Association Inc (WHA) |
| Beebe, Thomas | Institute for Wisconsin's Future |
| Beiriger, Jeffrey J | Mechanical Contractors Association of Wisconsin |
| Benen, Sandie | GlaxoSmithKline, Inc. |
| Blain, Michael | Center for Policy Reform, The |
| Bloom, David M | Wisconsin State Fire Chiefs Association |
| Brownlow, Charles | Wisconsin Optometric Association |
| Ceel, Forrest | IBEW Local Union 2150 |
| Christianson, Peter C | Wisconsin State Fire Chiefs Association |
| Ciske, Thom | Fox Cities Chamber of Commerce & Industry |
| Croysdale, Donald | American Subcontractors Association of Greater Milwaukee Inc |
| DeReu, Bill | Plum Creek Timber Company, Inc |
| Drissen, Anthony | American Chemistry Council |
| Drissen, Anthony | MCI Inc |

Driessen, Anthony Wisconsin Optometric Association
 Durham, Kelly Corrections Corporation of America
 Early, Annie Steamfitters Local 601
 Eleson, Charity Wisconsin Council on Children
 & Families
 Ellinger, Lisa New Hope Project, The
 Essie, Patrick GlaxoSmithKline Inc
 Essie, Patrick UST Public Affairs Inc
 Fonfara, Thomas American Chemistry Council
 Fonfara, Thomas MCI Inc
 Fonfara, Thomas T-Mobile
 Foti, Steven Wisconsin Funeral Directors Assoc.
 Gallo Esq, Donald P Petroleum Marketers Assn of WI
 / WI Assn of Convenience Stores
 Gallo Esq, Donald P Wisconsin Fabricare Institute
 Gardner, William Wisconsin & Southern Railroad Co.
 Garvin, John ATC Management Inc.
 Giegerich, Jennifer Wisconsin Public Interest
 Research Group (WISPIRG)
 Haber, Darcy Wisconsin Citizen Action
 Hines, James MCI Inc
 Honzelka, Joseph W Milwaukee Police Association
 Hoven, Timothy Wisconsin Cemetery Association
 Jones, Glen Wisconsin Troopers Association Inc
 Kammer, Peter GlaxoSmithKline Inc
 Kammer, Peter UST Public Affairs Inc
 Keckhaver, John Wisconsin Council on Children
 & Families
 Kerksick, Julie New Hope Project, The
 Kleinschmidt, Linda Wisconsin Council on Children
 & Families
 Kruger, Dennis Wisconsin Troopers Association Inc
 Lapp, Katharine United Council of UW Students
 Leary, Daniel T-Mobile
 Longmire, Erin UST Public Affairs Inc
 Lucht, Ken Wisconsin & Southern Railroad Co.
 Lund, Daryll Community Bankers of Wisconsin
 Maurer, James G SBC-Wisconsin
 McGuigan, Richard Community Bankers of Wisconsin
 Nekola, Katie Clean Wisconsin Inc
 Norman, Jack Institute for Wisconsin's Future
 O'Connor, William P Gathering Waters Conservancy, Inc.
 O'Connor, William P Wisconsin Association of Lakes, Inc.
 Paget, Wendy Wisconsin Council on Children
 & Families
 Peacock, Jon Wisconsin Council on Children
 & Families
 Perry, Casey Wisconsin Troopers Association, Inc.
 Prange, Alison American Cancer Society
 Radtke, Randall American Lung Association of
 Wisconsin Inc
 Roth, Erin American Petroleum Institute
 Royster, Karen Institute for Wisconsin's Future
 Scheer, Derek Clean Wisconsin Inc
 Selkove, Victoria Economic Justice Institute, Inc.
 Smith-Watkins, Genise American Chemistry Council
 Stieve, Renee United Council of UW Students
 Strohl, Joseph MBNA America N.A.
 Swandby, Janet R Wisconsin Association of Home
 Inspectors

Swandby, Janet R Wisconsin Tourism Federation
 Theo, Peter Menominee County Taxpayers Assoc.
 Theo, Peter Wisconsin Dental Hygienists Assoc.
 Theo, Peter Wisconsin Optometric Assoc.
 Warmuth, Judith Wisconsin Hospital Association
 Inc (WHA)
 Welch, William Fox Cities Chamber of
 Commerce & Industry
 Welsh, Michael Orion Energy Systems
 Welsh, Michael Wisconsin Cemetery Association
 Williams, Lilia United Council of UW Students
 Wininsky, Dona American Lung Association of
 Wisconsin Inc
 Winn, Joseph America's Health Insurance
 Plans (AHIP)

Also available from the Wisconsin Ethics Board are reports identifying the amount and value of time state agencies have spent to affect legislative action and reports of expenditures for lobbying activities filed by organizations that employ lobbyists.

Sincerely,
 R. ROTH JUDD
 Executive Director

**State of Wisconsin
 Investment Board**

January 31, 2005

The Honorable, The Senate:

I have enclosed a copy of the FY 2004 Annual Fiscal Report and Schedule of Investments for the State of Wisconsin Investment Board. The report contains Independent Auditor's Reports, prepared by the Legislative Fiscal Bureau, for the funds that we manage. They include the Fixed and Variable Funds of the Wisconsin Retirement System, the State Investment Fund and various smaller funds.

I have attached an electronic copy for you to distribute to the members of the Senate. Please contact Sandy Drew (261-0182) if anyone would prefer a hard copy of either. Thank you.

Sincerely,
 DAVID C. MILLS
 Executive Director

Wisconsin Council on Children & Families

February 8, 2005

The Honorable, The Legislature:

The Wisconsin Council on Children and Families recently released a new report identifying serious concerns with Refund Anticipated Loans and the impact on low-income workers, their families and local economies. We are eager to share this important information with you particularly at tax time and have attached a copy of that report for your review.

