STATE OF WISCONSIN

Senate Journal

Ninetieth Regular Session

10:00 A.M. Tuesday, May 5, 1992

The senate met.

The senate was called to order by Fred A. Risser, President of the Senate.

The Chair, with unanimous consent, asked that the calling of the roll be dispensed with.

PETITIONS AND COMMUNICATIONS

State of Wisconsin
Wisconsin Lottery Board

January 21, 1992

To the Honorable the Legislature:

RE: Quarterly Report of the Wisconsin Lottery Board

On behalf of the Chairman and members of the Lottery Board, I am herewith submitting for your consideration the January 1, 1992 through March 31, 1992 quarterly report of the Board, as required by s. 565.37(3), Wis. Stats.

If there are any questions or comments regarding this report, or additional information is necessary, please do not hesitate to contact me or the members of the Board directly.

WILLIAM F. FLYNN, JR.
Executive Director

STATE OF WISCONSIN
ETHICS BOARD

April 28, 1992

To the Honorable the Senate:

At the direction of s. 13.685(7), Wisconsin Statutes, I am furnishing you with the following changes in the Ethics Board's records of licensed lobbyists and their employers.

Organization's modification or amendment of records: The organizations listed below have previously registered with the Ethics Board and now indicate the following modifications to their records:

Counseling & Development, Wisconsin Assoc. of

Address Change:

9679 Sandpit Road

Larsen, WI 54947

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 the organizations that employ lobbyists.

Sincerely,
R. Roth Judd
Executive Director

STATE OF WISCONSIN
ETHICS BOARD

April 28, 1992

To the Honorable the Senate:

At the direction of s. 13.685(7), Wisconsin Statutes, I am furnishing you with the names of organizations recently registered with the Ethics Board as employing one or more individuals to affect state legislation or administrative rules. For each organization I have noted the general area of legislative or administrative action which the organization has described as the object of its lobbying activity and the name of each licensed lobbyist that the organization has authorized to act on its behalf.

MedX, Inc.
Subjects: All legislative, regulatory and administrative matters related to waste disposal, including but not limited to licensing, taxation, and the environment.

Mitchell, Brian

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 the organizations that employ lobbyists.

Sincerely,
R. Roth Judd
Executive Director

EXECUTIVE COMMUNICATIONS

State of Wisconsin
Office of the Governor

April 29, 1992

To the Honorable, the Senate:

The following bills, originating in the senate, have been approved, signed and deposited in the office of the Secretary of State:

Senate Bill	Act No.	Date Approved
483 (partial veto)	269	April 29, 1992

Respectfully,

TOMMY G. THOMPSON
Governor
State of Wisconsin
Office of the Governor

April 29, 1992

To the Honorable, the Senate:

I have approved **Senate Bill 483** as 1991 Wisconsin Act 269 and deposited it in the Office of the Secretary of State.

Signing this bill into law concludes the biennial budget process that began in January 1991. Since then, I have signed several major budget bills including Act 39 (the biennial budget bill), Act 51 (the October fiscal adjustment bill), Act 80 (the medical assistance adjustment bill) and now **Senate Bill 483**, the budget adjustment bill.

The primary purpose of the budget adjustment bill is to provide a reasonable level of spending authority to continue existing programs. In addition, several important new initiatives are included.

Throughout this process I insisted it was possible to enact a budget with no general tax increases, without base cuts in major state programs, and without laying off state employes, as long as we lived within our means. I am pleased that this policy has prevailed. This overall approach to government fiscal management has been recognized nationally in such publications as City and State and Financial World, both of which have recently ranked Wisconsin among the top ten states in the country for financial and budget management.

Other states around the country have not had such willpower, and have not been so fortunate. Over 30 states have had budget deficits, either in the last fiscal year or the current fiscal year. Large tax increases, major cuts in aids to K-12 schools and local governments, reduced state support for universities, social services benefit cuts, layoffs of state employees and closings of state parks have occurred. Many of these states have still not resolved their budget problems.

Budget pressures on all states will continue. It is likely that we will again face a tight budget in the 1993-95 biennium. However, we will follow the same policies that have served us so well the last five years. We will live within our means. We will not increase general taxes. And we will continue to make economic development a top priority.

The budget passed by the Legislature left a projected June 30, 1993 ending balance of $70.8 million, just $1.2 million above the required 1% balance. It also committed the first $247 million in revenue growth the state will receive in fiscal year 1993-94 to pay for spending increases that have already been promised and to replace one-time revenue occurring in fiscal year 1992-93. I am concerned about signing a budget with such a high level of advance commitments of revenue growth. At the state level we are prohibited from spending more than we can take in. We should also be wary of committing tomorrow's taxpayers to unaffordable spending levels.

Using my partial veto authority, I have reduced general purpose revenue spending and increased the general fund ending balance by $1.8 million this biennium. More importantly, I have reduced the level of advance commitments the Legislature made by more than $40 million, so that we can better consider all program needs at the time the 1993-95 budget is developed.

The budget adjustment bill I am signing today has many beneficial provisions, including the following:

Taxes and Property Tax Relief

* Provides no increase in state general taxes.
* Increases the excise tax on cigarettes by eight cents per pack. I proposed a smaller five cents per pack increase, but I could not reduce the eight cent increase to a five cent increase through a veto.
* Provides for a $17.7 million GPR increase in shared revenue to local governments in fiscal year 1993-94.
* Provides a 25% income tax deduction for health insurance purchased by self-employed individuals beginning in 1993, increasing to 50% in 1994.
* Provides a $78.1 million GPR increase in general equalization aids to schools in the 1992-93 school year.

Economic Development

* Increases funding for the Wisconsin Development Fund by $4.25 million GPR.
* Provides $250,000 GPR in grants to Northern Wisconsin Area Promotion Committees in fiscal year 1992-93 which the committees will use to work with Indians and non-Indians on tourism promotion.
* Establishes regulations governing commercial deer farms to help expand the state's venison meat industry.
* Increases the transportation aid mileage payment from $1,100 to $1,200 per mile.
* Expands the multifamily dwelling code to establish greater uniformity in construction standards.

Education

* Implements several important educational reforms for Wisconsin's public schools, including:
  - -- $3.2 million in increased funding for student assessment, staff development, and school based management.
  - -- $2.7 million in increased funding for head start and other early childhood programs.
  - -- Enhanced collaboration between social services and school programs.

-- $100,000 for elementary school science and math grants.

* Provides a $3.8 million increase for handicapped education aids.

* Provides a $95 million increase in total state funding for schools.

* Increases support to the University of Wisconsin System by $419,600 GPR to purchase student computers and improve laboratory supplies and equipment.

* Provides a $3 million GPR increase in state aid to VTAE districts.

* Increases state support for the Medical College of Wisconsin's family practice residency program by 29%.

Environmental Programs

* Provides $1.6 million and 17 positions needed to implement programs required by the federal Clean Air Act to improve air quality.

* Provides an additional $250,000 SEG in fiscal year 1991-92 to continue efforts to eliminate gypsy moth infestation in several Northeast Wisconsin counties along Lake Michigan.

* Funds the removal and replacement of underground petroleum storage tanks and remedial clean-up of leaking tank sites.

* Creates an aquatic nuisance control council to recommend control measures regarding species such as the zebra mussel.

* Creates a program to improve the energy efficiency of state buildings.

Human Services

* Increases state funding for the medical assistance program for fiscal year 1992-93 by $64 million GPR over the fiscal year 1991-92 level.

* Affirms the state's commitment to the Birth to Three program by providing needed services to developmentally disabled infants and toddlers.

* Removes persons receiving care in the community from liability under the state's medical assistance estate recovery program.

* Provides increases in community aids and youth aids.

Courts and Justice

* Provides $700,600 GPR in fiscal year 1992-93 to allow the Department of Corrections to hire additional probation and parole agents and related staff to meet increases in probation and parole caseloads.

* Provides $230,000 aimed at reducing drug activities for Madison's 'Blue Blanket' program.

* Creates ten new courts in 1994.

* Increases funding for VTAE contracts with correctional facilities by $366,700.

* Increases court fees for additional family court mediation services.

Government Operations

* Refunds outstanding bond issues and replaces them with lower interest rate issues.

* Credits $1 million in savings to the state's general fund from a 25% reduction in rates charged agencies using the state telephone system, effective January 1, 1992.

* Improves oversight of all state lottery, racing and bingo operations through creation of a state gaming commission.

On the other side of the ledger, I am disappointed that the Legislature did not pass important reforms I proposed regarding two of the state's largest programs.

We have had positive revenue growth throughout this biennium, with actual revenues tracking very close to our revenue estimates. The major reason we have needed two budget adjustment bills this session is because of higher spending demands. In particular, increased demands for spending in school aids and medical assistance funding have created budget pressures.

The Legislature had several opportunities to adopt school cost controls this session, yet ultimately nothing was done. Providing property tax relief will be difficult until we limit the driving force behind property tax growth -- large spending increases. K-12 school costs are increasing by eight to nine percent per year. State school aids are the largest single state expenditure, totalling more than 29% of state tax supported expenditures. Total state aid to schools will increase by $93.1 million in fiscal year 1992-93 in **Senate Bill 483**, but school aids cannot stabilize property taxes, let alone reduce them, if costs continue to increase at rates that are well above inflation.

Costs for the state's medical assistance program have increased at a double-digit pace that consumes an unsustainable share of the state's revenue growth each year, to the exclusion of other worthwhile programs. This created budget problems this biennium which I proposed to address through a series of MA cost containment initiatives. These initiatives included copayments on home health services and transportation services (two of the fastest growing MA expenditures), limits on personal care and transportation reimbursement and a reduction of the asset and income levels allowed to be retained by the community spouse of a nursing home resident receiving medical assistance.

Unfortunately, the Legislature rejected these needed reforms, ensuring that MA funding will again be a difficult problem in the 1993-95 budget. In fact, the Legislature approved a major expansion of the MA

program that will require an additional $17 million in state funding during the next budget, above and beyond the cost otherwise needed to continue the MA program.

I am also disappointed that the Legislature has been reluctant to adopt several welfare reforms I proposed. Wisconsin has been recognized as the national leader in developing innovative ways to reduce welfare dependency and promote self-sufficiency and economic improvement. These reforms have included learnfare, workfare and parental responsibility. The people who have the most to gain from these reforms are the welfare recipients themselves, and especially their children.

In the budget adjustment bill, I proposed measures to expand the learnfare program, implement a two-tier AFDC benefits pilot program in four counties, suspend eligibility for AFDC benefits for intentional fraud and reform general relief aid. I was disappointed that the Legislature did not pass these measures.

I would like to comment on my position on one other budget item. A provision that I am signing into law allows a municipality to permit underage persons to be present at premises for which a temporary on-premise beer license has been issued. I want to make it clear that this provision -- which is for events such as Madison's Concerts on the Square and A Taste of Madison -- should be used very sparingly. I do not want this to signal a retreat from our ongoing efforts to discourage underage drinking.

The 1991 legislative session witnessed passage of measures providing educational reforms for our schools, improved state air and water quality, increased availability of health insurance, more resources for children's health needs and stiffer penalties for repeat drunk drivers. At the same time, we have continued to live within our means as a state and have not increased general taxes. These accomplishments will result in a state with continued economic strength and a continued high quality of life in the future.

Respectfully,
TOMMY G. THOMPSON
Governor

VETO MESSAGE

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A. EDUCATION

EDUCATIONAL COMMUNICATIONS BOARD

1. Funding for Communications Tower Equipment

Sections 47 [as it relates to s. 20.225 (1) (em)], 62v, 265m, 265r and 9117 (2m)

These provisions create a new biennial appropriation and provide $174,000 GPR in the 1991-93 biennium for the purchase and installation of communications tower equipment. Further, these provisions direct that these funds be used to locate towers in the Town of Lincoln in Kewaunee County, in the Sturgeon Bay area and near Ellison Bay.

I am vetoing these provisions because the practice would set a bad precedent by having the Legislature target the sites of educational technology independent of a

comprehensive review by the Educational Communications Board (ECB). Further, a statewide assessment to determine the best technology option for a given area of the state is currently being done by ECB. Any further development of distance education projects should take the results of this study into consideration.

2. Split Funding of Positions

Section 9217 (1) (bg)

This provision increases the Educational Communications Board's general program operations appropriation by $103,200 GPR in fiscal year 1992-93. I am vetoing this provision to save GPR funds. At a time when the state's financial situation requires setting priorities for state funding, this increase is not a priority. Further, agencies must achieve administrative efficiencies by exploring cooperative arrangements with other agencies providing similar services and programs. I would support an agency request to create PRO position authority under s. 16.505. ECB administrative positions provide support to both GPR and PRO funded activities. To the extent possible, agency positions should be funded to reflect the agency's overall revenue mix.

3. Instructional Television Programming

Section 9217 (4m)

This provision deletes the requirement approved in Wisconsin Act 39 for the Educational Communications Board to start the process of updating Wisconsin-specific instructional television programs. I am vetoing this provision to permit the requirement to stand. These programs deal with different aspects of Wisconsin's history, geography, culture, politics and government and should be updated without further delays. These programs have been widely used by teachers in the past but are currently so outdated as to make them of limited value in classrooms. ECB currently has the funds to start this project in fiscal year 1992-93.

HIGHER EDUCATIONAL AIDS BOARD

4. Academic Excellence Scholarship Program

Sections 268e, 268f, 268gc, 268gp, 268hk, 268hr, 268j, 268jm, 268k, 268m, 269c, 269e, 269f, 269g, 9426 (1g)

These provisions expand the academic excellence scholarship program to authorize each high school to award its allotted number of scholarships to alternates if the student(s) with the highest GPA do not attend a participating institution of higher education. Alternates will be designated until all scholarships are used. In addition, the Higher Educational Aids Board is required to provide adjusted gross income data on the parents of each scholarship recipient in its 1994 report on the program. I am vetoing the provisions on alternates because they create an ongoing GPR funding commitment and are a major expansion of the program that has not been reviewed or approved by the Higher Educational Aids Board. In addition, the program is scheduled to sunset after the 1993-94 school year and will be reevaluated prior to that time. I also am vetoing the provisions related to additional reporting requirements on family income data because the Higher Educational Aids Board already provides this data in aggregate form. In addition, I believe that such information is irrelevant to this merit-based program.

PUBLIC INSTRUCTION

5. Pupil Assessment

Sections 68m, 633m, 9145 (9f) and 9245 (20h)

Section 68m establishes the appropriation for the educational assessment program. I am partially vetoing this section to allow expenditures for other assessment programs besides those described under s. 118.30, particularly the third grade reading test and development of performance-based assessments.

Section 633m directs the State Superintendent of Public Instruction to adopt or approve examinations that are designed to measure pupil attainment of knowledge in the 8th and 10th grade and make them available to school districts at no charge beginning in the 1992-93 school year. I am partially vetoing this section to remove parent-requested and school district-requested exceptions to the examinations because these provisions will weaken the usefulness of the assessment program. This is consistent with existing statutes governing the third grade reading test. A statewide assessment system which will measure progress towards state education goals must be uniformly administered. Broad exceptions and waivers will undermine that uniformity and the associated transformation of the state's public education system toward an orientation focused on excellence.

Sections 9145 (9f) and 9245 (20h) reduce appropriation s. 20.255 (1) (a) by $871,400 GPR and 10.6 GPR FTE positions in fiscal year 1992-93 and increase the new s. 20.255 (1) (dt) educational assessment appropriation by the same amounts. I am partially vetoing section 9245 (20h) to reduce the decrease in the appropriation under s. 20.255 (1) (a) by $784,000 GPR to $87,400 GPR and vetoing section 9145 (9f) because the Legislature did not adequately fund the educational assessment program. The effect of this veto will be to provide an additional $784,000 GPR in appropriation s. 20.255 (1) (dt) for the development of a statewide assessment program. Since the 8th and 10th grade concept and knowledge examinations will be voluntary in fiscal year 1992-93, I am requesting that the Department of Administration Secretary place into unallotted reserve $260,000 GPR in appropriation s. 20.255 (1) (dt) in fiscal year 1992-93. I am also requesting that the Department of Administration Secretary release the $260,000 GPR in fiscal year 1992-93 upon receipt of an expenditure plan for these funds from the Department of Public Instruction. The expenditure plan should reflect the projected cost of administering the 8th and 10th grade

concept and knowledge examinations based on the actual participation rate.

In order for the state to develop an effective assessment program within a reasonable timeframe, the Department of Public Instruction requires adequate funding. This veto will provide the investment necessary to implement a first -rate statewide assessment program based on state education goals and measurable learning objectives, which was one of the primary recommendations of the Commission on Schools for the 21st Century.

6. Financial Hardship Assistance for School Districts

1

Sections 125p, 161f, 161i, 161j, 161m, 658m, 659m and 9445 (4z)

These sections authorize the transfer of monies from the common school fund to the general fund; authorize the Department of Administration Secretary to make a grant from the general fund to a school district with equalized value per member less than 50% of the statewide average and a levy rate greater than 140% of the statewide average and which is under order of the State Superintendent of Public Instruction to improve its facilities; direct the Board of Commissioners of Public Lands to determine the amount to be repaid from the general fund to the common school fund over a 10 to 20 year period at an annual interest rate to be established by the board and the Department of Administration Secretary; establish a method of repayment through a lapse to the general fund from the general equalization aid appropriation and general equalization aid payments to a participating school district; give first priority to a school district eligible for a financial hardship assistance grant for a loan from the Board of Commissioners of Public Lands; and modify the calculation of debt service costs to enable a school district receiving top priority for a loan to receive state equalization aid on the basis of current rather than prior year costs.