A Refund Anticipated Loan (RAL) is a short-term loan secured by a tax-filer's expected refund and aggressively marketed to low-income filers by many paid tax preparation firms. The report, written by Council research analyst John Keckhaver, focuses on the high costs of RALs for the working poor, their families and the communities where they live.

Those taking out a RAL pay an average fee of \$130 in order to receive their tax refund a few days to a couple weeks early. This results in effective annualized interest rates anywhere from 70 to 700 percent, depending on the size of the refund. These costs can rise even higher if an individual is paying for tax preparation and check cashing.

It is particularly troubling that of the nearly 114,000 RALs taken out in Wisconsin last year, over half were taken out by

recipients of the federal Earned Income Tax Credit (EITC). As you know, Wisconsin invests in this tax credit aimed at lifting the working poor out of poverty. However, when EITC dollars are siphoned off to pay RAL fees, this very effective public investment in low-income workers is not returning what it could. Local economies are also shortchanged when federal EITC recipients' dollars are diverted to RAL fees rather than flowing into their local neighborhood businesses.

We hope you use the information we've provided to encourage credit unions and community banks within your legislative districts to participate in efforts to increase savings/checking accounts among low-income residents. Many EITC recipients do not have accounts into which they can have their refunds directly deposited thereby allowing them to receive the refund more quickly and making RALs less attractive. The Wisconsin Department of Revenue is currently working with the Wisconsin Credit Union League to have staff at their Volunteer Income Tax Assistance (VITA) sites where they can help low-income families open accounts.

Additionally, feel free to use this information to help increase the awareness of your constituents about the high cost and low benefits of RALs. Tax preparation storefronts are springing up in poor neighborhoods throughout the state, and RALs have become a significant source of revenue for professional tax preparers at the expense of poor families and local economies. Efforts to stem the proliferation of RALs will benefit thousands of low-income workers and the state economy.

If you have any questions, please contact John Keckhaver at 284-0580 ext 305.

Sincerely,
CHARITY ELESON
Executive Director

ADVICE AND CONSENT OF THE SENATE

State of Wisconsin
Office of the Governor

January 31, 2005

The Honorable, The Senate:

I am pleased to nominate and with the advice and consent of the Senate, do appoint ANDERSON, JUNE, of Oshkosh, as a member of the Educational Communications Board, to serve for the term ending May 1, 2007.

Sincerely,
JIM DOYLE
Governor

Read and referred to committee on **Higher Education and Tourism**.

State of Wisconsin
Office of the Governor

February 3, 2005

The Honorable, The Senate:

I am pleased to nominate and with the advice and consent of the Senate, do appoint BAIER, BRUCE, of Brown Deer, as a member of the Hearing and Speech Examining Board, for the term ending July 1, 2008.

Sincerely,
JIM DOYLE
Governor

Read and referred to committee on **Health, Children, Families, Aging and Long Term Care**.

Senator Schultz, with unanimous consent, asked that all appointments except that of Mark Meyer, be taken up en masse.

JOHNSON, DIANE L., of Hazelhurst, as a member of the Dietitians Affiliated Credentialing Board, to serve for the term ending July 1, 2006.

JORDAN, VIRGINIA, of Eau Claire, as a member of the Dietitians Affiliated Credentialing Board, to serve for the term ending July 1, 2007.

KUEHL, BRUCE, of Menomonie, as a member of the Marriage and Family Therapy Professional Counseling and Social Work Examining Board, to serve for the term ending July 1, 2007.

The question was: Confirmation?

The ayes and noes were required and the vote was: ayes, 31; noes, 0; absent or not voting, 2; as follows:

Ayes – Senators Breske, Brown, Carpenter, Coggs, Cowles, Darling, Decker, Ellis, Erpenbach, S. Fitzgerald, Grothman, Hansen, Harsdorf, Jauch, Kanavas, Kapanke, Kedzie, Lassa, Lazich, Leibham, Miller, Olsen, Plale, Reynolds, Risser, Robson, Roessler, Schultz, Stepp, Taylor and Wirch – 31.

Noes – None.

Absent or not voting – Senators A. Lasee and Zien – 2.

Confirmed.

MEYER, MARK, of La Crosse, as a member of the Public Service Commission, to serve for the interim term ending March 1, 2005 and for the full term ending March 1, 2011.

The question was: Confirmation?

The ayes and noes were required and the vote was: ayes, 31; noes, 0; absent or not voting, 2; as follows:

Ayes – Senators Breske, Brown, Carpenter, Coggs, Cowles, Darling, Decker, Ellis, Erpenbach, S. Fitzgerald, Grothman, Hansen, Harsdorf, Jauch, Kanavas, Kapanke, Kedzie, Lassa, Lazich, Leibham, Miller, Olsen, Plale, Reynolds, Risser, Robson, Roessler, Schultz, Stepp, Taylor and Wirch – 31.

Noes – None.

Absent or not voting – Senators A. Lasee and Zien – 2.

Confirmed.

REFERRALS AND RECEIPT OF COMMITTEE REPORTS CONCERNING PROPOSED ADMINISTRATIVE RULES

Senate Clearinghouse Rule 04–108

Relating to technology commercialization programs and affecting small businesses.

Submitted by Department of Commerce.

Report received from Agency, February 3, 2005.

Referred to committee on **Job Creation, Economic Development and Consumer Affairs**, February 8, 2005.

The committee on **Natural Resources and Transportation** reports and recommends:

Senate Clearinghouse Rule 03–105

Relating to snowmobile noise testing procedures.

No action taken.