I am vetoing sections 125p, 161f, 161j, 658m and 659m and partially vetoing sections 161m and 9445 (4z) because these sections appear to be unconstitutional. Article XI, Section 3 (2) (b) of the Wisconsin Constitution prohibits a school district which offers no less than grades one to 12 from incurring a level of debt which is greater than 10% of its equalized taxable property. In addition, these provisions would set a poor precedent for other school districts and may weaken the state's standing with major bond rating agencies. Wisconsin school districts are seen as financially stable because of their conservative use of debt. These provisions would undermine the prudent use of debt to support the cost of school construction and would prevent taxpayers in eligible school districts from petitioning for a referendum on the increased expenditure, a privilege provided to taxpayers in all other districts.

In the 1992-93 school year, these provisions would only apply to the Mellen School District. As of December 31, 1991, the Mellen School District was under order of the State Superintendent to correct Department of Industry, Labor and Human Relations code violations. At this time, the school board has responded to the order by calling for a referendum on issuing a $2.3 million bond for remodeling the current school facility to correct the code violations. Since this level of borrowing is less than the 10% constitutional threshold, the grant provisions are unnecessary.

I am partially vetoing sections 161i, 161m and 9445 (4z) because school districts which meet the financial hardship criteria listed in these sections should receive first priority for loans from the Board of Commissioners of Public Lands. I concur with the Legislature that districts with limited resources and unsafe buildings should receive first priority for loans from the Board of Commissioners of Public Lands. I also commend the school board and taxpayers of Mellen for exercising local control over their school construction needs through the voter referendum process.

I am retaining the provision that allows school districts which receive a first priority loan from the Board of Commissioners of Public Lands to receive aid in the current year on the debt service costs associated with the loan. This language will provide poor school districts with additional fiscal capacity to incur the debt necessary to correct school building deficiencies. While I support current year debt service aid in this instance, I am opposed to expanding this provision to other school districts. The financial hardships facing school districts which are eligible under this provision demand direct intervention. Broad application of this provision could lead to aid distribution difficulties and additional costs.

7. College Entrance Examinations

Section 627m

Section 627m authorizes the State Superintendent of Public Instruction to promulgate rules requiring any person who administers a college entrance examination in this state to make the examination available upon request within 90days. I am vetoing this section because, if implemented, it would result in higher test development costs for companies which administer college entrance examinations and could consequently increase the cost to students and reduce the number of examination sites.

Testing companies routinely make copies of examinations administered at national test sites, including some in Wisconsin, available upon request for an additional fee. Currently, 10% of Wisconsin students request a copy of their examination. Requiring full disclosure may not appreciably increase this percentage. In the State of New York, where a similar provision is law, the request rate is 7%, and New York students are required to pay a higher test fee and are limited to a small range of test administration sites. Test companies are also engaged in a lawsuit against the State of New York regarding the disclosure requirement.

8. Biennial Budget Bill Request

Section 9145 (9j)

This section directs the Department of Public Instruction to submit budget information for the 1993-95 biennial budget bill as though the appropriations under s. 20.255 (1) (dt) and (2) (dc), (ds), (ef), (eg), (eh), (em), (ez) and (fh) were $2 million higher than the amounts actually appropriated in fiscal year 1992-93. These appropriations are associated with the education reform proposals submitted by my administration. While many of these programs may warrant additional funding in the future, those decisions should be made in the context of the overall school funding increase in the 1993-95 biennium. Setting artificially high base levels for appropriations sets a bad precedent.

9. School Board Authority to Require Community Service

Section 634m

Section 634m authorizes a school board to require a pupil, in a course or as part of a course, to participate in community service activities in order to receive a high school diploma. I am partially vetoing this section because it limits the ability of a school board to include a community service requirement outside of the setting of a specific course. This provision would also require districts which are currently offering community service options to modify their programs. By partially vetoing this section, school boards will be able to implement community service requirements that best meet their needs.

10. Grants for Mathematics and Science Programs

Section 616g

Section 616g creates a new grant program to enhance the instruction of mathematics and science in the elementary grades. I am partially vetoing the provision which directs the State Superintendent to utilize National Science Foundation (NSF) funding, rather than funds in the appropriation under s. 20.255 (2) (em), if Wisconsin is awarded an NSF grant. This supplanting language would limit the state's ability to compete successfully for the NSF grant. Based on information provided by NSF staff after introduction of **Senate Bill 483**, this provision could be interpreted as a lack of commitment on the part of the state to provide state matching support to an NSF grant.

11. Minimum Aid

Section 9145 (6m)

This section provides that school districts eligible for minimum aid in 1992-93 receive minimum aid at the level they received during the 1991-92 school year. I am vetoing this provision because it prevents the minimum aid formula from being applied equitably in the 1992-93 school year. Otherwise, some districts would experience aid reductions they would not have otherwise received, while others which would be eligible for minimum aid would receive none. The effect of this veto will be to reduce general fund lapses by $205,000 in fiscal year 1992-93.

12. Counting Pupils Enrolled in Day Care Centers under Contract with the Milwaukee Public Schools

Sections 654m, 657g and 9345 (3t)

These sections allow 4- and 5-year-old pupils who attend day care centers under contract with the Milwaukee Public Schools (MPS) and supported by state desegregation settlement funds to be counted as enrolled in MPS for purposes of calculating state aid. I am vetoing these sections because this issue should be addressed as part of the 1993-95 biennial budget in the context of the broader issues of the Chapter 220 (school integration) program and the MPS desegregation settlement agreement.

13. Pre-School to Grade 5 Grants

Sections 626d, 626h and 626t

These sections establish additional priority categories for grants under the pre-school to grade 5 (P-5) grant program. One new category would include programs in a school district with at least 2,000 low-income pupils and equalized valuation per member that is less than 110% of the statewide average. The other new category would be those districts that had programs in existence on July 1, 1991.

I am vetoing sections 626d and 626h, and partially vetoing section 626t because there are several school districts that have high concentrations of low-income pupils, but do not meet the other new criteria established in this section. These districts should have the same opportunity to compete for P-5 funds. I am also partially vetoing section 626t because districts with programs in existence on July 1, 1991 have already received grant funds and should not, therefore, be denied continued participation in the program.

14. Aid for Multitype Library Systems

Section 277b

Section 277b directs the Department of Public Instruction to annually allocate, beginning in fiscal year 1992-93, at least $191,000 in federal funding received under 20 USC 355e to 355e-3 to public library systems which participated in multitype library demonstration projects in fiscal year 1990-91. I am vetoing this section because, under 1991 Act 39, the eligible systems will receive $135,500 in fiscal year 1992-93, and the department needs sufficient flexibility to allocate the remaining federal library aid to other projects.

15. Staff Development Programs

Section 9245 (20i)

This section provides $158,000 GPR in the appropriation under s. 20.255 (1) (a) to the Department of Public

Instruction for the following: (a) funding for 0.75 full-time equivalent position for teacher world; (b) additional funding for science world; and (c) additional funding for staff development projects, including projects that increase staff awareness of the educational assessment and technical preparation programs. I am partially vetoing this section because it is too prescriptive and limits the ability of the department to determine the most effective way to distribute staff development funds.

While I am vetoing the direct allocation of funding to teacher world and science world, I strongly support both programs. The Department of Public Instruction has the authority to allocate some or all of the $158,000 increase to these programs. I have approved funding in the budget for science and mathematics education through a $150,000 increase to the science, mathematics and technology grant program and the creation of a $100,000 elementary mathematics and science grant program. In addition, the budget includes $1.2 million in direct grants to school districts for staff development programs. Taken together, these programs represent a substantial commitment to science and mathematics education and staff development in Wisconsin.

16. Licensure of School Business Administrators

Section 9145 (7t)

This section provides the State Superintendent of Public Instruction with the authority to license individuals as school business administrators if they meet the following criteria: (a) the individual has been employed as a school business manager for at least 3 continuous years; and (b) as of March 20, 1992, the individual was enrolled in courses leading to licensure as a school business administrator. The State Superintendent would grant a license based on the rules in effect on July 1, 1989, or on the date the individual was employed as a school business manager, whichever is later.

I am partially vetoing this section because the Department of Public Instruction needs to address the difficulties faced by school business managers functioning in school districts with less than 1,500 students. After July 1, 1992, all school business administrators will be required by the Department of Public Instruction to have completed graduate coursework and hold a license issued by the department. Many of these individuals in small school districts have responsibilities which are the same as school business administrators, but are currently exempt from any licensing requirements.

The veto will require the State Superintendent to base his or her decision to issue a license to an applicant with three or more continuous years of employment as a school business manager on the rules in effect on July 1, 1989,or on the date the individual was employed as a school business manager, whichever is later. While this language, after a partial veto, does not fully address the concerns of these individuals, I believe it will meet my intent that the Department of Public Instruction address the issue. I urge the department to review its licensing procedures and act quickly to establish revised rules which recognize the experience and qualifications of school business managers employed in a majority of Wisconsin's school districts.

STATE HISTORICAL SOCIETY

17. Underwater Archaeology

Sections 287m, 9227(2w) and 9242(5w)

These provisions increase appropriations in the State Historical Society by $69,300 for 1.0 GPR FTE position in fiscal year 1992-93 and in the Department of Natural Resources by $85,300 for 1.0 GPR FTE position in fiscal year 1992-93. The additional funds and positions are to perform the duties required to support the underwater archaeology program at the society and at the Department of Natural Resources. A section also establishes penalties (fines or imprisonment) for those who intentionally damage or destroy artifacts or a site designated as a submerged cultural resource.

While I support the creation of a submerged cultural resources program and board, I am vetoing these provisions because they increase state expenditures at a time when the state financial situation requires the setting of priorities for state funding support. I have also removed the reference to nine months of imprisonment because it appears to be excessive. Existing safeguards and penalties should be sufficient to protect sites or artifacts of archaeological significance. I am leaving the other program provisions in place in the anticipation that the society and the Department of Natural Resources will be able to start this program with existing resources.

18. St. Croix Museum

Section 9227 (4g)

This provision appropriates $25,000 GPR in fiscal year 1991-92 and in fiscal year 1992-93 to the State Historical Society to support the presentation of school programs relating to the interaction of Chippewa and European cultures at an outdoor museum in northwestern Wisconsin. I am vetoing this provision because it duplicates provisions in enrolled **Assembly Bill 258**.

UNIVERSITY OF WISCONSIN SYSTEM

19. Supplies and Expenses

Section 9257 (1m)

Section 9257 (1m) provides an increase of $762,900 GPR in fiscal year 1992-93 for University of Wisconsin supplies and expenses and library acquisitions. I am vetoing this provision because it increases GPR funding for fiscal year 1992-93 beyond what the state can afford and creates an ongoing GPR funding commitment. This veto will not affect funding for these programs derived from student fees. Furthermore, I am not vetoing Section 9257 (5), which provides a $419,600 increase over the fiscal year 1991-92 budget for laboratories and student computer workstations. My actions provide a

moderate, yet fiscally prudent, funding increase for one of the UW's highest priority areas.

20. UW-Madison LaFollette Institute Funding

Section 9257 (1)

Section 9257 (1) establishes funding for University of Wisconsin System general program operations at $613,388,600 GPR for fiscal year 1992-93. This amount includes an increase of $150,000 for the UW-Madison LaFollette Institute. Although there is no language in the bill authorizing this increase, the purpose of the funding was included in a Joint Committee on Finance budget motion.

I object to providing additional GPR funds to support this program at a time of fiscal constraint. Furthermore, specific earmarking of state support for the LaFollette Institute has never been a priority for the Board of Regents.

By lining out the dollar amount in section 9257 (1) and writing in a smaller amount that deletes $150,000 for this purpose, I am vetoing the part of the bill which funds this provision in fiscal year 1992-93. I am also requesting the Department of Administration Secretary not to allot these funds.

21. Capital Budget Process

Sections 1f, 1pa, 158cm, 263xg and 9157 (2g)

Sections 1f, 1pa, 158cm, 263xg, and 9157 (2g) prohibit the Building Commission and the Legislature from considering any University of Wisconsin capital project which has not gone through a formal administrative rules process and received Board of Regent approval. The Board of Regents is required to develop and submit to the Legislative Council proposed administrative rules establishing a biennial process for the development of the UW capital budget.

I am partially vetoing these provisions in order to require the Board of Regents to submit, for Building Commission approval, the UW building program planning process. No UW building project may be submitted to the commission unless the project is developed and approved by the board in conformity with the approved process. This will make the capital budget approval process more efficient. Furthermore, I am vetoing provisions related to the development of administrative rules by the Board of Regents to govern their capital budget development process. Additional codification of the process is duplicative and unnecessary.

22. Small Business Hazardous Waste Information

Sections 78n, 168g, 264c, 763g, 763gd, 9157 (1p), 9442 (1w) and 9457

These provisions increase the existing hazardous waste generators fee from $9/ton to $12.50/ton to provide funding for a UW-Extension small business hazardous waste education information program in coordination with DOD, DILHR, DNR and VTAE. I am vetoing these provisions because this policy change is better addressed in separate legislation or as part of the 1993-95 biennial budget, at which time we will know what additional projects are candidates to befunded with an increase in the hazardous waste generators fee.

VOCATIONAL, TECHNICAL AND ADULT EDUCATION

23. State Aid Hold Harmless

Section 9159

This provision requires that in fiscal year 1992-93 no Vocational, Technical and Adult Education (VTAE) district will receive less state aid than it received in fiscal year 1991-92. I am vetoing this provision because it undermines the equalizing benefits of the state aid funding formula. This provision singles out one VTAE district for special benefits not available to the others. Further, this provision is unnecessary. Under current law the State Board may assist individual districts to maintain programs that would not otherwise be maintained because of declines in district fiscal capacity.

24. Incentive Grants

Sections 78p and 9459

These provisions alter the Vocational, Technical and Adult Education (VTAE) incentive grants appropriation from a continuing appropriation to an annual appropriation. I am vetoing these provisions because the State VTAE Board needs to have the flexibility to administer these limited grants in the best interest of the state VTAE system.

B. ENVIRONMENT AND COMMERCE

AGRICULTURE, TRADE AND CONSUMER PROTECTION

1. Transfer of Consumer Protection Programs and Funding to the Department of Justice

Sections 1pb, 1rt, 1s, 7gm, 8m, 9m, 10m, 12c, 12e, 12g, 12j, 12m, 12p, 12r, 12t, 12v, 12w, 12y, 13e, 13f, 14m, 15e, 15g, 15i, 20m, 20r, 26m, 47b, 47d, 47f, 47h, 157c, 166, 179g, 179r, 181g, 181r, 243e, 243m, 263am, 263xm, 263y, 276m, 300c, 465k, 465km, 469m, 470p, 474m, 487e, 487g, 488m, 490c, 490g, 490nr, 490p, 490sg, 490sm, 541m, 558m, 569b, 569e, 569h, 569L, 569p, 569r, 569u, 569y, 572c, 572g, 572n, 572r, 572w, 574c, 574g, 574n, 574r, 574w, 591m, 593am, 593an, 593bm, 593br, 593c, 593cm, 593d, 593dm, 593e, 593em, 593f, 593fm, 593g, 593gm, 593h, 593hm, 593j, 593jm, 593k, 593km, 593L, 593Lm, 593m, 593n, 593nm, 593p, 593pm, 593q, 593qm, 593r, 593s, 593t, 593u, 593v, 594am, 594b, 594bm, 594c, 594cm, 594d, 594dm, 594e, 594em, 594f, 594fm, 594g, 594gm, 594h, 594hm, 594i, 594im, 594j, 594jm, 594k, 594km, 594L, 594Lm, 594n, 594nm, 594p, 594pm, 594q, 594qm, 594r, 594rm, 594s, 594sm, 594t, 594tm, 594u, 594um, 594v, 594vm, 594w, 594wm, 594x, 594y, 596m, 598d, 598h, 598p, 598t, 599g, 599r, 665j, 667b, 667e, 667g, 667j,

667L, 667n, 667p, 667r, 667t, 667v, 669b, 669c, 669d, 669e, 669f, 669g, 669h, 669j, 669k, 669kt, 669L, 669m,669n, 669p, 669q, 669r, 669s, 669t, 669u, 669v, 670f, 670jb, 670jc, 670jcm, 670jd, 670je, 670jf, 670jfm, 670jg, 670jh, 670ji, 670jj, 670jk, 670L, 670m, 670n, 670p, 670q, 670r, 670s, 670t, 670u, 670v, 670vm, 670w, 670wm, 670x, 670y, 763d, 765m, 768r, 771c, 771g, 771n, 771r, 771w, 775vL, 775vr, 775vt, 775vw, 775w, 782qm, 793i, 793m, 793p, 984m, 1031g, 1031rm, 1040g, 1051m, 1091e, 1091s, 1093m, 1094m, 1095n, 1096g, 1096r, 1097g, 1097r, 1098m, 1099Lm, 1101cg, 1101cj, 1118m, 1121e, 1121m, 1121s, 1138p, 1139t, 1159m, 1161r, 1171r, 1175m, 1189m, 9104(4m), 9204(6g), 9235(6d) and (6e) and 9404(2ag)

These provisions: (a) transfer selected consumer protection and trade regulation programs of the Department of Agriculture, Trade and Consumer Protection (DATCP), including provisions related to fraudulent representations under s. 100.18, to the Department of Justice (DOJ), effective July 1, 1992; (b) restrict DATCP's authority under s. 100.20 to issues pertaining to agriculture and DATCP statutory responsibilities; (c) provide DOJ with authority under s. 100.20 for all areas exclusive of agriculture; (d) provide DOJ with enforcement authority related to transferred consumer protection responsibilities; (e) transfer to DOJ selected consumer protection rules and orders issued by DATCP; (f) change the name of DATCP to the Department of Agriculture and Trade; (g) create a statutory division of consumer protection in DOJ; (h) transfer from DATCP to DOJ all DATCP assets, liabilities, furniture, equipment, supplies, records, collections, contracts and pending matters related to consumer protection responsibilities transferred; (i) abolish 8.0 FTE GPR positions; (j) transfer from DATCP to DOJ 14.0 FTE GPR positions, 8.0 FTE SEG positions and 4.0 FTE PRO positions; (k) transfer funding for selected consumer protection programs from DATCP to DOJ; and (m) increase DOJ position authority by and funding for 0.5 FTE GPR.

I am vetoing these provisions to maintain current law as it relates to the transfer of consumer protection programs, responsibilities, positions and funding from DATCP to DOJ and as it relates to abolishing positions. My veto eliminates the transfer of the selected consumer protection programs and funding and all the provisions related to the transfer, including the modifications to authority under ss. 100.18 and 100.20. In addition, I am partially vetoing section 166 to strike the reference to s. 20.455(1)(q) because the renumbering of this provision from s. 20.115(1)(q) is being vetoed. While I am prevented from restoring the reference to s. 20.115(1)(q) in section 166, it is my intention that, as under current law, payments may continue to be made under s. 20.115(1)(q) from the transportation fund without the order of the Secretary of Transportation. I am also partially vetoing section 1101cj to eliminate the reference to the Department of Agriculture and Trade. My partial veto retains the requirement that the Gaming Commission contract with the Department of Agriculture for any services related to the duties of the commission in ensuring the security and humane treatment of animals under s. 562.02(2)(fm). While the language in the bill prevented my partial veto from restoring the full name of the Department of Agriculture, Trade and Consumer Protection, it is my intent that the Gaming Commission and DATCP fulfill their responsibilities under s. 562.02(2)(fm) as repealed and recreated.

As I did in 1991 Act 39, I am again vetoing the proposed transfer of consumer protection functions from DATCP to DOJ because there is no policy, programmatic or administrative justification for the transfer. Consumers would not be better served by transferring these functions to DOJ. In fact, the Legislature adopted these provisions, not only without adequate public input, but without any indication of dissatisfaction with the current programs from consumers or businesses.

The consumer protection provisions transferred affect virtually every citizen and every business in the state. The transfer was adopted as a budget amendment with little opportunity for the affected public and business interests to respond or participate in the decision-making process. AB 703 contained provisions to transfer consumer protection programs from DATCP to DOJ. The bill had a single public hearing at which there was overwhelming opposition to the transfer. The bill was not recommended for passage by the standing committee. Moreover, as was the case in the Act 39 attempted transfer, the transfer results in no administrative efficiencies or material cost savings. In fact, DOJ's increased reliance on litigation may be less effective and more costly than DATCP's prevention and compliance education strategy.

As described previously, the transfer provisions divide responsibility for the unfair trade practices law (s. 100.20) between DATCP and DOJ. DATCP would be restricted to regulating agricultural businesses and DATCP statutory responsibilities, and DOJ would regulate all other non-agricultural methods of competition and trade practices. This division of responsibilities would fragment consumer protection, create duplication of effort, and increase jurisdictional conflicts between DATCP and DOJ. Dividing responsibilities in this fashion will exacerbate any jurisdictional confusion that already exists between the two agencies. Rather than clarifying consumer protection responsibilities, the transfer would create confusion among Wisconsin citizens. Further, I think it is imperative that the consumer protection responsibilities remain at an agency governed by a citizen board. This will provide the greatest opportunity for citizen input and public access to the decision-making process as it relates to consumer protection issues.

To focus the public discussion and to examine ways that the state can provide the broadest and most cost-effective protection of consumers, next month I will create, by Executive Order, the Governor's Consumer Protection

Task Force. I will ask the task force to discuss issues related to governance and coordination of consumer protection services between all state agencies, not just issues between DATCP and DOJ. I intend for the task force to complete its work and submit its findings and recommendations for consideration early in the next legislative session.

2. Commercial Deer Indemnities for Bovine Tuberculosis Control and Research Funding

Sections 47 [as it relates to s. 20.115(2)(e)], 593ad, 593ae and 9304 (2p)

Sections 593ad, 593ae and 9304(2p) increase the indemnity payment an owner of commercially-raised deer may receive when the deer are condemned and slaughtered to prevent the spread of bovine tuberculosis. Indemnities may be paid by DATCP for deer slaughtered retroactive to January 1, 1992. Under these provisions, the Department of Agriculture, Trade and Consumer Protection (DATCP) must pay the owner the difference between the net salvage and the appraised value of the commercially-raised deer. Current law provides for indemnification but it is limited to the lesser of $600 or two-thirds of the difference between the net salvage and the appraised value of the condemned animal.

I am vetoing the increased indemnity levels because they are excessive when compared to state indemnity programs for other animals and animal diseases. Moreover, I am also concerned that, given the high cost of the proposed deer indemnities, the state would be implementing an indemnity program that it can ill afford at this time. The animal disease indemnities are paid from a sum-sufficient GPR appropriation.

The estimated increased cost of the expanded indemnity provisions is $595,000 GPR in fiscal year 1991-92 resulting from DATCP's condemnation and probable slaughter of an exotic deer herd in northwest Wisconsin. While no other deer herds in the state have been condemned, the costly experience that other states and Canada have had with deer indemnities concerns me greatly.

The commercially-raised deer farming industry is on the verge of significant expansion in Wisconsin. As the state develops policies to address the issues related to this emerging industry and to provide support for its growth, it should approach the issues comprehensively and consider the long-term impact of its decisions. The provisions in this bill were initiated to address one situation in northwest Wisconsin. The indemnity provisions in the bill have long-term fiscal and policy implications which need to be identified and reviewed to develop a sound, comprehensive approach. Policies in this area should not be developed on an ad hoc basis.

I understand the value of commercially-raised individual deer is generally much higher than other domestic livestock. But the bill's provisions are inconsistent with other animal disease indemnity programs administered by DATCP, including the indemnity levels for tuberculosis-infected cattle. The tuberculosis indemnity levels for cattle are limited to the lesser of $600 or two-thirds of the difference between net salvage and appraised value. For example, under the bill's provisions, a commercial deer farmer can be paid a state indemnity of $2,500 (the approximate payment for a red deer) for an animal condemned for tuberculosis infection, but the most a dairy farmer could receive is a $600 state indemnity for a condemned cow. The fact that federal indemnities payments are available for cattle and not for deer is also relevant.

To address my concerns in these areas, I am directing DATCP, in consultation with its Board, to review all of the state's animal disease indemnity programs for consistency and make recommendations for program changes to the Department of Administration by November 1, 1992 for possible inclusion in the 1993-95 budget bill. The department's review should include a survey of other states' indemnity programs for commercially-raised deer, a review of the long-term costs, and recommendations on the legitimate levels of indemnification to ensure the control of bovine tuberculosis in commercially-raised deer.

Section 47 appropriates $150,000 GPR in fiscal year 1992-93 for the animal health and disease research board in DATCP to make grants to develop a blood test to detect bovine tuberculosis in commercially-raised deer. While I support state research funding to develop a blood test to detect bovine tuberculosis, I am concerned that the proposed funding level is too high. I am, therefore, partially vetoing this section to reduce the funding from $150,000 to $50,000. I am also asking the University of Wisconsin Board of Regents to discuss the possibility of setting aside research funds to assist in and complement this research.

I have approved other changes in this bill that will assist in the continued development of the commercial deer and venison industry in Wisconsin. These other provisions streamline regulation of commercial deer farms while ensuring the public will be sold venison meat products that are wholesome and safe. Moreover, Wisconsin venison processors, who under current law must send their farm-raised deer out-of-state for processing, will be able to process and handle deer more readily in-state under the bill's provisions. This will have a positive benefit for the state's venison processing industry and will create jobs in the industry for Wisconsin workers.

3. Synthetic Bovine Somatotropin Reporting, Sales and Certification

Sections 47c, 593atm, 593avm, 593bd and 9404 (1tg)

Section 593atm requires milk processing plants to report monthly to the Department of Agriculture, Trade and Consumer Protection (DATCP) indicating whether milk was received from cows treated with synthetic bovine somatotropin (BST). Plants must also report the names

and addresses of each milk producer from whom they have received milk. Section 593avm prohibits the retail sale of BST unless the seller is a licensed veterinarian. Sellers would be required to report BST sales information to DATCP, including the names of persons to whom it was sold. Section 593bd prohibits a milk producer from using BST unless certified by DATCP and requires DATCP to develop a certification and training program to train producers who seek certification to administer BST and assess fees for such training programs. The training program requires the completion of a written exam. Milk producers who are certified to administer BST are required to report to DATCP the name and address of the milk processing plants to which the producer sends milk. Section 47c creates an all funds received PRO appropriation to receive BST training program fees to be used by DATCP to administer the training program.

I am vetoing these provisions because it is premature to begin regulating the use of an agricultural technology -- in this case, BST -- that is still pending final approval by the federal Food and Drug Administration (FDA). The regulation of the use of new technologies in the dairy industry needs to be decided at the federal level to provide uniformity and consistency among all dairy farmers. The FDA is the appropriate body to review and approve or reject commercial use of BST. National standards need to be applied, not a patchwork of state legislation and rules that may put dairy producers and processors in certain states and sections of the country at a competitive disadvantage. If the FDA procedures need revision, then we should work to revise them and not attempt to deal with broader national regulatory problems at the state level.

Moreover, I object to the provisions related to reporting and certification because of concerns about blacklisting. These provisions attempt to enact an elaborate reporting and certification system that could become a de facto blacklist of milk producers who use bovine somatotropin on their herds and a blacklist of milk processors that accept milk produced from BST-treated herds. I am, therefore, vetoing the milk processing plant BST reporting requirements, the BST sales reporting requirements by veterinarians and the BST certification program requirements. The existence of such blacklists could create a de facto statewide ban of the product which would place Wisconsin's milk producers and processors at a competitive disadvantage.

I am vetoing the prohibition on BST sales except by licensed veterinarians because it usurps the federal FDA drug approval process. If BST is approved for commercial use, the FDA will decide, on a scientific basis, whether BST will be distributed over-the-counter or by prescription through veterinarians and under what restrictions. It is premature and inappropriate for the state to inject itself into this process.

Finally, I am vetoing the provisions requiring DATCP to develop a training program to train producers to administer BST and assess fees for such training programs. Consistent with my other vetoes of these provisions, I am also vetoing the appropriation language in section 47c. While I believe it is premature for the state to regulate the BST technology and its use and distribution, I acknowledge that it may be necessary to initiate an assessment of the training needed to administer BST and other drugs. I am, therefore, directing DATCP to work together with the University of Wisconsin-Extension, the UW College of Agriculture and Life Sciences, dairy farmers and veterinarians to assess the training needs of dairy farmers in the areas of feed management, animal health and BST administration. Based on the findings of this assessment, I hope that existing UW-Extension and other training programs will be tailored or new programs developed to address the challenges posed by these new and emerging techniques and technologies.

This is not the first time that I have acted on legislation related to BST. Last November, I vetoed 1991 Senate Bill 143 because it could have put our state's dairy industry at a competitive disadvantage by restricting the ability of dairy farmers to use measures that may improve efficiency and productivity. SB 143 proposed to impose a moratorium on the sale, distribution, possession and use of BST until June 1, 1993. Two years ago, I partially vetoed 1989 Act 353 to limit a proposed BST moratorium and to broaden the scope of a study on the labeling of products which contain milk from BST-treated cows. My action on this bill is consistent with how I have acted on BST legislative issues previously.

4. Agricultural Chemical Cleanup Program

Sections 47 [as it relates to 20.115 (7) (x)], 47pg, 47pi, 168p, 577gc, 577r, 578g, 578r, 579g, 579r, 580r, 581g, 581r, 582g, 582r, 583g, 583r, 584g, 584r, 585g, 592m, 763k, 9104 (2xo) and 9404 (2p)

These provisions create an agricultural chemical cleanup grant program in the Department of Agriculture, Trade and Consumer Protection (DATCP) to fund up to 90 percent of the costs which exceed $5,000 of actions taken to protect human health or the environment due to an agricultural chemical discharge. The grant program would require applicants to submit work plans for project costs exceeding $30,000 at least 30 days before corrective action begins. These provisions also establish surcharges on pesticide and fertilizer licenses to provide funding for the grant program. DATCP is authorized in these provisions to issue special orders requiring corrective action related to agricultural chemical discharges under certain circumstances. These provisions also provide 2.0 FTE SEG positions for DATCP administration of the grant program.

I recognize the need for the state to establish a program to address contamination at pesticide mixing and loading sites. However, I am vetoing the provisions creating an agricultural chemical cleanup grant program because the grant program relies too heavily on surcharges on pesticide and fertilizer fees and lacks adequate cost

controls. I am concerned about the surcharges created in the bill to fund the cleanup program because they come on the heels of recent fee increases. 1991 Wisconsin Act 112, enacted in February 1992, significantly modified pesticide fees, created surcharges to the modified pesticide fees and increased fertilizer tonnage fees. A morebroad-based fee structure should be developed for the program.

I am also concerned that the long-term costs of the program are not known at this time because soil cleanup standards for agricultural chemical discharges have not been developed. Since long-term program costs are not known, it is imperative that adequate cost controls be established for the program. These cost controls should include a requirement for prior approval of project costs which exceed a certain threshold.

I have retained language in the bill which establishes an agricultural chemical cleanup council. The council should be created initially to make recommendations to DATCP on funding for the cleanup program and on providing adequate cost controls for the program. The council should develop its recommendations in time for inclusion in DATCP's 1993-95 biennial budget request.

5. Dairy Plant Payments

Sections 593bv and 9304 (3w)

These provisions require dairy plants to pay producers for all grades of milk at least twice a month. For milk received from producers during the first 15 days of the month, the first monthly payment must be made by the fourth day of the following month. For milk received between the 15th and the last day of the month, the second monthly payment must be made by the 19th day of the following month. The provisions require the payment to reflect at least 80% of the contracted price or 80% of the relevant applicable federal milk price. Currently, Grade A milk subject to federal milk marketing orders must be paid for twice monthly. Producers are not required to pay more than once monthly for Grade B milk and other milk not subject to federal marketing orders.

Provisions similar to these provisions have already been enacted in 1991 Act 231 (**Senate Bill 302**). I am vetoing these provisions because they are redundant.

6. International Marketing Position Authorization and Funding

Section 9204(2q)

This provision reduces the Department of Agriculture, Trade and Consumer Protection (DATCP) marketing services general program operations appropriation by 1.0 FTE position and $21,300 GPR in fiscal year 1991-92 and $60,700 GPR in fiscal year 1992-93.

In the budget adjustment bill, I had recommended that DATCP lapse $51,200 GPR in fiscal year 1992-93 to the general fund from this appropriation. The Legislature modified my recommendation by making permanent program funding and position cuts. I am vetoing this provision because I object to the Legislature's action making these reductions permanent. To offset the fiscal effect of this veto, however, I am requesting that the Secretary of Administration place $21,300 GPR in fiscal year 1991-92 and $60,700 GPR in fiscal year 1992-93 in unallotted reserve in appropriation s. 20.115(3)(a) to lapse to the general fund at the end of the respective fiscal years.

7. Regulation of Unsolicited Prize Notices

Section 669kr

These provisions establish regulations concerning the contents and delivery of certain prize notices and the delivery of prizes. They are designed to require basic up-front disclosure of prize information to consumers before any money is exchanged. They will help to protect Wisconsin residents before they suffer financial harm.

I am approving all these provisions with one minor exception. I am striking a provision to exempt from the regulations, prize notices that, when accompanied by an offer to sell goods or services, give the consumer the right, within seven days, to return any unused or undamaged goods received from the offeror or cancel the ordered services and give the consumer a full refund within 30 days. This provision would create a large loophole which would undermine the state's efforts to enforce these measures.

8. Greyhound Racing Facility Inspection Authority

Section 574

This provision authorizes the Department of Agriculture, Trade and Consumer Protection (DATCP) to inspect and conduct investigations of greyhound racing facilities and greyhound breeding and training facilities to obtain compliance with laws related to animal health, the humane treatment of animals, animal importation, rabies control, and dog licensure. I am partially vetoing the provision to strike references to facilities used for racing greyhounds because I am concerned that the proposed language may create confusion about the respective enforcement authorities of DATCP and the Racing Board at greyhound racing facilities. I am directing DATCP and the Racing Board to discuss these issues further and propose statutory language that is consistent with each agency's role.

CLEAN WATER

9. Utility Districts

Section 670jfe

Section 670jfe modifies the definition of municipality under the clean water fund program to make utility districts established by towns, villages, and third and fourth class cities eligible for program loans. I am vetoing this section to maintain current law because it expands program eligibility too broadly.

The current law definition of municipality under the program, as it relates to utility districts, includes only county utility districts. When the program was created it was intended that town utility districts be the only type of utility district eligible for program loans. County utility districts were inadvertently included in the current law definition rather than town utility districts. County utility districts do not exist under the statutory definition of utility districts. I intend to correct this problem in my 1993-95 budget bill recommendations by deleting county utility districts and including town utility districts in the definition of municipality under the clean water fund program.

DEVELOPMENT

10. Small Business Economic Development Funding Set-Aside

Section 1099d

These provisions require the Department of Development's Development Finance Board, for the first six months of each fiscal year, to reserve 25% of the Wisconsin development fund GPR appropriation and 50% of the recycling development fund SEG appropriation, the development fund repayments PRO appropriation and the recycling loan repayments PRO appropriation solely to award grants and loans to small businesses. The set-aside applies to businesses that employ, together with their affiliates, subsidiaries and parent companies, no more than 50 employes and whose application for assistance meets the development fund criteria. These provisions also permit the board to award grants to non-small businesses under specific circumstances.