Senate Clearinghouse Rule 04–060

Relating to grants for the control of aquatic invasive species.

No action taken.

Senate Clearinghouse Rule 04–078

Relating to the regulation of baiting and feeding to control and manage chronic wasting disease and bovine tuberculosis.

No action taken.

Senate Clearinghouse Rule 04-090

Relating to creation of a school bus oxidation catalyst grant program in certain counties.

No action taken.

Senate Clearinghouse Rule 04-091

Relating to deer management unit population goals and boundaries.

No action taken.

Senate Clearinghouse Rule 04-092

Relating to use of department properties.

No action taken.

Senate Clearinghouse Rule 04-099

Relating to the issuance of driver licenses and identification cards.

No action taken.

Senate Clearinghouse Rule 04-114

Relating to vehicle marking, and affecting small businesses.

No action taken.

Senate Clearinghouse Rule 04-117

Relating to medical standards for driver licensing and general standards for school bus endorsements.

No action taken.

Senate Clearinghouse Rule 04-122

Relating to allowing the operation of double bottoms and certain other vehicles on certain specified highways.

No action taken.

NEAL KEDZIE
Chairperson

**SECOND READING AND AMENDMENTS
OF SENATE JOINT RESOLUTIONS AND
SENATE BILLS**

Senate Joint Resolution 4

Relating to: recognizing February 6 as Ronald Reagan Day in the state of Wisconsin.

Read.

Senator Kapanke, with unanimous consent, asked to be added as a coauthor of **Senate Joint Resolution 4**.

The question was: Shall **Senate Joint Resolution 4** be adopted?

The ayes and noes were demanded and the vote was: ayes, 29; noes, 3; absent or not voting, 1; as follows:

Ayes – Senators Brown, Carpenter, Coggs, Cowles, Darling, Decker, Ellis, S. Fitzgerald, Grothman, Hansen, Harsdorf, Jauch, Kanavas, Kapanke, Kedzie, A. Lasee, Lassa, Lazich, Leibham, Miller, Olsen, Plale, Reynolds, Robson, Roessler, Schultz, Stepp, Taylor and Wirch – 29.

Noes – Senators Breske, Erpenbach and Risser – 3.

Absent or not voting – Senator Zien – 1.

Adopted.

Senate Bill 10

Relating to: Department of Transportation rules relating to land subdivisions abutting state trunk highways and connecting highways.

Read a second time.

Senator Schultz, with unanimous consent, asked that **Senate Bill 10** be referred to committee on **Natural Resources and Transportation**.

Referred.

Senate Bill 13

Relating to: the protection and management of the public waters of Wisconsin.

Read a second time.

Senator Schultz, with unanimous consent, asked that **Senate Bill 13** be referred to committee on **Natural Resources and Transportation**.

Referred.

Senate Bill 14

Relating to: the placement of riprap, biological shore erosion control structures, seawalls, piers, wharves, boat shelters, boat hoists, boat lifts, and swim rafts in navigable waters and the effective date for the issuance of individual permits for activities in navigable waters.

Read a second time.

Senator Schultz, with unanimous consent, asked that **Senate Bill 14** be referred to committee on **Natural Resources and Transportation**.

Referred.

Assembly Bill 3

Relating to: the number of pupils eligible to participate in the Milwaukee Parental Choice Program.

Read a second time.

Senator Lazich, with unanimous consent, asked to be added as a cosponsor of **Assembly Bill 3**.

Senate substitute amendment 1 to **Assembly Bill 3** offered by Senators Taylor, Jauch, Robson, Miller and Coggs.

Senator Lasee, with unanimous consent, asked that the Journal reflect that he would have voted with the majority on the two confirmation roll calls.

Senator Darling moved that Senate substitute amendment 1 to **Assembly Bill 3** be laid on the table.

The question was: Shall Senate substitute amendment 1 to **Assembly Bill 3** be laid on the table?

The ayes and noes were demanded and the vote was: ayes, 19; noes, 13; absent or not voting, 1; as follows:

Ayes – Senators Brown, Cowles, Darling, Ellis, S. Fitzgerald, Grothman, Harsdorf, Kanavas, Kapanke, Kedzie, A. Lasee, Lazich, Leibham, Olsen, Plale, Reynolds, Roessler, Schultz and Stepp – 19.

Noes – Senators Breske, Carpenter, Coggs, Decker, Erpenbach, Hansen, Jauch, Lassa, Miller, Risser, Robson, Taylor and Wirch – 13.

Absent or not voting – Senator Zien – 1.

Tabled.

Senate amendment 1 to **Assembly Bill 3** offered by Senators Robson, Hansen, Wirch, Miller and Decker.

Senator Darling moved that Senate amendment 1 to **Assembly Bill 3** be laid on the table.

The question was: Shall Senate amendment 1 to **Assembly Bill 3** be laid on the table?

The ayes and noes were demanded and the vote was: ayes, 19; noes, 13; absent or not voting, 1; as follows:

Ayes – Senators Brown, Cowles, Darling, Ellis, S. Fitzgerald, Grothman, Harsdorf, Kanavas, Kapanke, Kedzie,

A. Lasee, Lazich, Leibham, Olsen, Plale, Reynolds, Roessler, Schultz and Stepp – 19.

Noes – Senators Breske, Carpenter, Coggs, Decker, Erpenbach, Hansen, Jauch, Lassa, Miller, Risser, Robson, Taylor and Wirch – 13.

Absent or not voting – Senator Zien – 1.

Tabled.

Senate amendment 2 to **Assembly Bill 3** offered by Senators Carpenter and Taylor.

Senator Robson moved that **Assembly Bill 3** be referred to the committee on **Education**.