I am vetoing these provisions because they unnecessarily limit the flexibility of the development fund and the recycling development fund to make grants and loans to the projects with the greatest economic development impacts. I vetoed a similar small business set-aside in 1991 Act 39. In the Act 39 veto message, I requested that the Department of Development (DOD) establish a goal for funding small businesses, and the department has responded to the task. At the beginning of fiscal year 1991-92, the Development Finance Board established a goal of awarding 25% of development fund monies to businesses with 100 or fewer employes and $10 million or less in gross annual sales. So far this fiscal year, over 30% of development fund awards have been to small businesses.

Moreover, I am concerned that the proposed 50% small business set-aside requirement related to recycling loans and assistance will substantially alter the original intent of the recycling economic development programs. The program was originally designed to encourage the development of markets for post-consumer waste -- not for small business development. If not vetoed, this change could seriously limit the Development Finance Board's ability to fund projects with the greatest impact for recycling post-consumer waste.

11. Wisconsin Development Fund -- Rule-Making

Section 1099b

These provisions require the Department of Development (DOD), with the approval of the Development Finance Board, to promulgate rules to establish certain policies and standards for awarding grants and loans under the Wisconsin development fund program. The rules are to include all of the following: (a) a statement of DOD's economic development policy that is consistent and coordinated with the economic development policies expressed in the statutes and established by other state agencies; (b) provisions giving a preference for economic growth and job creation; (c) provisions giving loans a preference over grants for projects intended primarily to increase economic growth and create new jobs in the state; (d) procedures for awarding grants and loans based on a comparison of the merits of the application; (e) provisions for DOD to develop and submit to the Legislature a biennial finance plan for economic development grant and loan programs.

I am partially vetoing the provisions relating to rules giving a preference to projects with substantial potential for economic growth and job creation. In its current procedures, DOD already gives preference for grant and loan awards to projects that have substantial potential for economic growth and job creation. Requiring the agency to promulgate rules to codify what it does already is not necessary. Moreover, I am also concerned that rules which give a funding preference to projects that have the greatest economic development impacts will impose a funding bias toward larger firms over smaller firms.

I am also vetoing the provisions for rules relating to giving a preference for loans over grants because I want the department to have maximum flexibility to determine the mix of grants and loans projects. Rules would limit the department's flexibility.

I am also vetoing the provisions for rules relating to grant and loan award procedures because these rules are not necessary and could limit DOD's flexibility. In response to concerns raised by the Legislature, the department has taken the necessary steps to improve its procedures markedly.

The effect of my vetoes is to retain the requirement that DOD promulgate rules to include an economic development policy statement and a biennial finance plan. I think that both of these requirements will yield useful information and discussion from the Legislature, other state agencies, the business community and the public about the direction and policies of the DOD economic development loan and grant programs.

12. Wisconsin Development Fund -- Northeast Milwaukee Urban Industrial Park

Sections 47r [as it relates to a grant for an urban industrial park under s. 9115(2p)], 9115(2p) and 9415 (2p) [as it relates to a grant for an urban industrial park]

These provisions authorize the Department of Development (DOD) to make a grant of up to $100,000 in fiscal year 1992-93 from the Wisconsin development fund appropriation to the East Side Housing Action Committee (ESHAC) and the Riverwest Industrial Council.

I object to these provisions because the enumeration of this project from the development fund appropriation usurps the Development Finance Board's authority to make awards based on the evaluation of applications. However, this project clearly has merit. In fact, earlier this fiscal year DOD provided a $30,000 community-based economic development program grant to ESHAC and the Riverwest Development Council. I have partially vetoed these provisions to remove the requirement that this grant funding come from the development fund. Further, I am directing the Secretary of Development to work with the grant recipients to refine the funding request to utilize funds from DOD's various funding sources.

13. Wisconsin Development Fund -- Repayments Lapse

Section 9215 (2)

This provision requires that $1,311,500 PRO lapse to the general fund from the Wisconsin development fund repayments appropriation under s. 20.143(1)(ie) on June 30, 1992. I object to the Legislature's directive lapsing such a large amount of development fund repayments to the general fund. I am, therefore, partially vetoing this provision through a digit veto to reduce the lapse from $1,311,500 to $311,500. This will leave an additional $1,000,000 available in the repayments appropriation to provide business development financing during the rest of the biennium.

14. Wisconsin Development Fund -- Repayments Appropriation

Sections 47 [as it relates to s. 20.143(1)(ie)] and 49i

These provisions change the Department of Development (DOD) development fund repayments PRO appropriation under s. 20.143(1)(ie) from a continuing, all funds received appropriation to a biennial appropriation.

Under current law, the program revenue generated by this appropriation comes from loan repayments by companies that have borrowed money under the development fund program. This appropriation functions as the development fund's revolving loan fund which, in the future, should lessen the development fund's need for additional GPR. Moreover, it is important that the department maintain maximum expenditure flexibility in this appropriation. Changing the appropriation to biennial would limit DOD spending authority to the amounts in the chapter 20 schedule and requests for increases would require Joint Committee on Finance approval under s. 16.515. Thus, I am vetoing these provisions because I object to this attempt to limit DOD's flexibility.

15. Kewaunee Tourist Information Center Grant

Section 9115 (3p)

This provision requires the Department of Development to make grants of $15,000 in fiscal years 1991-92 and 1992-93 to fund operating expenses of the Kewaunee Tourist Information Center. No additional money has been appropriated for this purpose.

The Division of Tourism maintains Wisconsin Information Centers at major points of tourist entry into the state. Because the ferry from Ludington, Michigan no longer docks in Kewaunee, the city is no longer a major point of entry for tourists. To continue these grants for what is now a local function would invite similar claims from numerous other municipalities in the state. This is not the best use the Division of Tourism's limited funding. I am, therefore, vetoing this provision. The effect of this veto will be to remove the earmark of this annual $15,000 expenditure and make it available for other uses within the Division of Tourism.

16. Heritage Tourism Grant

Sections 1195 and 9215 (12)

These provisions reduce the amount authorized in 1991 Act 39 for grants to heritage tourism sites by $40,000 in fiscal year 1992-93. 1991 Act 39 authorized this program to make $25,000 grants to each of four heritage tourism sites.

While I still find it necessary to generate this saving, I have no desire to unduly restrict the Department of Development in the administration of this valuable and worthwhile program. I am partially vetoing this provision to provide the department with the flexibility to reduce other expenditures related to heritage tourism while fully funding the originally planned grants. This veto will allow the department to exercise its judgment concerning the priorities of remaining expenditures and not adversely impact the local heritage tourism sites.

17. Required GPR Appropriation Reduction

Section 9160 (1z) (d) [as it relates to the Department of Development]

Section 9160 (1z) requires the Department of Development (DOD) to increase the currently required fiscal year 1992-93 GPR lapse of 5% of the supplies and services and permanent property lines to 10% of both lines, and makes the 10% lapse a permanent reduction. This provision requires DOD to reduce its general program operations appropriations by $501,400 more in fiscal year 1992-93, than required under current law.

In the budget adjustment bill, I recommended a one-time 10% lapse from DOD's supplies and services and permanent property lines. The Legislature modified these lapse provisions and made them permanent agency base cuts. To make these reductions permanent is too severe for DOD to absorb. I am, therefore, vetoing this provision. However, I am asking the Secretary of Administration to place $250,700 GPR from DOD's state operations appropriations into unallotted reserve in fiscal year 1992-93 to lapse to the general fund at the end of the biennium. Taken with the $490,400 reduction specified in 1991 Act 39, this will have the effect of reducing DOD's supplies and services and permanent property expenditures by 7.5% for fiscal year 1992-93.

18. General Program Operations Reductions

Section 9215 (7m) and (10m)

These provisions reduce, in fiscal year 1992-93, the Department of Development (DOD) economic and community development general program operations appropriation by $217,200 GPR, the executive and administrative services general program operations by $48,600 GPR, and the tourism general program operations appropriation by $69,200 GPR. I originally proposed in SB 483 that DOD lapse to the general fund the program operations amounts described above. The Legislature amended the bill to change these reductions from lapses to permanent base cuts to the agency. Given the $490,400 GPR appropriation reductions required from Act 39 and this bill and the additional GPR lapse that I have requested of DOD (described in the previous veto message), I am concerned about DOD's ability to absorb these cuts. I am, therefore, vetoing these appropriation reductions.

19. Indian Economic Development and Tourism Promotion

Sections 50g, 50gm, 1099am, 1099Ljm, 1099Ljp, 1099Ljr, 9115 (1), 9215 (14) and (14g), and 9415(3g)

These provisions create an American Indian tourism promotion program and provide funding in fiscal year 1992-93 for the Department of Development to make an annual $50,000 GPR to the Great Lakes Intertribal Council for economic development technical assistance and to make one-time grants of $50,000 GPR to each of the five area promotion committees created in 1991 Executive Order #133. Provisions similar to these are contained in enrolled Assembly Bill 258. I am vetoing the provisions in this bill because I intend to act on them separately in Assembly Bill 258.

NATURAL RESOURCES

20. Air Management Positions

Section 9142 (2w) (c)

This provision authorizes an increase of 92.0 PRO positions to be funded under the provisions of s. 20.370 (2) (bg) in the Department of Natural Resources (DNR) for purposes of the department's duties related to stationary sources of air contaminants. Of these positions, 84.5 FTE represent positions transferred from GPR appropriations to this new PRO appropriation. The remaining 7.5 FTE represent a portion of the 15.0 new DNR positions created for purposes related to implementation of the federal Clean Air Act Amendments of 1990.

I am extremely pleased with the bipartisan cooperation exhibited in developing a state response to the requirements of the Clean Air Act. The provisions of this bill along with those of enrolled AB 1055 make a strong commitment to improving our physical environment and at the same time make an equally strong commitment to preserving our economic environment.

When I presented my budget adjustment bill to the Legislature, my objective was to provide DNR with the specific resources needed to meet its responsibilities under these provisions. After careful consideration, I recommended an additional 13.0 FTE for DNR to accomplish the added tasks. With no clear justification, the Legislature has added 2.0 additional positions. These positions create a continuing cost to the state that will long outlive the implementation of this federal Act. Therefore, I am exercising my partial veto to reduce by 2.0 FTE, from 92.0 FTE to 90.0 FTE, the number of new positions created in the appropriation under section 20.370 (2) (bg) for purposes related to the stationary sources of air pollution. As a result of this veto, I am requesting the Secretary of Administration to place $74,200 PRO in unallotted reserve in appropriation 20.370 (2) (bg).

21. Incinerator Study

Section 9142 (7g)

This provision requires the Department of Natural Resources (DNR) to study the environmental consequences of burning municipal solid waste. The provision directs DNR to make recommendations concerning the need for DNR authority related to municipal solid waste incinerators and the need for state regulation of various aspects of incinerator siting, design, construction and operation. DNR is directed to submit a report to the Legislature by January 1, 1993.

This study responds to a situation that has in the past presented a serious problem for local officials and I do not doubt that a limited form of state assistance or guidance would be appropriate. However, the study represents an encroachment of state authority upon a local responsibility.

Therefore, I am vetoing the requirements for this particular study. At the same time, I am requesting the Secretary of Natural Resources to work with local units of government to review issues such as appropriate technology, need and siting criteria, financing and other issues that are of concern to local government officials and to provide a series of practical guidelines that will help them avoid problems of the type that have been

encountered when other municipalities have opted to construct municipal solid waste incinerators.

22. Foundry Sand and Shredder Fluff

Sections 763e and 9142 (3dp)

Section 763e prohibits the Department of Natural Resources (DNR) from approving the use of foundry sand or shredder fluff as daily cover in a municipal waste landfill if the landfill operator has, or has obtained approval to use, an alternative daily cover that consumes less landfill space. I am vetoing this section in its entirety because landfill operators currently have the authority to enter into contractual agreements to use alternative daily covers.

Under current law, the DNR may not require municipal waste landfill operators to use foundry sand or shredder fluff as daily cover if the operator is contractually bound to obtain daily cover from another source.

Section 9142 (3dp) requires the DNR to conduct a study to identify ways in which foundry sand can be reused and to report the study results to the co-chairpersons of the Joint Committee on Finance by the first day of the 18th month after the effective date of the bill. I am partially vetoing this provision to require the study to be submitted by the first day of the eighth month after the effective date of the bill.

I am concerned with the limited options currently available for the reuse of foundry sand. Foundries generate an estimated 800 to 900 thousand tons of foundry sand each year in Wisconsin. Given the limited availability of landfill space, it is imperative that other environmentally-safe beneficial reuses of foundry sand be developed and implemented to save available landfill space for other wastes.

In recognition of these concerns, the scope of the DNR study should be expanded to include recommendations on ways to streamline the approval process for reuses of foundry sand, such as the development of classification criteria by which foundry process waste may be reclassified and made available for other uses. The report should also include proposed statutory language and administrative rule changes that would be needed to implement proposed modifications to the approval process. My partial veto of the study due date will allow the study findings to be considered for inclusion in the 1993-95 budget bill. I think it is extremely important that DNR make every effort to work with the parties involved to approve uses of foundry sand that will avoid the need to use landfill space. There is no reason for delay and inaction on this important issue.

23. Environmentally-Preferred Labeling

Section 775vy

Section 775vy authorizes the Department of Natural Resources (DNR) to enter into an agreement with other states to create a voluntary program on product and package labeling. The program would be governed by a board of governors, which would establish a symbol to be used on a product or package that has met environmentally-preferred criteria developed by an environmental review panel. Environmentally-preferred products and packages can be certified if DNR enters into agreement with states representing at least 25% of the population of the United States.

I am vetoing this section because any standards established to identify environmentally-preferred products and packages in Wisconsin should be consistent with national standards or set on a national level rather than in a piecemeal manner. Requirements for environmentally-preferred products and packages are a national issue and any requirements developed for Wisconsin should be consistent with a national effort. Moreover, the Department of Agriculture, Trade and Consumer Protection (DATCP) should have lead responsibility for the development of any standards for environmentally-preferred products and packages used in the state instead of the DNR. DATCP has responsibility for consumer protection issues and is currently developing standards for products advertised as recycled, recyclable or degradable.

24. Stewardship Program Bonding -- Frank Lloyd Wright Monona Terrace Park Project and Urban Rivers Program

Sections 151m, 159e, 159w, 160am, 160ar, 160b, 160bn, 160de, 160dh, 160dk, 160dn, 160dq, 160dt, 160dw, 161am, 241z and 9242 (9w)

These provisions: (a) eliminate the offset of federal land acquisition funds received from Stewardship program bonding, thus increasing the annual state bonding level from $23,100,000 to $25,000,000; (b) create a new Stewardship bonding category of $1,000,000 annually, beginning in fiscal year 1993-94 through 1995-96 to fund the Frank Lloyd Wright Monona Terrace project; (c) create a new urban rivers grant program, funded at $1,900,000 in fiscal year 1992-93, $900,000 annually from fiscal years 1993-94 through 1995-96, and $1,900,000 annually thereafter; (d) provide contingencies for reallocation of funds if federal land acquisition funds increase or decrease or if the Frank Lloyd Wright Monona Terrace project funds are not expended; (e) for the urban rivers grant program, provide the funding levels, purpose, grant criteria, grant cap, and municipal matching requirement, and; (f) for fiscal year 1992-93, provide 1.0 SEG position and $39,500 SEG under s. 20.370 (1)(mu), 1.0 GPR position and $50,000 GPR under s. 20.370 (4)(ia), and 1.0 SEG position and $50,400 SEG under s. 20.370 (4)(iu) for development and administration of the urban rivers grant program.

As I indicated last year in my 1991 Wisconsin Act 39 veto message, the Stewardship program is intended to fund $250,000,000 for land acquisition and conservation activities over ten years, including federal land acquisition funds. The federal land acquisition offset was an important component in negotiating the

provisions which led to bipartisan enactment of the Stewardship program in the 1989-91 biennial budget, 1989 Act 31. The offset of the federal land acquisition funds was important to Stewardship enactment because it acts to minimize the debt service burden on Wisconsin's taxpayers, while ensuring a meaningful and effective $250 million Stewardship program.

I object to elimination of the offset of federal land acquisition funds from Stewardship bonding levels. I am partially vetoing these provisions to retain the federal offset of land acquisition funds from the annual amount of Stewardship bonding to keep the annual general obligation bonding at $23,100,000.

In my 1991 Wisconsin Act 39 veto message, I also indicated that I would consider supporting an urban rivers program if funding was reallocated within the current law bonding limitations of the Stewardship program ($23,100,000 annually). I continue to object to increased state bonding to fund an urban rivers program.

I am partially vetoing these provisions so that the Frank Lloyd Wright Monona Terrace park project and the urban rivers grant program are funded under the existing level of funding for land acquisition under the Stewardship program. I am also partially vetoing the provisions relating to an urban rivers grant program to provide that these Stewardship land acquisition funds be used only for land acquisition on or adjacent to urban riverways. I am approving provisions which require that Stewardship Funds expended on the Monona Terrace project be used only for public access, a bicycle path, the park terrace, or other park or recreational activities. The effect of this veto is to retain the bipartisan commitment which was negotiated in enactment of the landmark Stewardship program. It will also earmark funds from the existing land acquisition program for the Monona Terrace park project grant and urban riverway land acquisition grants. Because both of these programs require a 50% match from municipalities, the state funds invested in these projects will also leverage considerable local funding. These projects will not only result in restoration and enhancement of the Monona Terrace urban lakefront property, as well as urban rivers statewide, but will result in increased recreational opportunities for urban residents and economic revitalization of urban areas. I am particularly hopeful that these projects will offer much-needed recreational opportunities, such as improved fishing, hiking, and wildlife enjoyment, to urban dwellers who have limited access to the state's more rural recreational properties.