The question was: Shall **Assembly Bill 3** be referred to the committee on **Education**?

The ayes and noes were demanded and the vote was: ayes, 13; noes, 19; absent or not voting, 1; as follows:

Ayes – Senators Breske, Carpenter, Coggs, Decker, Erpenbach, Hansen, Jauch, Lassa, Miller, Risser, Robson, Taylor and Wirch – 13.

Noes – Senators Brown, Cowles, Darling, Ellis, S. Fitzgerald, Grothman, Harsdorf, Kanavas, Kapanke, Kedzie, A. Lasee, Lazich, Leibham, Olsen, Plale, Reynolds, Roessler, Schultz and Stepp – 19.

Absent or not voting – Senator Zien – 1.

referral Refused.

Senate amendment 1 to Senate amendment 2 to **Assembly Bill 3** offered by Senator Carpenter.

The question was: Adoption of Senate amendment 1 to Senate amendment 2 to **Assembly Bill 3**?

Adopted.

Senator Darling moved that Senate amendment 2 to **Assembly Bill 3** be laid on the table.

The question was: Shall Senate amendment 2 to **Assembly Bill 3** be laid on the table?

The ayes and noes were demanded and the vote was: ayes, 19; noes, 13; absent or not voting, 1; as follows:

Ayes – Senators Brown, Cowles, Darling, Ellis, S. Fitzgerald, Grothman, Harsdorf, Kanavas, Kapanke, Kedzie, A. Lasee, Lazich, Leibham, Olsen, Plale, Reynolds, Roessler, Schultz and Stepp – 19.

Noes – Senators Breske, Carpenter, Coggs, Decker, Erpenbach, Hansen, Jauch, Lassa, Miller, Risser, Robson, Taylor and Wirch – 13.

Absent or not voting – Senator Zien – 1.

Tabled.

Ordered to a third reading.

Senator Schultz, with unanimous consent, asked that the bill be considered for final action at this time.

Assembly Bill 3

Read a third time.

The ayes and noes were required and the vote was: ayes, 18; noes, 14; absent or not voting, 1; as follows:

Ayes – Senators Brown, Darling, Ellis, S. Fitzgerald, Grothman, Harsdorf, Kanavas, Kapanke, Kedzie, A. Lasee, Lazich, Leibham, Olsen, Plale, Reynolds, Roessler, Schultz and Stepp – 18.

Noes – Senators Breske, Carpenter, Coggs, Cowles, Decker, Erpenbach, Hansen, Jauch, Lassa, Miller, Risser, Robson, Taylor and Wirch – 14.

Absent or not voting – Senator Zien – 1.

Concurred in.

Senator Schultz, with unanimous consent, asked that all action be immediately messaged to the Assembly.

ANNOUNCEMENTS, ADJOURNMENT HONORS, AND REMARKS UNDER SPECIAL PRIVILEGE

Senator Carpenter, with unanimous consent, asked that when the Senate adjourn, it do so in honor of librarians Patricia Kennedy of the Milwaukee Public Library, and Terri Delke of the Greenfield Public Library, in the Capitol today for Library Association Legislature Day.

Senator Carpenter, with unanimous consent, asked that when the Senate adjourn, it do so in honor of teachers, administrators, and parents of students from Christ St. Peter Lutheran School who came to lobby for Milwaukee School Choice Program, specifically Joy Duensing, Natalie Sackmaster, Nicole Rivas, Ella Graf, Lisa Diaz Telle, Juanita G. Sanchez, Karla Jaeger, Matt Krenke, Katheryn Graham, John Marten, Elisa Reabola, Kristy Stahmann, Kelly Schlicht, and all of the children from Christ St. Peter Lutheran School who visited the Capitol today.

Senator Carpenter, with unanimous consent, asked that when the Senate adjourn, it do so in honor of the teachers, administrators, and parents of Prince of Peace-San Rafael School, where his two nieces attended.

Senator Roessler, with unanimous consent, asked that when the Senate adjourn, it do so in honor of Rotary International, which is celebrating its 100th anniversary in 2005. The leadership of the three Oshkosh Rotary clubs decided to show its unity with the other clubs in the world by hosting 24 consecutive hourly meetings on Saturday, February 5, 2005. The spirit of adventure is that Oshkosh Rotarians will have celebrated this day with all world clubs. Each hour, they will ring the Rotary Bell, have an invocation, pledge allegiance to our flag, and recite Rotary's four-way test. They will also recite the names and countries of various clubs who are meeting in a "noon time zone" in the world.

Senator Wirch, with unanimous consent, asked that when the Senate adjourn, it do so in honor of Joseph T. Mangi, who has been the Principal at Bradford High School for 18 years. Mr Mangi has announced his retirement at the end of the school year.

Senator Erpenbach, with unanimous consent, asked that when the Senate adjourn, it do so in honor of the birth of David Owen Templeton, who was born on January 10, 2005 to Carrie and Scott Templeton. Carrie has been a valuable member of his staff for the past five years, and will be back in April after spending some quality time bonding with David while she is on maternity leave.

Senator Erpenbach, with unanimous consent, asked that when the Senate adjourn, it do so in honor of President Jimmy Carter.

Senator Coggs, with unanimous consent, asked that when the Senate adjourn, it do so in honor of Representative Lucien H. Palmer, the first African-American elected to the Wisconsin Assembly in 1907.

The chair appointed Senators Fitzgerald and Decker to escort his excellency, the Governor.

Senator Schultz, with unanimous consent, asked that the Senate adjourn pursuant to Senate Joint Resolution 1, upon the rising of the Joint Convention.

Senator Schultz, with unanimous consent, asked that the Senate recess until 6:45 P.M.

2:15 P.M.

RECESS

6:45 P.M.

The Senate reconvened.

Senator A. Lasee in the chair.

The Chair, with unanimous consent, asked that the Senate recess for the purpose of awaiting the Governor's Budget Address in Joint Convention in the Assembly Chambers at 7:00 P.M.

The Senate proceeded in a body to the Assembly Chamber to meet in Joint Convention to receive the Governor's Budget Message.

IN ASSEMBLY CHAMBER IN JOINT CONVENTION

The President of the Senate in the Chair.

The committee to await upon the Governor appeared with his excellency the Governor, who delivered his message as follows:

Speaker Gard, Majority Leader Schultz, President Lasee, Speaker Pro Tem Freese, Members of the Legislature, Lieutenant Governor Lawton, Constitutional Officers, Supreme Court Justices, Members of the Cabinet, Tribal Leaders, and fellow citizens of Wisconsin.

Three weeks ago, I came before you to report that, although we still face significant challenges, the State of Wisconsin is on the move ...

...on the move in education.....on the move creating innovative health care solutions.....and on the move with the largest manufacturing job growth anywhere in the country.

But we are just getting started. Tonight, I fulfill one of the most important responsibilities I have as Governor: presenting a budget that embodies the values of the people of Wisconsin – one that meets our needs, upholds our principles, balances our books, and most importantly, keeps Wisconsin on the move.

Just two years ago, we confronted the largest budget deficit in our history, and answered not only with dramatic cuts but a clear set of priorities.

We cut overhead but saved health care for seniorseliminated departments but protected child care.....and reduced the number of state employees so we wouldn't have to reduce the number of teachers in our classrooms.

We stayed true to basic Wisconsin values, and we didn't raise taxes.

Since then, we've sold seven state planes and put 1,000 cars on the auction block. We've cut contracts, consolidated services, eliminated 1,500 cell phones, and negotiated lower prices for prescription drugs.

As a result, we now have the opportunity to invest in Wisconsin's priorities – improving education, preserving health care, creating jobs, and yes, protecting property taxpayers.

Our economy is growing faster than any of our neighbors, not only producing new jobs but helping the state pay its bills – generating an extra billion dollars over the next two years.

As I did two years ago, I've based my budget on the conservative estimates of the Legislative Fiscal Bureau – even though there is good reason to believe the state revenue will be even higher. In fact, if you split the difference between the Fiscal Bureau and Wisconsin Department of Revenue projections on sales taxes, we'd have over \$100 million more than I assume in my budget.

The budget I present to you tonight is balanced. It cuts state overhead. It reduces the state payroll. It further eliminates waste. It consolidates more services. And it reforms the way government does business so that we will have the resources to invest in the priorities of Wisconsin's families.

This budget, like the last one, is not just about cutting. It's about setting priorities. And, keeping true to my promise, we will eliminate this \$1.6 billion deficit without raising taxes.

To do that, my budget cuts state operations spending by more than \$270 million – holding the growth in spending to less than four percent each year.

My budget rethinks and restructures the way government does business, to make it more efficient, less cumbersome, and less expensive.

We're saving taxpayers money by streamlining and consolidating back office services in state government. We're going from 220 computer servers to just 19. We're negotiating bulk discounts for computers, software, office equipment, and more. We're consolidating human resources staff from 17 agencies.

This initiative will save us more than \$35 million in the next two years ... and even more in the years to come.

We'll sell property the state no longer needs, generating another \$36 million that will go straight into our budget stabilization fund.

We'll consolidate attorneys from 17 different agencies and put them under one roof. And we'll develop a team specializing in contracting – so we can negotiate the best deals for taxpayers.

And this budget continues to reduce the size and cost of the state workforce – trimming the payroll by 1800 positions.

Cutting state jobs is one of the most difficult responsibilities we have. That's why we are doing everything humanly possible to minimize the effect on people's lives. We've already been holding positions vacant, and we'll make as many cuts as possible through attrition and retirements so fewer workers are faced with finding new jobs.

I also want you to know that we are not just cutting for the sake of cutting. Where it makes sense, we're adding employees ...

...15 new positions at DNR to protect our groundwater, rivers and streams.....20 new state troopers.....50 corrections staff to expand alcohol and drug treatment.....141 new nursing home positions to care for Wisconsin's veterans....And 125 new faculty at the University of Wisconsin.

As I said, this budget is about priorities. And let me be clear: my priority is education.

How we get our kids prepared for life will have a more profound effect on the long-term strength of Wisconsin than anything else we do. So, if we want good jobs – it's education. If we want a growing economy – it's education. If we want to reduce the number of inmates – it's education. If we want to find cures to disease – it's education.

And the people of Wisconsin should hold accountable anyone who plays politics with this core building block for our future.

The budget I'm presenting today will advance more than fifteen of the recommendations made by the bipartisan Task Force on Educational Excellence, from helping school districts cope with declining enrollment to providing mentors for new teachers.

First, we will expand the SAGE program, reducing class sizes in our communities ... because smaller classes mean more learning.

Second, we'll provide grants to help communities start up four-year-old kindergarten.

Third, to help schools reduce the cost of health care ... and to guarantee the best teachers for our children ... my budget will repeal the outdated, inflexible QEO.

Next, my budget reforms school transportation. The morning bus ride may seem inconsequential to some, but understand that some rural communities spend more than \$1,000 a year on each student's transportation. \$1,000.

And while the state's transportation fund helps pay the cost of an adult who rides the bus to work, not a penny is available for helping get kids on the bus to school.

That's why tonight, I propose using the transportation fund to support school transportation. And we'll provide a \$16 million increase targeted at districts that must take students the longest distances between their homes and schools.