I am partially vetoing the provisions to delete 1.0 GPR position and $50,000 GPR in fiscal year 1992-93 under s. 20.370 (4)(ia). I am, however, retaining the 2.0 SEG positions and $89,500 SEG provided, which are sufficient resources to implement the urban river grant program.

25. Chippewa Moraine Interpretive Center

Sections 9242 (9g)

These provisions allocate $115,700 GPR in fiscal year 1992-93 and provide 2.0 GPR positions under s. 20.370 (1)(ea) to operate the Chippewa Moraine National Scientific Reserve Interpretive Center. I am vetoing these provisions because the state does not currently have the fiscal resources to operate this center. I am requesting that the Department of Natural Resources (DNR) continue to work with local and federal government, as well as private citizens and volunteers, to establish a public/private partnership to operate this center.

26. Biking in State Parks

Section 160fm

This section prohibits use of bicycles on trails in a state park or in the Kettle Moraine State Forest unless: (a) the Department of Natural Resources (DNR) has established a master plan for the property; (b) the DNR has determined that the trail should be open and has posted the trail; and (c) the opening of the trail for bicycle use is consistent with the master plan. This section also prohibits DNR from opening any trail in a state park or in the Kettle Moraine State Forest without first holding a public hearing on whether to open the trail. Regular patrolling of trails open to bicycle use is also required. Finally, this section requires that the DNR Board review and approve any recommendations developed by any council created by the Board under s. 15.04 (1)(c) to advise the Board on opening of trails in state parks and the Kettle Moraine State Forest.

I am partially vetoing the provisions limiting opening of trails in state parks or the Kettle Moraine State Forest unless a master plan is performed and opening the trail is consistent with the master plan. Currently, only the Kettle Moraine State Forest would meet these criteria. Adoption of this restriction would force all bicycle use on state parks into the Kettle Moraine State Forest, which is already heavily-used. The DNR estimates that updating master plans for these properties will take up to three years. This is an unjustified constraint on recreational opportunities for state bicyclists which would drastically overtax the Kettle Moraine State Forest trail system.

I am also partially vetoing the requirement that a public informational hearing be held prior to opening a property or trail for bicycle use because the requirement is not necessary. The DNR is currently working with an advisory council consisting of all relevant user groups and interests which has developed recommendations for the upcoming recreational season. The considerable deliberations of the Council and the DNR Board decision-making process itself provide ample opportunity for public hearing, comment and review regarding bicycle use on a statewide basis.

I am approving the bill's provisions requiring DNR to determine whether trails should be open to bicycles, to post these trails, and to patrol these trails on a regular basis.

27. Boat Liens

Sections 247e, 247m, 247s, 251m, 256d, 256h, 256p, 256t, 257g, 257r, 258m, 470m, 669w, 669x, 1094e and 1138m

These sections repeal 1991 Wisconsin Act 39 provisions which created a boat lien system administered by the Department of Natural Resources (DNR).

I am vetoing the repeal of the DNR boat lien system because I believe linking a boat lien system with the DNR boat titling system is advantageous to consumers, as well as financial institutions. The effect of this veto is to continue a convenient system, administered by one agency, in which a single document provides evidence of title and notice of liens. This modernized system is designed to be funded by lienholders, at no cost to the state taxpayer. A joint title/lien system is also the system which has been adopted by other Midwestern states, including Michigan, Minnesota, Iowa, Indiana and Illinois. I will continue to work with the financial community, the Legislature and DNR to ensure that DNR obtains sufficient resources to administer this self-funding system.

28. Aquatic Nuisance Control

Sections 241x, 9142 (8i) and 9242 (10j)

Section 241x defines an aquatic nuisance species, creates an aquatic nuisance control council, requires biennial reporting, and requires that the Department of Natural Resources (DNR) report and develop rules regulating aquatic nuisance species. Section 9142 (8i) requires that the DNR submit these rules within 12 months. Section 9242 (10j) provides $86,400 GPR in fiscal year 1992-93 under section 20.370 (2)(ma) and 2.0 FTE positions to fund activities concerning zebra mussels.

I fully support analysis and assessment of the threat of non-native species to Wisconsin's waterways, including development of recommendations on potential cost-effective control methods. However, I am partially vetoing section 241x to delete the 12-month due date for preparation of the first report on zebra mussels. I instead request that the DNR, in consultation with the aquatic nuisance control council, submit this report by November 15, 1992, so that the report's recommendations may be considered for inclusion in the 1993-95 budget bill. I am also partially vetoing the provision which requires DNR to promulgate aquatic nuisance rules. It is premature to promulgate rules prior to the receipt of a report on this issue from DNR. I am vetoing section 9242 (10j) because adding staff is also premature. I believe the aquatic nuisance control council should examine whether additional staffing is necessary to conduct zebra mussel control activities. Further, I am directing the council to develop recommendations on an appropriate funding level and potential non-GPR funding sources for consideration in the 1993-95 budget bill.

The effect of my vetoes is to retain the aquatic nuisance control council. In conjunction with the DNR, the council will do the following: (a) identify the current and potential economic and environmental impact of aquatic nuisance species; (b) identify potential aquatic nuisance control strategies; (c) identify any geographic areas, public facilities or activities which need technical or financial assistance to reduce the environmental, public health or safety risk caused by these species; and (d) determine the adequacy of existing state resources and staffing to address the problems posed by aquatic nuisance species.

29. Eurasian Water Milfoil Plan

Section 9142 (10x)

This provision requires the Department of Natural Resources (DNR) to report to the Legislature by July 15, 1992 on the location and spread of Eurasian water milfoil in Wisconsin and develop a plan to prevent its spread.

I am partially vetoing the July 15, 1992 due date in this provision because the DNR has indicated that the four-month time period is inadequate for it to prepare this report. I am, however, requesting that the DNR, in consultation with the members of the newly-established aquatic nuisance control council, submit this Eurasian water milfoil report and control plan by November 15, 1992, so that the report's recommendations may be considered for possible inclusion in the 1993-95 budget bill.

30. Management and Efficiency Study

Sections 1194 and 9101 (5w)

These provisions provide that the Department of Administration (DOA) may contract with a private consultant to study the management and operational efficiency of the Department of Natural Resources (DNR), with special evaluation of the forestry program. The provisions also specify that this study include a comparative analysis of DNR salaries and identify any recruitment or retention problems. If DOA contracts for the study, the report is to be transmitted to the Governor, the chairperson of the Governor's Council on Forestry, and the Legislature by July 1, 1994. These provisions also require the DOA Secretary to report to the chairpersons of the Joint Committee on Finance at its second quarterly meeting in 1992 as to whether the study will be contracted and if not, the reason why not.

If DOA chooses to contract for this study, these provisions require that DOA expend not less than $75,000 GPR from its appropriation under s. 20.505 (1)(a) to finance the cost of the study.

I originally proposed in SB 483 to provide $75,000 GPR from DOA and $25,000 SEG from DNR to conduct this study, but this funding was deleted during legislative deliberations. Thus, I am partially vetoing section 1194 to eliminate the inclusion of the study of comparative DNR salaries and recruitment and retention problems as well as the requirement to notify the Joint Committee on Finance at the second quarterly meeting in 1992. I am

also partially vetoing the requirement that at least $75,000 GPR be allocated from the DOA s. 20.505 (1)(a) appropriation. I object to the method proposed to finance the study, to the study's broadened scope, and to the requirement that DOA report to the Joint Committee on Finance. The effect of this veto is to allow DOA to contract for the study if it finds available funds or to conduct the study itself.

31. Forest Ranger Station Study

Section 9142 (10g)

Section 9142 (10g) requires the Department of Natural Resources (DNR) to study the feasibility and effects of consolidating DNR forest ranger stations and report to the Legislature within 13 months of SB 483 enactment. This section also prohibits DNR from closing any forest ranger station until this study is completed.

I am vetoing this section because a study of forest ranger stations has been completed and is undergoing review; a legislatively-mandated study is thus redundant. The DNR study, prepared in response to a 1987 Legislative Audit Bureau audit, is designed to identify the most efficient use of state funds to meet current and future forestry program demands. Prohibiting DNR from consolidating any forest ranger stations defeats the purpose of the study itself, which is to maximize efficient use of forestry dollars and the forestry management programs across Wisconsin. However, I recognize that local communities are concerned that consolidation of forest ranger stations will result in decreased service or economic impact. I am therefore requesting that DNR continue to work cooperatively with local governments and other interested parties to balance community concerns with the need for providing statewide service within the DNR's finite level of forestry funds.

32. Urban Forestry Program

Section 160f

Section 160f provides that counties, villages, and towns (in addition to cities) may be eligible for up to 50% of the cost of tree management plans, tree inventories, brush residue projects, the development of tree management ordinances, tree disease evaluations, public education and other tree projects.

I am partially vetoing this provision to delete the words 'counties' and 'towns'. The effect of this veto is to allow only cities and villages to receive grants under the DNR urban forestry program. In light of the limited urban forestry funds available, I believe that funds should be targeted to only the urban areas contained within cities or villages. This will maximize use of urban forestry grant dollars for their intended purposes.

TRANSPORTATION

33. Mass Transit Aid

Sections 551m and 9455 (3bt)

These provisions increase the amount of audited operating expenses of eligible mass transit systems reimbursed with state aid from 42% to 43%. I am vetoing this provision not only because it is unnecessary, but because it will detract from our ability to fund more innovative mass transit options in the future.

Last year I signed 1991 Act 39, the biennial budget bill, which increased the state share of transit operating costs from 38.5% to 42%, increasing 1992 state aid by about $9 million over 1991. The federal Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) will substantially increase federal aid also. I am extremely pleased that we have been able to see these substantial increases in aid. However, I remain concerned that, by increasing the state share of current operating costs, the state is paying more and more for the same level of service. When I approved the increase to 42% for fiscal year 1991-92, I stated that 'further increases in state funding above the level required to maintain the commitment to the 42% state share should not be expected in the future. I am most interested in ways to target transit resources toward service improvement.' Increased operating assistance must be targeted toward specific transit improvements, such as projects that contribute to meeting air quality standards and enhancements that enable people to reach jobs in areas not well served by public transit currently. Unfortunately, efforts to more specifically target transit aid failed in this legislative session.

I am also troubled by the financial impact of this increase. The $1.5 million annual cost of this provision would have added to a funding commitment that is already running far ahead of projections. Rising costs will require $900,000 more than the amount budgeted for aid payments in this biennium to meet the current 42% rate. The expanding liability of an increased aid rate would only serve to limit the scope of innovative options which we must consider in future years.

For these reasons, I am vetoing the increase in the state share of transit operating costs to leave the rate at 42%, and utilize the savings to help meet the current 42% rate. At the same time, I am requesting the Secretary of Transportation to continue discussions with representatives of the transit community and to develop, for consideration in the next biennial budget bill, innovative ideas that will target specific transit needs and increase the contribution of mass transit to our environment and our economy.

34. Transit Capital Assistance Program

Section 551p

This section requires the Department of Transportation (DOT) to administer a mass transit capital assistance program. The program is to provide capital assistance of $2.0 million annually to eligible applicants for the capital expenses of urban mass transit systems. Funding is provided by earmarking funds received under the federal

Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA).

I am committed to making sufficient funding available to the state's transit systems to meet capital investment needs. However, it is unnecessary and inappropriate to earmark an arbitrary amount of federal funds at this time. We are doing everything we can to maximize federal discretionary aid before resorting to these funds which may be needed for other purposes. Last year, Wisconsin obtained $5.8 million in discretionary federal transit capital funding, and we have a pending application for additional discretionary funds this year. We should not commit limited formula funding before we know how much discretionary federal funding will be available.

Further, the broadened focus of federal funding under ISTEA was accompanied by a commitment to a comprehensive, multi-modal planning and project-selection process in urbanized areas. This process will bring together transit providers, local governments, and planning agencies to work with DOT to develop long-term capital plans for transit systems as well as other transportation modes. The arbitrary earmarking of federal funds for transit capital at the state level, unrelated to specific projects, is inconsistent with this planning process. Therefore, I am vetoing the earmarking of $2.0 million in federal funds, but I anticipate that the planning process envisioned by the federal Act will ultimately result in at least this level of funding for transit capital purposes.

35. Bicycle and Pedestrian Facilities Grants

Section 547i

This section requires the Department of Transportation (DOT) to administer a bicycle and pedestrian facilities capital assistance program. The program is to provide capital assistance of $2.0 million annually to political subdivisions for the construction of bicycle and pedestrian facilities. Funding is provided by earmarking funds received under the federal Intermodal Surface Transportation Efficiency Act of 1991(ISTEA).

I support the creation of bicycle and pedestrian facilities and their contribution to the quality of life in Wisconsin and the quality of air in our cities. However, I cannot support this attempt to earmark federal funding that is being made available for an otherwise wide variety of purposes. The concept of ISTEA is to broaden the eligibility for various programs in order to allow local priorities to be addressed on a multi-modal basis with increased local participation. This provision serves to frustrate that objective by arbitrarily earmarking certain sums of money for specific types of projects without due consideration of local needs and desires or alternative uses of available funding. I am, therefore, vetoing this provision so that DOT may establish a comprehensive procedure to assure that alternatives are considered, priorities established and local input is considered prior to making these decisions.

36. Metropolitan Planning Organization Grants

Sections 547c and 547e

These provisions require the Department of Transportation (DOT) to administer a grant program to make annual grants of up to $100,000 SEG each to metropolitan planning organizations for highway planning projects in urban areas. The provisions grant necessary authority to DOT, place certain restrictions on grant recipients, require a 20% local match and specify a maximum aggregate amount of $700,000 for these grants.

DOT has administered a planning grant program of this type for many years. Under the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA), funding for this purpose has substantially increased. This increase will make funding for local transportation planning, including area-wide transportation studies, available as needed by local planning commissions. There is no need for this arbitrary and unnecessarily restrictive allocation of funds by statute. Therefore, I am vetoing these provisions so that DOT may continue its long-established program of making planning funds available to local agencies as needed.

37. Appleton Avenue Improvement Project

Sections 1094c and 9155 (3j)

These provisions exempt the City of Milwaukee from the obligation to reimburse the Department of Transportation (DOT) for the construction costs of a specified segment of Appleton Avenue on which parking is permitted. They also exempt this segment of Appleton Avenue from statutory provisions allowing DOT to prohibit or restrict parking on certain highway segments.

At the request of the City of Milwaukee, DOT expanded the scope of this project to include an additional traffic lane in each direction. Existing statutes require municipalities to reimburse the state for construction costs where parking is permitted on highways of this type. In this case, DOT and the city negotiated an agreement in which the city restricted parking along the reconstructed highway segment during rush hours in exchange for DOT's agreement to fund all but $150,000 of the added cost. After project completion, the city removed the parking restrictions that justified DOT's participation in the project.

It is unacceptable to make payments in violation of established statutory requirements and contrary to the project agreement that justified this particular project. To do so would call into question the validity of every project agreement signed by DOT and open the state to additional similar claims. I am also disturbed by the attempt to exempt a specific highway segment from statutory provisions which otherwise apply statewide and which were enacted for safety reasons. For these reasons I am vetoing these provisions. The City of Milwaukee should accept responsibility for all costs

normally borne by local units of government under statutes and DOT guidelines for projects of this nature.

38. Highway Right-of-Way Mowing Study

Section 9155 (2f)

This provision directs the Department of Transportation (DOT), in consultation with the Department of Natural Resources (DNR), to conduct a study of the likely effects of limited highway right-of-way mowing by state and local highway authorities on wildlife nesting, highway safety and highway maintenance costs. DOT is to submit a report to the Legislature by January 1, 1993.

DOT has formally managed roadside vegetation since 1931 and last conducted a comprehensive review of its roadside management policy in 1990. This review formed the basis for a highly detailed vegetation management policy. The policy has the stated goals of enhancing motorist safety, providing pleasing aesthetics, preserving and regenerating native vegetation, providing wildlife habitat and controlling noxious weeds. This policy governs maintenance of all state highways. There is no need to conduct another study of this same issue. Moreover, I have no desire to extend state involvement to this aspect of local roads. Local officials should be free to manage their programs in the manner best suited to their situations. They may draw upon the expertise of DOT, but I am reluctant to force this assistance on them. For these reasons I am vetoing this provision to eliminate the requirement that DOT conduct the study.

39. Noise Barriers

Section 9155 (3m)

This provision requires the Department of Transportation (DOT), in establishing its 1993 highway construction program, to give priority to the construction of noise barriers on USH 12 in Dane County.

In response to a directive in 1987 Act 27, DOT developed a comparative scale based on sound levels, traffic exposure, residential age and cost-effectiveness to rank eligible residential noise barrier sites for future consideration. Barriers are now constructed based on priorities established by that comparative ranking. An expenditure of $2.2 million for noise barriers in Dane County is planned in fiscal year 1993-94. To artificially elevate the priority of noise barriers in one location is to deny noise barriers to some other areas that have been identified as having a greater need for them. Therefore, I am vetoing this provision so that existing criteria and procedures will continue to govern the construction of noise barriers.

WISCONSIN CONSERVATION CORPS

40. Base Funding

Section 9111 (1w)

Section 9111 (1w) contains restrictions concerning the base funding of the Wisconsin Conservation Corps (WCC) to be submitted with the WCC 1993-95 biennial budget submission. The provisions have the effect of making the WCC appropriation changes in this bill in section 9211 (1)(b), (2)(a) and (b), one-time. Also, the amount in the schedule under the appropriation under section 20.399 (1)(a) is also specified.