It's time to ease the burden on property taxpayers, and let schools focus on what they do best—educating our kids.

I think there's one thing every Republican and Democrat can agree on – it is time the federal government fulfilled its promise to fund its 40 percent share of special education costs.

Every day President Bush and Congress refuse to fulfill their obligation to special ed is another day Wisconsin property taxpayers are stuck with the bill. It's unfair, irresponsible and must stop.

Wisconsin's kids shouldn't be allowed to fail just because Washington is failing them.

And so tonight, I propose a \$15 million investment in special education, with a particular focus on school districts that have individual students with exceptionally high costs.

These reforms and investments are significant. But the fundamental issue is whether our schools have the resources to provide quality education to every child. Across Wisconsin, communities have been forced to close schools, increase class sizes, and eliminate courses like advanced math, music, art, and physical education.

And there is growing tension between property taxpayers and the education system.

Instead of communities uniting to build and fund the best schools for their children and grandchildren, education has become a divisive issue, too frequently pitting families with young kids against those struggling to afford higher property taxes.

We need to resolve this tension. But the answer is not to simply cut education.

In Wisconsin, we've set a goal for the state to fund two-thirds of the cost of every child's education. Because of fiscal mismanagement and overspending by previous administrations and legislatures, two years ago there was not enough money.

But because revenues have grown, and because of savings we've achieved, in my budget we will meet this goal – and provide two-thirds funding for local schools.

Doing so will mean an historic commitment to public education – an additional \$850 million investment in Wisconsin's future.

Not only will it hold property taxes down, but it will mean stronger schools for our children.

There's another commitment we have to keep, and that's shared revenue.

Two years ago, I inherited a \$3.2 billion deficit. I also inherited a budget that gutted shared revenue. But I provided almost two billion dollars to fund shared revenue last time around, and tonight, I am proud to announce that my budget fully funds shared revenue.

This is a huge commitment to local communities ... but it is a commitment we must keep if we are serious about holding the line on property taxes.

In the 1990's property taxes in Wisconsin went up by two billion dollars. By going on a state spending spree and auctioning off the tobacco settlement for pennies on the dollar, the Legislature only made the problem worse.

But now, with dramatic cuts in state government ... with two-thirds funding for local education ... with a strong commitment to shared revenue ... we are poised to deliver historic relief to Wisconsin property taxpayers.

With my budget, we will freeze property taxes.

My property tax freeze will prevent \$900 million of property tax increases and save the average homeowner more than \$330 in the next two years.

My property tax freeze treats local communities as partners, not enemies. Through investments in schools and local governments, new incentives and bonuses, and tough limits in the law, my plan will achieve the same goal as the Republican plan ... freezing property taxes.

But not only that, my property tax freeze is responsible. It protects education, promotes economic development, and preserves vital services like police and firefighters.

Here's how it works:

Under my budget, the state will live up to its commitments – fully fund shared revenue, provide two-thirds funding for education, and hold the line on state taxes. In return, we'll ask local governments and schools to do the same – hold the levy to the same overall level as the Republican plan without harming schools and services.

My freeze strictly limits the amount a community can raise taxes to just inflation and a percentage of their new growth. Communities will be able to maintain quality services while dealing with rising prices and growing populations, but they will have to set priorities just like we're doing at the state level.

Not only does my freeze set firm limits on property taxes, but it also provides more than \$100 million worth of incentives for communities that hold property taxes even lower.

As part of this plan, we're reforming the Expenditure Restraint Program and expanding it so counties can participate. While the old program gave communities rewards for limiting spending, the new program will reward them for doing what actually matters to taxpayers – and that's limiting taxes.

My plan also encourages cooperation between communities, because it recognizes the reality that economic growth is regional. Communities should work together to promote economic development, not compete to see who can raise taxes more because a new business opens within their boundaries. And urban centers must expand and improve their services to support growing suburban areas.

We'll also protect technical colleges, which are vital to economic development. They provide young workers with the training to get that first job, and they help older workers who've lost their job get the skills to find a new one. Technical colleges account for a small percentage of property tax bills, and they already have limits on the amount their levies can increase. My plan requires them to continue to abide by those limits – without imposing new ones that could end up costing our workers and hurting our economy.

The state budget lasts for two years. Therefore, it's only responsible that the freeze should also last for two years – because we should not put a freeze on communities longer than we can guarantee our funding commitment to them.

Last session, the Legislature sent me a property tax freeze. But it wasn't a responsible freeze. It would have meant a \$400 million cut to our schools alone.

This is a moment of truth for the Legislature. The choice is up to you.

If you send me another bill that freezes out our schools, our police and our firefighters, you will force me to take out my veto pen and make you start over. But if you pass a responsible property tax freeze – one that protects taxpayers and their priorities – we can find common ground.

Let's show the people of this state that property tax relief is more than just a campaign slogan.

Democrats, Republicans – we have a job to do. Let's work together and get it done.

In the past year, we've created almost 70,000 jobs in Wisconsin. We've emerged as the national leader in creating new manufacturing jobs.

The economic news is just another sign that smart investments and not raising taxes were the right choices two years ago ... and they are the right choices again today.

We also know that some areas of our state are still struggling. My budget will create a new \$5 million grant program to attract businesses to communities that haven't done as well. For individuals still looking for work, we're providing \$2 million to improve placement services that help them find new jobs.

It is a fundamental Wisconsin value: every person who is willing to work should have access to a job and the means to support a family.

To help workers and businesses become more competitive, we're also creating a new \$5 million job training initiative. We'll pay the training costs for businesses that create significant numbers

of new jobs, invest in new equipment, or provide higher wages. Because building and maintaining our infrastructure is vital to our economy, my budget includes a robust transportation program – about \$4.4 billion over the next two years.

That represents a 16 percent increase over the last budget, and the largest overall investment in transportation in Wisconsin history. My budget transfers \$250 million from the transportation fund to support our investment in schools and other key priorities. With such a large transportation budget, and so many pressing needs in our state, it's the only responsible thing to do.

But make no mistake: our investments are comprehensive – air, rail, harbors, highways, and mass transit. And we'll provide a \$6 million increase to serve elderly and disabled citizens.

Under my Administration, we've permanently protected more than 42,000 acres of pristine natural areas

– including land in almost every county in Wisconsin.

My budget includes new funding to protect our groundwater from agricultural runoff, provides stronger oversight of stormwater discharges into our lakes and streams, ensures that Aztalan State Park will remain open, combats the rise of invasive aquatic species, and reverses cuts to our parks, trails and visitor centers.

It also invests in new information technology to continue the progress we've made in regulatory reform

– proving that you can be both pro-environment and pro-jobs.

Hunting and conservation groups have asked us for modest fee increases – at most, the cost of a case of beer. It will fix an expected \$20 million deficit in our fish and wildlife fund, allowing us to hire 30 more wardens, restore fish and pheasant stocking, renew leases on 30,000 acres of public hunting grounds, and guarantee the hunting and fishing legacy that is the birthright of every Wisconsin citizen.

Now, let's talk about the University of Wisconsin. And there's a line I've been waiting to say since the last time we met:

For the first time in more than 10 years, my budget will add more state money to the UW and financial aid than it will to the Department of Corrections.

In the past two years, we've worked with the University to add 300 instructional staff to meet the demands of a growing enrollment and increase the number of college degrees. Now, we'll reduce the number of administrators by 200 ... but increase faculty by another 125.

With a new Star Faculty initiative, the University will be able to pay more competitive salaries so we don't lose our best and brightest to other institutions.

The University of Wisconsin system is the finest in the nation ... and we need to make sure it also remains one of the most affordable.

That's why this budget will hold tuition increases between 5 and 7 percent.

My budget ensures that Wisconsin will rank near the bottom in the Big Ten. Not in football, but in tuition.

To protect students whose talent exceeds their ability to pay, financial aid will increase at an even faster rate – a 34 percent increase, or \$23 million.

Together with the last budget, we will have more than doubled financial aid for UW students since I took office.

On top of that, my budget significantly expands the college tax deduction, so Wisconsin families can deduct the full cost of college up to the average price of tuition at the University of Wisconsin.

I came to the Governor's office after 12 years as Attorney General. But I think the experience that prepared me the most was being a parent.

Any parent can tell you that there is no more life-altering experience than looking into your child's eyes for the first time, and understanding the awesome responsibility you have for their future.

As a parent, you have take stock of your priorities, plan ahead, sacrifice and save money for their education. You do whatever it takes to keep them safe, healthy, happy, and ready to seize all the opportunities of life.

Those are the priorities of Wisconsin's families, and they should be the priorities of Wisconsin's budget.

As part of our Kids First plan, we'll make the investments that support families and help children get off to the right start.

Nine Wisconsin counties offer home visits and parent education services to new families as part of a pilot program. Kids in this program were 30 percent more likely to be immunized, half as likely to go to the emergency room, and one quarter as likely to be abused. It's time to take this effort statewide.

My budget funds a new initiative that, when fully implemented, will make home visits available to every new parent in Wisconsin. In the first phase, we are investing \$1.2 million to provide home visits to families of children most at risk.

We're increasing mental health and substance abuse screening for families in the Child Welfare system, and expanding access to treatment.

We're increasing reimbursements for foster families, and expanding Medicaid coverage so that foster children don't lose their health insurance when they turn 18. We're creating an independent Ombudsman for Milwaukee Child Welfare – to bring the system more oversight and accountability.

This budget implements my Quality Care for Quality Kids initiative. We will rate the quality of child care centers on a five star system, and make those ratings available to parents. We'll use those ratings in the state's subsidized child care program for low-income families – creating a powerful incentive to provide high quality child care.

My budget also protects Wisconsin's bedrock commitment to SeniorCare and BadgerCare.

Because of the way Medicaid is structured – and because Washington wants to back away from its commitments – SeniorCare and BadgerCare face real dangers in the coming years.

The federal government is forcing states to choose between funding education or funding Medicaid – and that is dead wrong. Medicaid is supposed to be a partnership between states and the federal government to provide health care to our most vulnerable people. Unfortunately for Wisconsin taxpayers, "partnership" means about as much to the federal government as "sportsmanship" means to Randy Moss.

For some people in Washington, Medicaid "reform" means making it easier for states to cut people off. That's not reform; it's retreat ... and America deserves better.

Along with Governors of both parties, I'm going to keep fighting for national Medicaid reforms that will make the system more flexible and provide the resources our people need.

In the meantime, we're doing everything possible to manage this difficult problem in Wisconsin.

We created a preferred drug list to save money on prescriptions. We saved money on medical equipment through bulk purchases. We went to a single provider for eyeglasses, and a single provider for hearing aids. We expanded the use of managed care. We moved people out of costly institutions so they could live independently in the community. And we saved taxpayers \$93 million by re-bidding a costly Medicaid contract – something previous administrations hadn't done in a decade.

But even with all these reforms, we still face a significant deficit in Medicaid.

To balance this deficit – and avoid cuts in education – my budget does the following:

First, we're launching a new initiative to reduce medical errors. In a system that still relies on handwritten prescriptions and medical records, mistakes are all too common. By investing \$10 million to promote the use of technology, like computerized medical records, we'll help avoid mistakes that end up costing taxpayers and sometimes costing lives.