I am vetoing these provisions because they exempt the WCC from standard budget development practices and budget base reconciliation provisions, create a substantial cost-to-continue burden on the general fund, and reduce DNR forestry SEG funding for WCC programs. Further, these provisions could act to exempt the WCC from the reductions specified in this bill under section 9160 (1z)(d), as well as the reductions specified in 1991 Wisconsin Act 39, section 9160 (1xg)(c). Continued utilization of forestry SEG funding for some WCC crews is appropriate, because the majority of WCC projects contain a forestry program component. The effect of this veto is that the funding levels contained in this bill will be considered as base funding for the development of the WCC's 1993-95 biennial budget request.

41. General Relief Crews

Sections 9111 (2w) and 9211 (1)(am)

These provisions direct the Wisconsin Conservation Corps (WCC) to establish two additional crews for general relief program recipients and require that the WCC monitor the progress of these members and prepare a report, due December 31, 1993, evaluating the success of these crews in providing training to general relief recipients and increasing the likelihood of subsequent employment. These provisions also increase fiscal year 1992-93 funding by $150,000 GPR under section 20.399 (1)(a) to fund the cost of two additional crews for WCC.

I am partially vetoing section 9211 (1)(am) to reduce GPR funding from $150,000 GPR to $50,000 GPR and to delete the mandate for two additional crews specified in section 9211 (2w) and (1)(am). Since this is an experimental effort in utilization of WCC crews to train general relief recipients, I believe it is prudent to reduce GPR funding pending receipt of results of the WCC report which will document whether this GPR investment is successful. The effect of this veto is to provide $50,000 GPR to WCC to be used for employment of general relief recipients and to consider the results for possible inclusion in future welfare reform initiatives.

42. Newsletter Editor Position

Section 9111 (2g)

Section 9111 (2g) authorizes a 0.5 GPR position in fiscal year 1992-93 to be used to provide a publications editor for the Wisconsin Conservation Corps (WCC). I am vetoing this provision because I believe the WCC can continue to produce its publications using its existing staff.

C. GOVERNMENT OPERATIONS

ADMINISTRATION

1. Transitional Housing Grants

Section 9201 (10)

This section increases funding by $25,000 GPR in fiscal year 1992-93 for the Department of Administration's transitional housing program, a new program which provides grants to deinstitutionalize homeless individuals and move them to independent living situations. While I believe the goal of this grant program is important, I am partially vetoing this provision because the currently budgeted fiscal year 1992-93 funding for this program is already more than twice the level of funding available in fiscal year 1991-92. Since the program is a new one and the success of the program has not been established, a further increase in funding is not warranted at this time.

2. Worker's Compensation Case Management Report

Section 9101 (5x)

Section 9101(5x) requires the Department of Administration to report to the Joint Committee on Finance by January 31, 1993 regarding worker's compensation case management improvements achieved as a result of funding and staff increases provided during the 1991-93 biennium. I am partially vetoing this provision to remove the reference to the date by which this report must be submitted because I believe a complete review of the worker's compensation case management improvements resulting from additional resources will not be possible by January 31, 1993.

3. Regulation of Recreational Vehicle Dealers

Sections 1199b and 9460 (5x)

Section 1199b repeals the fiscal year 1992-93 transfer of 1.3 FTE positions associated with the regulation of recreational vehicle dealers and mobile home dealers from the Department of Transportation (DOT) to the Department of Administration's (DOA) Division of Housing. When this transfer was initially made in 1991 Act 39, the intent was to transfer only the regulation of mobile home dealers to DOA. However, regulation of both RV dealers and mobile home dealers was inadvertently transferred to DOA. This bill corrects that oversight. However, only 0.3 FTE position associated with RV dealers should have been transferred back to DOT, rather than the full 1.3 FTE positions associated with both programs. I am vetoing Section 1199b so that all 1.3 FTE positions will remain with the Division of Housing. If DOT believes it needs the 0.3 FTE position it willlose as a result of this veto, I am directing the Secretary of Administration to take appropriate action to remedy any inequities resulting from this veto.

4. Green Lights Program Mandate

Section 9101 (5j)

Section 9101 (5j) requires the Department of Administration to sign a memorandum of understanding on behalf of the state to participate in the federal Environmental Protection Agency's green lights program. Participating in the green lights program would require the state to audit and replace any non-energy efficient lighting fixtures within five years in both state-owned and leased space. I am vetoing this provision because I believe that Wisconsin maybe able to direct its dollars available for energy efficiency projects to higher payback projects such as heating and cooling efficiency projects.

5. State Energy Efficiency Program

Sections 1g, 26d, 26h, 47 [as it relates to s. 20.505 (5) (qg)], 132rb, 132rd, 132rf, 177m and 9101(5jp) and (5jq)

These sections establish a state energy efficiency program as a revolving loan fund to support state agency energy conservation projects designed to reduce utility expenses. The Department of Administration (DOA) is directed to seek out energy saving opportunities and award loans to agencies for both construction and nonconstruction projects.

Section 26d stipulates that loans for construction projects cannot include nonconstruction expenses such as design and survey work. I am partially vetoing this provision because I believe these are legitimate expenses of any energy efficiency project and should be treated as such for purposes of an energy efficiency loan under this program.

Sections 26d and 9101(5jq) direct DOA to promulgate rules to administer the energy efficiency program. I am vetoing this provision because I do not believe the department will need formal administrative rules to administer this program. More flexible internal procedures are more appropriate for a program of this nature.

Sections 26d, 47, 132rb, 132rd, 132rf and 177m establish individual project accounts within the program's energy efficiency trust fund as well as three separate appropriations to allocate energy efficiency trust fund dollars. I am partially vetoing these provisions to eliminate separate project accounts within the energy efficiency trust fund and to combine the three appropriations into one appropriation because I believe DOA will need a significant amount of flexibility to operate this program for the greatest energy conservation benefit to all state agencies.

Section 9101(5jp) requires DOA, in its 1993-1995 biennial budget submission, to propose a statutory mechanism for funding the energy efficiency program at $50 million; the program as proposed includes no funding. DOA is directed to consider funding from three sources and specify how much funding would be allocated from each source: (a) general obligation bonding revenues; (b) public utility assessments; and

(c)transfers from state agency fuel and utility appropriations. I am partially vetoing these provisions because I want to provide DOA with greater flexibility in determining how to fund the plan and such detailed nonstatutory guidance is unnecessary.

Section 26d also provides that DOA can make loans only for energy efficiency projects which generate sufficient utility expense savings to pay back the loans within six years. I am partially vetoing this provision because additional flexibility is needed to undertake projects with payback periods of six years or greater, where they are feasible and cost effective. Although the recently-announced Wisconsin Energy Initiative will initially focus on projects with short payback periods, limiting this program to projects with payback periods of six years or less would limit the amount of conservation the state could ultimately realize.

Section 26d also directs that Building Commission review of energy efficiency projects be expedited. I am partially vetoing this provision because it is unnecessary. All projects considered by the Building Commission are considered as expeditiously as possible.

Sections 1g and 26h exempt energy efficiency program project contracts from approval by the Secretary of Administration, the Governor and the Building Commission. I am vetoing these provisions because I believe energy efficiency projects should receive the same scrutiny that other similar projects receive. Review by the DOA Secretary, the Governor and the Building Commission is appropriate.

Section 26d directs that state agencies receiving loans for energy efficiency projects agree to repay the loans from utility expenses saved by the projects. DOA is directed to draw up an agreement with the agency which specifies the annual repayment amount and allows DOA to annually transfer the repayment amount from the agency utility expense appropriation to the energy efficiency funds. Also, after a loan is repaid, an agency would allocate one-third of the utility savings from the projects for the next six years to each of the following: (a) the general fund; (b) the energy efficiency fund; and (c) the agency for general program operations.

I am partially vetoing the provisions which require that DOA annually transfer repayments from agency fuel and utility appropriations to the energy efficiency fund. Currently DOA takes account of utility expense savings from energy conservation projects when budgeting agency utility appropriations. The process proposed here would make budgeting for utility expenses very difficult because all savings would be redistributed. This could significantly increase the additional amounts that would have to be budgeted each biennium for utility costs.

I am also partially vetoing the requirement that agency savings for six years after repayment of a loan be redistributed according to a formula in which one-third goes to the general fund, one-third goes to the energy efficiency fund for energy efficiency projects and one-third is retained by the agency. I am retaining language that the department may transfer some savings to the general fund and to the energy efficiency fund, but am eliminating the requirement that energy efficiency fund savings must be used for energy efficiency projects because I believe that maintenance and monitoring are of higher priority. I am also retaining the one-third formula and language which allows the state agency to retain the savings because I believe that DOA should determine how the energy savings will be utilized to best meet state needs. My partial vetoes of these provisions will give DOA needed flexibility in distributing savings.

Section 26d also authorizes DOA to use monies in the energy efficiency fund during the six years following a loan's repayment for general maintenance for energy efficiency projects. While I support this concept, I am partially vetoing this provision to remove the stipulation that these maintenance funds can only be used for energy efficiency projects because I believe it would be difficult for DOA to determine what portion of certain maintenance work is attributable directly to energy efficiency projects and what portion is necessary for the upkeep of related equipment or structures.

Section 26d also requires that ten state agencies submit to DOA documentation showing the amounts budgeted and expended for utility expenses in fiscal years 1993-94 and 1994-95. For purposes of this report, utility expenses are defined as fuel, electricity, heat and chilled water expenses incurred to provide heating, cooling and electricity. I am partially vetoing this provision to remove reference to 'fuel, electricity, heat and chilled water,' because these are not the only expenses related to heating, cooling and electricity. By removing this portion of the definition, I intend that agencies include in their reports all expenses incurred to provide heating, cooling and electricity.

I have retained the general structure and concept of the state energy program. I believe that the Wisconsin Energy Initiative I have announced, along with these budget provisions, will keep the State of Wisconsin a national leader in the area of energy conservation.

6. Privacy Council and Access to Information

Sections 26p, 26pg, 26r, 26s, 26v, 27h, 27g, 29, 154m, 160g, 161c, 161e, 277m, 465jm, 505r, 593acm, 593au, 593av, 593bt, 596r, 665m, 669kg, 775rv, 775ud, 775uL, 775up, 775uv, 783m, 794d, 984jd, 1034n, 1047m, 1047p, 1053, 1059, 1060am, 1061, 1095m, 1122m, 1169m and 9101 (2) (b) 1

These provisions make substantial changes in current law regarding access to and the privacy of government records. While I agree that an individual's right to privacy of personal records and access to those records are both important issues, I am using a number of vetoes and partial vetoes to modify these provisions because some of the provisions could yield unintended and troublesome results.

Sections 26p, 26pg and 26r would require a state or local government to consider the personal privacy interests of any person who is the subject of a record when deciding whether to release that record under the Open Records Law. I am vetoing this provision because there is already a requirement that government authorities consider privacy and I do not believe it was the Legislature's intent to preempt openness in government by further limiting the public's access to state and local government records which would otherwise be public. Also, I am concerned that this provision will make the Open Records Law unnecessarily difficult to administer. Under this provision, records custodians would be required to consider two distinct presumptions when deciding whether to grant access to records -- both the presumption of unlimited access, and the presumption that the government must protect against invasions of personal privacy. However, the provision as drafted provides no specific instances under which access should be denied or limited due to personal privacy concerns.

I am leaving intact a provision requiring that applications for state government unclassified and elective positions and local government positions be confidential if an applicant requests confidentiality. I am leaving this provision intact because I am concerned that the lack of such confidentiality has prevented Wisconsin government agencies from getting the best-qualified candidates for job vacancies and from getting as broad a range of job applicants as possible because potential applicants have declined to apply due to concerns that their names will be released to the public. I was impressed with the public testimony of individuals from UW campuses, state agencies, school districts and local governments explaining the difficulties they have encountered with the hiring process because applicants do not want their names made public.

While I am leaving this provision intact because I believe that changes are needed in this area, this provision as drafted can be improved. Representative Marlin Schneider, who introduced this provision, has agreed to propose follow-up legislation which would ensure that the names of finalists for all government positions be open to the public.

I will support Representative Schneider's follow-up legislation. While confidentiality where requested should be respected in the early stages of the hiring process, as the process gets closer to the ultimate hiring decision it becomes more important for the names of the leading candidates to be made public.

Allowing applicants to keep their names confidential at the time they initially apply for jobs, while disclosing the names of finalists before final appointment decisions are made, strikes an appropriate balance among the important interests involved here: the interests of individuals in being able to apply for new job opportunities without jeopardizing their current employment status; the interests of government agencies in receiving applications from as broad and as qualified a range of applicants as possible; and the interest of the public in being informed of and having the ability to comment on finalists for positions before final appointment decisions are made.

Sections 27b and 1034n provide that applications for state classified positions be confidential if the applicants request confidentiality, unless an applicant has been certified for employment. I am partially vetoing this provision because I believe that the state's current policy of keeping all applications for classified positions confidential (unless names are certified) is the appropriate one. Also, the proposed amendment would create administrative problems for the state.

Section 26s specifies that records under the Personal Information Practices Law that are collected or maintained in connection with a complaint, investigation or circumstances that may lead to an enforcement action, court proceeding or other proceeding may be released one year after the conclusion of the action, proceeding or investigation or one year after the filing of a complaint. I am vetoing this provision because it would require prosecutors and investigators to turn over confidential files only one year after the filing of a complaint, at which time a sensitive complaint investigation may not be concluded. Also, I do not believe that confidential investigation files should be available for inspection by criminal defendants at any time.

Section 1060am specifies that the Department of Transportation (DOT) may not release social security numbers outside the department except to a law enforcement agency or certain employers. I am vetoing this provision because it would prohibit DOT from releasing social security numbers to other state and federal agencies for legitimate purposes. For example, the Department of Health and Social Services needs social security numbers from DOT to verify the numbers for fraud matching programs run by the Office of Child Support.

Sections 26v, 27g, 154m, 161c, 161e, 277m, 465jm, 505r, 593acm, 593au, 593av, 593bt, 596r, 665m, 669kg, 775rv, 775ud, 775uL, 775up, 775uv, 783m, 794d, 984jd, 1047m, 1047p, 1095m, 1122m, and 1169m amend various statutes which currently grant confidentiality to certain records under the Open Records Law. The amendments would bar a state or local government from maintaining the confidentiality of these records if a request is made under the Personal Information Practices Law. I am vetoing these provisions because I believe the records should be confidential under both the Open Records Law and the Personal Information Practices Law in all instances. For example, I believe that the current exemption from the Open Records Law for confidential reports to district attorneys regarding sexual assault by therapists should also extend to requests made under the Personal Information Practices Law. If this exemption were not made, a therapist accused of sexual assault would have access to confidential reports in the possession of DAs in connection with the investigation of

his or her case. Also, I believe it is necessary to extend the current exemption from the Open Records Law for law enforcement records which federal aid conditions require to be confidential to requests made under the Personal Information Practices Law.

Section 9101 (2) (b) 1 requires that the state privacy advocate study the need for requiring state and local governments to do the following: (a) maintain the date of collection and source of personal information that the government may use to make a determination adverse to a data subject; (b) notify an individual when an agency releases personal information to the private sector; and (c) collect or maintain personal information only if the information is necessary to perform the government's duties. I am vetoing these provisions because they contain no requirement that the privacy advocate consider the likely effects of these activities on governments, including the cost of implementing new procedures.

Section 29 requires that each state agency establish administrative, technical and physical safeguards to ensure the security of personally identifiable information maintained by the state agency. I am vetoing this provision because it is unclear what entity has the authority to determine the adequacy of these safeguards. I believe, as I originally proposed, that each state agency should have the authority to determine what safeguards are appropriate for the information that agency maintains.

Sections 1053, 1059 and 1061 establish a forfeiture of up to $500 for willful disclosure of personal records maintained by the Department of Transportation (DOT) or the willful requesting or obtaining of these records under false pretense. This provision also directs that these forfeitures do not apply to DOT employes acting in good faith. I am vetoing the phrase 'while acting in good faith' because I believe from a legal standpoint it is difficult to establish whether an employe is acting in good faith. With this veto I intend that the exemption from forfeitures apply generally to all DOT employes.

Section 160g provides that Department of Natural Resources subscriber lists would be exempt from public inspection only under the Open Records Law. Current law provides that these lists are exempt from inspection generally, without respect to any specific law. I am vetoing this section because I see no reason to make a change to current law. This veto will maintain the confidentiality of subscriber lists.

7. Division of Information Technology Services

Sections 47 (as it relates to s.20.505(1)(is) and (kL)), 127r, 128ac, 128m and 9101(4f) (as it relates to the reporting of positions and expenditures)

Sections 47 (as it relates to s.20.505(1)(is) and (kL)), 127r, 128ac and 128m convert two continuing program revenue appropriations to annual appropriations and create one continuing program revenue appropriation. Effectively, these provisions undo changes I made under 1991 Wisconsin Act 39 vetoes.

I am partially vetoing these provisions to eliminate the new continuing appropriation and make the annual appropriations continuing in nature. The effect of these actions is to return these appropriations to their status under current law. The Division of Information Technology Services needs the financial flexibility of continuing appropriations.

Section 9101 (4f) requires the submission of a report to the Joint Committee on Finance detailing unencumbered balances and the status of full-time equivalent positions. I am vetoing this provision since the report duplicates information already provided to the committee.

8. Monona Terrace Parking Ramp Fees

Sections 24m, 24n, 24p, 47 [as it relates to s. 20.505(5)(kb)], 132m and 132p

These provisions: (a) direct the Department of Administration (DOA) to establish a separate parking fee schedule for the state parking ramp to be built adjacent to the State Office Building at 1 West Wilson Street in Madison and the proposed Monona Terrace Convention Center site; (b) specify that all costs of the ramp be recovered from the ramp's parking fees; and (c) create a separate sum sufficient appropriation for ramp debt service and a separate annual appropriation to finance the ramp costs.