Second, we'll generate an additional \$122 million in new federal revenue by imposing an assessment on providers. Many providers will benefit because those funds will be used to raise reimbursement rates.

Like dozens of other states, we have been forced to take this action because of the bizarre rules the federal government has set up for Medicaid. Unfortunately, it's one of the only ways a state can get additional funding and avoid having to cut people off.

Third, we'll transfer about \$180 million from the Patients' Compensation Fund, which will have grown by almost \$220 million over four years. An independent analysis recently showed that the fund has at least \$200 million more than it needs to cover any imaginable claims.

Again, this is a choice I'd rather not make. But without those funds, we'd be faced with alternatives like ending SeniorCare and BadgerCare for more than 180,000 people. It's simply indefensible to say we have three quarters of a billion dollars sitting in a fund that's totally off limits – even the interest is totally off limits – and so as a result we're going to take people's health care away.

Fourth, we're launching a significant reform of long-term care, which accounts for more than half of Medicaid spending.

Right now we're taking people who could live happily in their own homes with just a little help, and we're forcing them into nursing homes. It makes no sense – not for our parents, and not for taxpayers.

Tonight, I'm setting an ambitious goal for our state: in the next eight years, let's reduce the number of people in nursing homes by 25 percent.

This transition won't happen overnight. While it ultimately will save us hundreds of millions of dollars, those savings won't come until future years.

In the meantime, to maintain nursing home services while we make this transition — and to make the up front investments we need — my budget calls for additional bonding authority – up to \$130 million depending on how the economy does. That's less than 1 percent of our budget for next year, but it also represents nursing home care for 3,500 seniors.

If revenues improve over the next several months, as we hope and expect, we should set it aside for Medicaid. Depending on how well the economy does, some of the measures I've just outlined might not be necessary. But what's most important is that we have a Medicaid budget that is balanced, that doesn't rob education, and that protects health care for those who need it most.

I've spent much of my life in law enforcement. Keeping our communities strong and our families safe is one of the most important jobs we have. I've put bad people behind bars, some of them for life. I've been with families torn apart by senseless acts of violence. This is important to me. And it's personal.

The things we've done over the past few years are starting to pay off. Wisconsin is one of the safest states in the nation – and crime is at a 30-year low.

As Governor, I have the opportunity to do things I couldn't as Attorney General. We're setting a new direction for the Department of Corrections.

First, there's no question we need to lock up the most violent and hardened criminals. But when a nonviolent offender is ready to come forward to improve his or her life, we need to provide the help they need. Not only is it the right thing to do, but it's the wisest investment we can make.

My budget will create new alcohol and drug treatment programs at Taycheedah and Racine Correctional Institutions. Combined with the last budget, we will have increased our drug treatment capacity by more than 2,200 inmates a year.

My administration has also created an earned release program that allows judges to sentence offenders to shorter terms if they complete treatment. This budget expands the program with 200 beds at correctional centers in southern Wisconsin.

Next, when young people come into the Corrections system, we've must get to them early before they become hardened, career criminals.

My administration has instituted boot camps for young offenders to teach discipline and respect for authority ... and give them a chance to change their lives.

Third, we need to improve our probation system. Right now, it's simply overburdened. We spend a lot of time supervising the least dangerous people ... and we don't have the resources to properly supervise the most dangerous. We need to put the emphasis on protecting public safety. My budget cuts probation time for misdemeanors by half, so that agents can spend more time with serious offenders. The money we save will help us make a major investment in drug and alcohol treatment so we'll have less crime and fewer parolees in the first place.

Fourth, we need to take a hard look at how we sentence people who are non-violent and who are drug or alcohol dependent. That's why I am directing the Wisconsin Sentencing Commission to report back to us by the end of the year so we can reform the system to work better for everyone – including Wisconsin taxpayers.

Finally, the single best thing we can do to reform corrections is to support quality day care, education, foster care, and the fight against child abuse. It's estimated that for every dollar we spend on early education, we can save up to 17 dollars in social welfare costs, including the prison system. Quite simply, the best way to fight crime is to invest in kids.

They say your budget is the clearest reflection of your values. This budget reflects not only my values, but the values I believe we share as citizens of this great state.

It is balanced and fiscally responsible. It makes an historic commitment to education. It reforms health care, protects our environment, invests in our great University System ... and it does not raise a single tax.

Most of all, this budget protects our schools and the quality of local services, while freezing property taxes.

I've talked a lot about numbers tonight, but that's not what this budget is about.

It's about the people of Wisconsin, and I'd like you to meet some of them.

Stand up folks.

This budget is about Jeanne Gorman, who depends on Senior Care to afford her medicines. It's about Monica Williamson, who's studying marketing at Moraine Park Technical College. It's about Gary Welch, whose job is safe because we're investing \$6 million to improve the harbor in Sturgeon Bay. It's about Barb and Ray Jones, who have been foster parents for 25 years and have cared for more than 60 kids. It's about Alex Wagner, a student at UW-Milwaukee, who attends with the help of financial aid. It's about Joan Davis, a four-year-old kindergarten teacher. It's about Mark Riechers, who raises livestock and hopes to upgrade his operation. And it's about Keith and Mary Louise Symon. They're senior citizens who struggle each December to pay that property tax bill. But they are also grandparents, and more than anything else, they want their grandchildren to have the very best education Wisconsin can provide.

These are the faces of Wisconsin. They are looking to us for leadership ... and we cannot let them down.

Our success or failure won't be measured in charts or graphs or budget tables, but in the fulfillment of their dreams.

Let's be worthy of their trust, and now, let's get to work.

On Wisconsin.

ADJOURNMENT

Adjourned.

7:55 P.M.