I am partially vetoing these provisions because the provisions are too restrictive. The provisions would have created unique rates for state parking provided at the new ramp. These provisions were proposed in part so that state parking rates in cities other than Madison would not be affected by the cost of the new ramp. The effect of my veto is to allow DOA to set annual state parking rates -- for state parking facilities in the City of Madison -- at levels necessary so that all the costs of land acquisition, construction, financing, administration, maintenance and operation are recovered from fee revenue. This veto will not affect fees for state parking outside the City of Madison.

COURTS

9. Law Library Study

Sections 9154 (1gx) and 9254 (1gx)

These sections authorize a one-year project position for the Director of State Courts to review and make recommendations regarding the appropriate structure of the state law library system. While I initially recommended a similar study, I am vetoing this provision because the legislature has deleted my recommended program revenue funding source for this study along with my recommendations for significant increases in state support for judicial assistance in the circuit courts. The effect of this veto is to reduce appropriations by $29,100 GPR in fiscal year 1992-93.

10. Mediation Council

Sections 47 [as it relates to s. 20.680 (2) (c)], 138m, 157em, 1033d, 1146c and 9154 (3g) and (3h)

These sections create a nine member mediation council to assist counties in developing family court counseling services and improve the efficiency and effectiveness of family mediation services provided to divorcing parents who are disputing the custody of their children. I am vetoing this provision because I do not believe it is necessary for such a council to be created statutorily. If oversight is necessary, the Supreme Court can appoint an advisory council to assist counties in these areas without legislative and executive direction. The effect of this veto is to reduce appropriations by $82,400 GPR in fiscal year 1992-93.

11. Fee Increase for Legal Custody and Placement Study

Section 1156r

This section increases the flat fee that a county may charge for mediation from $100 to $200 and for a study regarding the legal custody and physical placement of a minor child from $300 to $600. The increased revenue would be retained by counties for provision of family court counseling or mediation services. While I believe that the goal of improving county family court counseling services is an important one, I am partially vetoing this provision because I believe increasing the legal custody and placement fee to $600 will place a great financial hardship on many of the families who can benefit from child custody and placement services from counties. I would like to see the statutes specify a range of fees which counties have the authority to specify depending on family ability to pay. =y 1

12. Retraction of Libelous Publications

Section 1161f

This section requires a retraction of libelous material in a publication to be headed by the title 'RETRACTION' in 18-point or larger type. I am vetoing this provision because I believe it is restrictive and unnecessary. Current law already requires that a retraction be in a position and type as prominent as the alleged libel.

DISTRICT ATTORNEYS

13. Assistant District Attorney Positions

Section 9216 (2g) and (2x)

These provisions provide an additional $136,400 GPR in fiscal year 1992-93 for an additional 4.0 GPR FTE assistant district attorney (ADA) positions in Milwaukee County and $18,600 GPR in fiscal year 1992-93 for a .5 GPR FTE ADA position in Marathon County.

I am vetoing section 9216 (2x) entirely to eliminate the funding and position authorization for the .5 GPR FTE ADA position provided for Marathon County. I am partially vetoing section 9216 (2g) to eliminate the funding and position authorization for three of the four ADA positions provided for Milwaukee County. My partial veto of section 9216 (2g) retains sufficient funding for one ADA position for Milwaukee County.

My veto retains an additional crime lab position in the Milwaukee Crime Lab to analyze evidence for the new Milwaukee County violent crime court that is authorized to begin August 1, 1992. It is my understanding that the new court will be designated to handle primarily sexual assault cases. The additional crime lab position will ensure that evidence is processed in a timely manner. In addition, in August the Department of Administration will release for filling 3.0 FTE ADA positions that were previously authorized in Act 39 to support the new violent crime court in Milwaukee. Thus, when the new violent crime court begins operation in August of 1992, it will be accompanied by three new ADAs and a new crime lab position.

My veto also retains funding for one additional ADA position in Milwaukee. This can be used to cover the additional juvenile courts that are authorized to begin in Milwaukee County on August 1, 1992.

I am vetoing the other ADA positions for Milwaukee and Marathon Counties for the same reason I vetoed additional ADA positions authorized in 1991 Wisconsin Act 39. I continue to believe that the decision to approve additional ADA positions should be based on reliable and objective data. Act 39 required the Department of Administration, the Department of Justice and the Office of the State Public Defender to develop a case management, time reporting methodology to be used to evaluate state attorney workload. Until that methodology is developed and working, I will be hesitant to approve additional ADA positions and the funding associated with them.

EMPLOYE TRUST FUNDS

14. Remove Wisconsin Counties Association from WRS Eligibility

Sections 272p, 272r, 275m, 276e, 276f, 475m, 505p and 9419

These provisions eliminate the Wisconsin Counties Association (WCA) or any successor to the WCA as a participating employer under the Wisconsin Retirement System (WRS), effective July 1, 1992. The WCA, or any WCA successor, would continue to make WRS contributions after June 30, 1992 until full payment of WCA's unfunded prior service liability for all WCA employes is made.

I am vetoing these provisions entirely because they are arbitrary and discriminatory. The WCA, like the Wisconsin Towns Association, the League of Wisconsin Municipalities and the Wisconsin Association of School Boards, Inc. are recognized under current law as WRS employers and as governmental employers by the U.S. Social Security Administration. To exempt the WCA from the definition of an eligible employer under the WRS is not consistent with the treatment of similar

organizations that are not exempted. I am also vetoing these provisions because they received no public hearing nor were they reviewed by the Joint Survey Committee on Retirement Systems.

ETHICS BOARD

15. Local Code of Ethics -- Local Officials

Section 27ft

This provision modifies the local government code of ethics to prohibit an elected local official from representing for compensation an individual appearing before any of the local government's boards, councils, commissions or agencies.

I am vetoing this provision because it unnecessarily restricts individuals from pursuing professional livelihoods while at the same time being able to participate in elective local government.

INDUSTRY, LABOR & HUMAN RELATIONS

16. PECFA Farm Tank Expansion

Sections 598b and 598bm

Section 598b would make farm tanks of 1,100 gallons or less eligible for coverage under the Petroleum Storage Remedial Action Fund (also known as PECFA). Section 598bm would limit the award amounts received for farm tanks of 1,100 gallons or less to 5% of the awards appropriation to the program in any fiscal year.

I am vetoing these provisions because no additional funding was provided for the farm tank expansion and the PECFA program cannot reasonably manage an expanded claim load at this time. PECFA demand has steadily increased since the inception of the program in 1988. This year demand for PECFA funds will exceed the amount appropriated for awards by $12.8 million. These awards cannot be paid until the next fiscal year.

I recognize that proponents of this measure attempted to limit the impact on the fund by placing a 5% cap on the amount of annual awards for farm tanks. I also appreciate the legitimate interest of the farm community seeking coverage under the fund. However, I am concerned that signing this provision would lead to false expectations and, ultimately, dissatisfaction among the farm community. Expanding PECFA coverage to farm tanks under 1,100 gallons would place an estimated additional claims demand of $20 to $60 million on the fund. With a maximum of approximately $2 million a year available for claims payment, a backlog would soon develop to the detriment of claimants and overall program operations.

In signing this budget adjustment bill, I will have increased the PECFA program from $25 million to $44 million and approved additional staff for both the Department of Natural Resources (DNR) and the Department of Industry, Labor and Human Relations. While the additional resources will help address current demands, further program improvements need to be implemented to hold down costs and achieve cost-benefit efficiencies. Most importantly, reasonable clean-up standards need to be adopted and consistently applied by DNR.

Once the program is better situated to both control costs and meet the demands of federal requirements, I am prepared to support the farm tank expansion under PECFA.

17. Multifamily Dwelling Code

Section 600

Section 600 enumerates the duties of the Multifamily Dwelling Code Council, the responsibilities and authority the Department of Industry, Labor and Human Relations has in administering the program, local government authority regarding ordinances related to the statewide construction standards, the authority of local fire chiefs and inspectors, construction compliance standards, and penalties for violators of the Multifamily Dwelling Code.

I am partially vetoing Section 600 because the provision as drafted does not reflect the original intent with respect to local fire sprinkler ordinances. Many local ordinances define a multifamily dwelling as a dwelling containing at least four or six units. The budget adjustment bill defines a multifamily dwelling as a dwelling which contains at least three units. The original intent was to exempt all existing multifamily dwelling fire sprinkler ordinances from the requirements of the Multifamily Dwelling Code. As drafted, this provision exempts only those local sprinkler systems ordinances which define multifamily dwellings as having at least three units. This veto, which is technical in nature, will reconcile this provision with the original intent.

18. Child Labor Law Violation Study =y 1

Section 9129 (2q)

This section requires the Department of Industry, Labor and Human Relations to study, develop, and present to the Legislature a proposal for a two-tiered system of penalties for violations of the child labor law where the severity of the penalty matches the severity of the violation.

I am vetoing this section because the statutes presently provide strong incentives for employers to comply with the child labor laws. Through the double time penalty which is assessed to the violators of child labor laws, an employer is required to pay a minor double the amount of the minor's regular rate of pay for hours worked in violation of the child labor law in addition to the wages already paid. To date no child labor law violation cases have been forwarded to the Attorney General since the double time penalty is sufficient to deter repeat offenders.

19. Relocation Law Modifications

Section 263w

Section 263w requires a condemnor to file a relocation plan with the Department of Industry, Labor and Human Relations within 60 days after entering into an option to purchase agreement and then wait at least 30 days after receiving DILHR approval of the plan before exercising the option to purchase regardless of whether a purchase price was established. Section 263w also permits a condemnor to obtain a property appraisal without having a relocation plan approved by DILHR.

I am partially vetoing the provision of Section 263w which requires a condemnor to file a relocation fee with DILHR within 60 days after entering into an option to purchase agreement and then wait at least 30 days after receiving DILHR approval of the plan before exercising the option to purchase because the modification would result in a stricter interpretation of current law, and will needlessly tie the hands of municipalities.

20. Acquisition of Property By A Public Utility

Section 9160 (3j)

Section 9160 would require occupants of a property acquired by a municipally owned public utility by January 1, 1994, which is less than 15 acres, to vacate the property even if comparable replacement property has not been made available by the municipally owned public utility.

I am vetoing this section in its entirety because an agreement of this magnitude should be reached through negotiations between the affected parties and not mandated by law. In addition, this provision appears to be directed at one specific situation, but will be effective statewide and could result in unanticipated problems in other municipalities.

INSURANCE

21. Local Government Property Insurance Fund Transfer

Section 1117g

Section 1117g directs the Office of the Commissioner of Insurance to transfer as a loan $10 million of the surplus from the Local Government Property Insurance Fund to the general fund before the end of fiscal year 1992-93, and requires the loan to be repaid in five annual installments of $2 million plus accrued interest beginning in fiscal year 1993-94.

I am partially vetoing this section to remove language designating the fund transfer as a loan and setting up a repayment schedule. The effect of my veto is to transfer $10 million to the general fund in fiscal year 1992-93. I originally proposed a permanent transfer of $6 million.

22. Continuation of HIRSP Benefits to Those 65 and Over

Sections 1118pi, 1118pm and 1118qr

These sections would permit individuals who are enrollees in the Health Insurance Risk Sharing Plan (HIRSP) and have been on Medicare disability prior to the age of 65 to continue to receive coverage for prescription drug expenses related to organ transplants after reaching age 65. The individual must apply for the extended HIRSP coverage within six months of becoming 65.

While sympathetic to the need for coverage of prescription drug expenses related to organ transplants, I am vetoing these sections because I do not believe that creating a limited benefits policy under HIRSP is a cost effective way to address this problem. Furthermore, this provision will increase costs and open the door to additional exceptions for over 65 coverage under the program.

23. Insurance Coverage of Endometriosis

Sections 276ie, 798gm, 798hi, 1122jqm, 9125 (7mx), 9330 (7mx) and 9430 (2gx)

These sections would require group disability insurance policies that provide maternity coverage to also provide coverage for infertility treatment as treatment for endometriosis. Section 1122jqm also requires the Department of Health and Social Services to promulgate rules to specify acceptable non-experimental treatments for infertility that are performed by a physician, thus expanding the mandate for coverage to a currently non-mandated area.

While I understand the seriousness of endometriosis, I am vetoing these sections because this infertility treatment mandate will have the effect of increasing the cost of health care when insurers pass the cost on to the consumer. Furthermore, these sections were added to the budget adjustment bill without input from individual and small business insurance policyholders, who are affected most by the rising costs of health care and insurance premiums.

24. Disability Insurance Benefit Assignment

Sections 1118rp and 1122d

These sections would require insurers to make payments directly to a health care provider if a disability insurance policyholder makes a written assignment of the benefits payable to the health care provider.

I am vetoing these sections because of the unintended effects of this language. Presently, many insurers pay claims through automatic transactions. If an insurer does not receive notification of the assignment in a timely fashion and pays the claim to the policyholder instead of the health care provider, the insurer is still liable to the health care provider for payment of the covered services for which the assignment applies.

25. Chiropractic Services Coverage By Insurers

Sections 1122fm and 9330 (2v)

Section 1122fm prohibits an insurer from terminating or restricting treatment of a chiropractic condition unless the condition is directly related to a preexisting

condition, from refusing to provide coverage to an individual if that person has been treated by a chiropractor, from establishing underwriting standards which are more restrictive than for care provided by other providers, from restricting or terminating coverage based on an examination or evaluation by anyone other than a chiropractor or peer review panel containing a chiropractor, and from excluding or restricting coverage of a condition solely because the condition may be treated by a chiropractor.

I am partially vetoing 1122fm to remove an unnecessary reference to an examination, evaluation or recommendation because I wish to clarify this provision and remove a redundant phrase.

I am also partially vetoing 1122fm to remove the provision which prohibits exclusions or restrictions on coverage for chiropractic treatment that are not directly related and limited to a preexisting condition. This provision could result in an insurer being unable to refuse payment of treatment because it is determined to be medically unnecessary or excessive. Furthermore, this provision would place chiropractors in a protected category because other health care providers would still be subject to an insurer's limits on coverage based on the medical necessity of the treatment.

In this section I am also partially vetoing the reference to paragraph (b) 5 in 632.87 (3)(c) to clarify that this exclusion covers all of 632.87 (3)(b).

26. Required Insurance Coverage of Partial Hospitalization for Mental Disorders and AODA Problems

Sections 465m, 1122fn, 1122jc, 1122je, 1122jg, 1122ji, 1122jk, 1122jm, 1122jp, 1122jq, 9125 (7f), 9330 (2g) and 9430 (1g)

These sections require an insurer which covers inpatient alcohol or drug abuse (AODA) or mental health treatments to also provide the same coverage for AODA partial hospitalization treatment. These provisions require the Department of Health and Social Services to promulgate certification standards for these programs and to certify these programs.

I am vetoing these provisions because they would enable hospitals to monopolize these transitional services and charge a rate which would be higher than if the service was performed in a community-based day treatment program. Furthermore, the small employer health insurance plan contains a similar provision which would provide partial treatment services through a hospital or a community-based treatment program. Signing both provisions would create inconsistencies in the statutes.

JUSTICE

27. Gaming Enforcement Positions

Section 47 [as it relates to s. 20.455 (2)(g) and (r)]

This section, as it relates to s. 20.455 (2) (g) and (r), provides $195,100 SEG and $307,700 PR in fiscal year 1992-93 to fund 8.0 FTE positions in the Department of Justice (DOJ), Division of Criminal Investigation. The positions are authorized for the purpose of enforcing DOJ's responsibilities related to gaming activities in Wisconsin.

I am partially vetoing this section to eliminate the funding that was provided for three of the eight additional gaming enforcement positions. By lining out DOJ's s. 20.455(2)(g) and s. 20.455 (2) (r) appropriations and writing in smaller amounts that delete the $55,000 PR and the $104,300 SEG, I am vetoing the part of the bill that provides funding for two special agent positions and one program assistant position authorized by the Legislature to perform DOJ's gaming enforcement responsibilities. I am requesting the Department of Administration Secretary not to allot these funds and not to allow one special agent position authorized under 20.455 (2) (g) and one special agent and one program assistant position under 20.455 (2) (r) to be filled. My partial veto will increase GPR-earned by $55,000 in fiscal year 1992-93 since lower spending of racing program revenue funds increases GPR-earned dollar for dollar.

I am partially vetoing this section because the workload to support the need for an additional 8.0 FTE has not been demonstrated. My veto retains funding for 5.0 FTE additional gaming enforcement positions consistent with my original recommendation. Until actual workload is demonstrated, I will be hesitant to approve any additional funding and positions for this purpose.

SECRETARY OF STATE

28. Uniform Federal Lien Registration

Sections 1151mb, 1151md, 1151mf, 1151mh, 1151mj, 1151mL, 1151mn and 9351 (1m)

These provisions modify the procedures for filing federal liens and require that the Secretary of State establish and maintain a system for the electronic filing of federal tax liens.

I am vetoing these provisions because the Office of the Secretary of State does not have the technical capacity to implement such a system at this time. The Secretary of State has requested that I exercise my partial veto authority on this item. Further, the effect of such a system on local filing officers is not clear. The implementation and long-term effects of such a system require additional study.

D. HUMAN RESOURCES

HEALTH AND SOCIAL SERVICES

Medical Assistance

1. Healthy Start Expansion

Sections 455g, 455h, 455i, 455k, 455m and 9425 (7p)

This provision expands eligibility for Medical Assistance (MA), beginning July 1, 1993, to pregnant women and children under the age of 1 whose family incomes do not exceed 165% of the poverty line for a family the size of the woman's or child's family. In addition, the provision requires the Department of Health and Social Services to request a federal waiver to use federal matching funds for MA coverage of pregnant women and children under the age of 1whose family incomes do not exceed 185% of the poverty line. If the waiver is granted, the income limit for MA coverage for pregnant women and children under the age of 1 would be 185% of the poverty line beginning July 1, 1993. In the past I have supported extending MA services to pregnant women and children through expanding Healthy Start eligibility. However, I am vetoing this provision because it is fiscally imprudent to obligate the state to fund this expansion of MA eligibility beginning in fiscal year 1993-94. Once fully implemented, the estimated cost of extending MA eligibility to this population is in excess of $11 million GPR annually. The appropriate legislation to deal with commitments for the next biennium is not this bill but the 1993-95 biennial budget bill. Decisions on expansions of programs should be made then in the context of what is affordable at that time.

2. Medical Assistance Services Council

Sections 13m, 432t, 9125 (5d) and 9425 (17d)

This provision creates a Medical Assistance (MA) Services Council. The 11-member council is required to make recommendations for improving the cost-effectiveness of and access to MA, to identify federal statutes and regulations that interfere with improving the cost-effectiveness of and access to MA, to make recommendations concerning changes that would increase the provision of preventive and primary care and to report on its activities. I am vetoing this provision because I do not believe it is necessary to create statutorily such a council. There currently exists the MA Advisory Council which may examine issues such as these. However, I agree that health care cost containment and cost effectiveness are important topics that need to be addressed by the state and I will propose measures to deal with these issues next year. Some topics will be examined by the Task Force on Health Cost Containment that is being established with the signing of AB 655.

3. Home Health Reimbursement

Section 439g

This provision sets forth the methodology under which Medical Assistance (MA) reimbursement for home health services shall be made beginning July 1, 1992. This provision also requires that beginning July 1, 1994, the maximum allowable fees for home health care visits must be at least 100% of the statewide median cost per visit. In addition, this provision requires the Department of Health and Social Services (DHSS) to establish a prior authorization process for home health services.

I am partially vetoing this provision to remove the requirement that maximum allowable fees for home health care visits be at least 100% of the statewide median cost per visit beginning July 1, 1994. I am vetoing this requirement because I believe this provides an incentive to low-cost home health agencies to increase their costs but less of an incentive for high-cost agencies to improve their efficiency and to reduce their costs. In addition, the actual increase in funding necessary to maintain reimbursement at average costs is unpredictable and could require substantial increases in state funding in fiscal year 1994-95 and beyond. The appropriate legislation to deal with commitments for the next biennium is the 1993-95 biennial budget bill.

I am also partially vetoing this provision to remove the statutory requirement that DHSS establish a prior authorization process for home health services because it is unnecessary. DHSS currently has the authority to establish prior authorization processes for MA services, including home health services.

4. Health Maintenance Organization in Rock County

Sections 441gg, 441gr and 9125 (3x)

This provision requires the Department of Health and Social Services (DHSS) to request a federal waiver to permit the establishment of a primary care provider pilot project in Rock County for Medical Assistance (MA) beneficiaries who receive Aid to Families with Dependent Children (AFDC). If the waiver is granted, DHSS is required to establish the pilot. This provision also prohibits DHSS from requiring Rock County MA-AFDC beneficiaries to enroll in Health Maintenance Organizations (HMOs) before July 1, 1994.

I am vetoing the requirement to request the primary care provider waiver for Rock County because DHSS should be allowed to determine whether to pursue a primary care provider waiver for Rock County. Waiver requests involve substantial staff time and resources. If DHSS determines that such a waiver request is appropriate, statutory authority to request the waiver currently exists. I am vetoing the requirement concerning HMO enrollment in Rock County because DHSS should have the flexibility to expand the HMO initiative into Rock County prior to July 1, 1994 if DHSS determines it is appropriate. MA cost increases continue to outpace general inflation, and it is important that DHSS be allowed to explore all opportunities to contain costs.

5. Retrospective Payment for an Intermediate Care Facility for the Mentally Retarded

Section 433rm

This provision allows the Department of Health and Social Services to pay the direct care costs for services provided after July 1, 1993, under a retrospective payment system for an intermediate care facility for the mentally retarded that meets certain criteria. The criteria

effectively limit this provision to apply to one nursing facility.

I am aware that this nursing facility provides valuable services to Wisconsin residents. However, I am vetoing this provision because I am concerned about providing a reimbursement method unique to one nursing facility. This sets a precedent for any nursing facility to request a reimbursement method unique to its circumstances. In particular, providing a retrospective payment system provides no incentive to contain costs in an efficient manner. The appropriate legislation to deal with commitments for the next biennium is the 1993-95 biennial budget bill. Decisions on items such as this should be made then in the context of what is affordable at that time.

6. Adult Day Care Waiver

Section 441k

This provision requires the Department of Health and Social Services (DHSS) to request a federal waiver to permit implementation of a project to provide Medical Assistance (MA) coverage of adult day care in three or four counties and to implement the project if the waiver is granted and funds are available. I am vetoing this provision because it is unlikely that a waiver would be granted. A waiver would be necessary if adult day care were not a federally allowable MA benefit or if there were some clear rationale for limiting the coverage to three or four counties on a pilot basis. In 1989 Wisconsin Act 31, the Legislature mandated DHSS to study the feasibility of providing adult day care under the MA program. DHSS reported to the Legislature that adult day care would be an allowable MA benefit under federal law, but due to cost considerations, DHSS did not recommend adding it to the list of optional MA benefits. It does not appear that a pilot project would be necessary nor would be federally approved to provide information on this benefit.

7. Nursing Home Assessment

Section 465j

This provision imposes an assessment on certain occupied, licensed beds of intermediate care facilities for the mentally retarded, community-based residential facilities (CBRFs) and nursing homes. The Legislature did not intend to assess CBRFs and removed CBRFs from the definition of a 'facility' subject to assessment in a technical amendment adopted by the Conference Committee. However, the technical amendment failed to remove the reference to CBRFs in the language imposing the assessment. I am therefore making a technical veto to this provision to remove the reference to CBRFs because it was not legislative intent that CBRFs be assessed.

Division of Health

8. Immunization

Section 670ah

This provision requires local immunization programs to be supervised by physicians. It also requires that registered nurses administer the immunizations in local public health agencies. I am exercising the partial veto to eliminate this latter requirement regarding nurses because it restricts the flexibility of local public health agencies to also use physicians' assistants and licensed practical nurses to administer inoculations.

9. Acquired Immunodeficiency Syndrome (AIDS)

Sections 670gm, 765cpm, 765cs, 765cu, 765cv, 772g, 1161up and 1182r t l These provisions make a number of changes to state law regarding the HIV virus. One major change expands the number of individuals who may seek a court order to have someone tested for the presence of the HIV virus to include victims of sexual assault or incest and certain protected occupations such as firefighters, state patrol officers, emergency medical technicians, correctional officers and police. The bill also includes the above groups under the list identifying those to whom the results of such a court-ordered HIV test can be disclosed. However, some provisions included in the bill are problematic.

First, there are provisions which require a physician who performs the court-ordered HIV test on a person to also take an HIV test himself or herself. Similar provisions require that the assault victim seeking a court order also be tested. Finally, members of protected occupations are likewise required to be tested if they seek a court order. These requirements appear to be very punitive. These people are victims and should have the discretion to decide whether they want to be tested. For these reasons, I am vetoing all three instances of required testing of the victim.

Second, one provision prohibits the name or any other identifying characteristic of the test subject in the HIV test from being disclosed. I am partially vetoing this provision to remove the prohibition against an identifier on a sample because some type of identifier is needed to know whose blood is being tested.

Finally, another provision restricts those who can perform an HIV test to health care providers, blood banks or laboratories certified in this state. I am vetoing this provision because it would prohibit insurance companies in this state from using a laboratory in another state for performing HIV tests.

10. Indian Health Projects

Sections 13p, 47 [as it relates to s. 20.435 (1) (ek)], 96m, 264h, 264s, 296o, 768m, 9125 (9d) and 9225 (31d) and (31e)

These provisions establish an Indian Health Council, appropriate $58,200 GPR in fiscal year 1992-93 for 1.0 FTE staff position, and create a grant program for Indian health projects, but no funds are provided for the grants. While I am certainly in favor of actions which would improve Indian health, I am vetoing these provisions because it is not clear that a new council is the

necessary vehicle to promote better health. Further, inclusion of the grant program language in the budget adjustment bill without funding creates an expectation that such funding will be provided in the future. The appropriate legislation to deal with commitments for the next biennium is the 1993-95 biennial budget bill. Decisions on expansions of programs should be made in the context of what is affordable at that time.

11. Women, Infants and Children (WIC) Block Grant

Sections 97b, 98 and 9425 (3t) and (3x)

These provisions convert the benefits appropriation for the WIC program from an annual to a continuing appropriation. They also allow the Department of Health and Social Services (DHSS) to transfer funding in the WIC administration appropriation across fiscal years up to September 30th of the next fiscal year to make reconciliation between the state and federal fiscal years easier. In my budget adjustment bill, I recommended that the transfer provision apply to both appropriations. I am vetoing both the continuing appropriation and the transfer provision because having two different accounting bases and periods for these appropriations will make it very difficult for the department to reconcile its WIC funds.

12. Maternal and Child Health (MCH) and Preventive Health (PH) Block Grants

Sections 102m and 9125 (11f), (11fg), (11g), (11i) and (11ig)

These provisions delete in total an additional 5.05 FTE FED positions from the MCH and PH block grants over and above the 3.4 FTE FED positions which I recommended for deletion. While some of the 4.05 FTE financial management positions in the MCH program could be eliminated reasonably, the deletion of all these positions could jeopardize the financial integrity of the program because these positions are responsible for financial oversight of the grant. As a result, I am vetoing the deletion of the additional 4.05 positions. The provisions also delete 0.35 FTE funded by the MCH Block Grant and .65 FTE funded by the PH Block Grant for a project position providing assistance to a division administrator. I am vetoing these provisions because the project position expired in March, 1992, and the language is therefore unnecessary.

Finally, the provisions limit MCH block grant administrative costs to 10% of the grant award. As I did previously, I am vetoing this specific limit since it is not apparent that this is an appropriate percentage limit. Further, I previously directed the Department of Health and Social Services (DHSS) to examine its administrative staffing, and this analysis resulted in the deletion of 11.0 FTE positions and a transfer of the position funding to be used for benefits. I would again urge DHSS to continue to examine the efficiency and effectiveness of the block grants' administrative functions and make every effort to maximize grant funds for benefits rather than administration.

13. Volunteer Health Care Provider Program

Sections 772L, 772m, 9325 (3g) and 9425 (19g)

These provisions expand the volunteer health care provider program currently operating in Brown and Racine counties to Milwaukee and Outagamie counties. The program allows retired health care providers such as doctors and nurses to donate their time at local public health agencies and be considered as state employes for liability purposes. Given the initial success of the existing programs, this expansion appears reasonable.

However, the provisions also expand the definition of a volunteer health care provider for purposes of the Milwaukee County program to include such providers as chiropractors, podiatrists, occupational therapists and acupuncturists. While it is likely that providers of these types may be willing to volunteer their time, I am vetoing these provisions to retain the current law definition of a health care provider because the expansion increases the state's liability for malpractice suits beyond a reasonable limit.

14. Breast Cancer Screening

Sections 47 [as it relates to section 20.435 (1) (cd)], 94h and 9225 (30h)

These provisions create a continuing appropriation for breast cancer screening services and also provide $5,400 GPR in fiscal year 1991-92 and $21,400 GPR in fiscal year 1992-93 for a 0.5 FTE position to manage the breast cancer screening program. I am vetoing the language which creates the new appropriation to change it from a continuing to an annual appropriation because I believe that annual appropriations are a more effective way to manage state finances and that continuing GPR appropriations ought to be created only in special circumstances. I am also vetoing the half-time position and its associated funding because the Department of Health and Social Services is managing this program adequately now with existing resources.

15. Get-Well Hotline

Section 290m

This provision requires the Department of Health and Social Services (DHSS) to establish a toll free number (1-800-GET-WELL) to provide information on children's health care programs, but no funding is appropriated. I am vetoing this provision because it is unnecessary. DHSS already has a hotline which provides information on healthy start, medical assistance, healthcheck and WIC to the general public.

Division of Community Services

16. Capacity Building for Treatment Program

Sections 1196m, 9125 (12f) and 9225 (27g)

These provisions require allocation of $649,700 FED and appropriate $183,700 GPR in fiscal year 1992-93 as capacity building funds for specialized services and treatment for pregnant women and mothers with alcohol and other drug abuse treatment needs and their dependent children up to age five. I am vetoing these provisions because the language implies continued funding after fiscal year 1992-93. In addition, during periods of fiscal constraint, my priority is to provide GPR funds for programs that meet statewide needs rather than to fund programs of primarily local impact. However, I am concerned that the organizations operating the capacity building programs may need further assistance in fiscal year 1992-93 to facilitate a smooth transition to alternative funding sources by June 30, 1993. Thus, I am directing the Department of Health and Social Services Secretary to allocate federal alcohol, drug and mental health block grant funds, as necessary, to the organizations in Milwaukee, Dane and Menominee counties which are currently receiving funds. All state funding will be eliminated effective July 1, 1993.

17. Independent Living Centers

Sections 9125 (10j) and 9225 (27j)

These provisions appropriate $110,000 GPR in fiscal year 1992-93 and require the Department of Health and Social Services to allocate these funds to establish an independent living center in a western part of the state that is currently not served by a center. Although this program has merit, I am vetoing the expansion of the independent living centers since the priority during a period of limited financial resources should be funding programs that meet statewide needs, rather than funding programs of primarily local impact.

18. Domestic Abuse Identification Training

Sections 47 [as it relates to s. 20.435 (1) (fd)], 99e, 99em, 9125 (7w) and 9425 (19w)

These provisions create a biennial appropriation and appropriate $40,000 GPR in fiscal year 1991-92 for a grant to a person to provide training to physicians and other health care professionals to identify for treatment victims of domestic abuse. The person must provide matching funds equal to two times the amount of the grant in the form of money or in-kind contributions. I am vetoing these provisions because, during a period of limited financial resources, it is inappropriate to fund a new private, local program which could receive local support. Furthermore, to the degree that problems of identifying victims of domestic abuse exist, it would be more appropriate for hospitals and health care providers to address these issues in their regular inservice employee training.

19. Runaway Services Program

Sections 118m, 295m and 9225 (29q)

These provisions appropriate $100,000 GPR in fiscal year 1992-93 and require the Department of Health and Social Services to allocate these funds to provide crisis intervention and follow-up services to runaway and homeless children and adolescents and their families. I am vetoing these provisions because, during a period of fiscal constraint, it is inappropriate to supplement federally funded programs with state funds.

20. Foster Care Supplement Payments

Sections 299g, 431d, 431e and 9225 (23q)

These provisions appropriate $240,000 GPR in fiscal year 1992-93 and require the Department of Health and Social Services to allocate not more than $240,000 from January 1, 1993 to June 30, 1993 to supplement foster care payments for children born with medical problems caused by the mother's ingestion of controlled substances during pregnancy. I am vetoing these provisions because children in foster care can currently be eligible for special needs supplemental foster care payments that address the specific costs of providing necessary services.

21. Domestic Abuse Program Funding

Section 9225 (26)

This provision appropriates $65,700 GPR in fiscal year 1992-93 to provide a cost of living increase for domestic abuse programs, beginning January 1, 1993. Although there is no language in the budget bill that authorizes this increase, the Joint Committee on Finance passed a motion during its budget deliberations to authorize these additional funds for domestic abuse programs. The funds were included in the appropriation in the committee's substitute amendment to the budget bill and were retained throughout the legislative process.

I object to providing cost of living increases during a period of limited financial resources. The Department of Health and Social Services' s. 20.435 (7) (cb) appropriation was vetoed to zero in Act 39. By lining out the amount of increase that restores the appropriation and writing in a smaller amount, I am vetoing the part of the bill which funds this program at the level approved by the Legislature and have instead provided a reduced amount. The fiscal effect of this veto is a reduction of the appropriation by $65,700 GPR in fiscal year 1992-93. I am also requesting the Department of Administration Secretary not to allot these funds.

22. Driver Improvement Surcharge Appropriations

Sections 69m, 112m, 112n, 119d, 126m and 9425 (17go)

These provisions require the Secretary of Administration to transfer all moneys received from the driver improvement surcharge on court fines and forfeitures to appropriations for the Departments of Health and Social Services, Public Instruction, Justice and the University of Wisconsin State Laboratory of Hygiene such that no balance remains at the end of the fiscal year. I am vetoing these provisions because it is important to maintain a cash balance to ensure that if surcharge revenues unexpectedly decline, cash reserves will be

available to fund all driver improvement programs at their appropriated levels.

23. Early Intervention Program for Infants and Toddlers with Disabilities

Sections 466j and 9125 (4p)

Section 466j requires the Department of Health and Social Services (DHSS) to submit a report to the chief clerk of each house of the Legislature by March 1 and September 1 annually on the department's progress in implementing the fifth year requirements of the early intervention program for infants and toddlers with disabilities (birth-to-three). I am partially vetoing this section to eliminate the specific report dates and to simplify the reporting requirements because two reports per year are unnecessary and DHSS should have some flexibility in timing and report content.

Section 9125 (4p) requires DHSS to do several things. Unless delay for fifth year requirements is authorized, DHSS must submit requests to the federal Department of Education by July 1, 1992, for funds for fifth and sixth year participation, submit to the Joint Committee on Finance (JCF) a plan for the allocation of state and federal funds to counties for fifth year participation and submit to the JCF a request for a delay of fifth year participation by the June 1992 meeting under section 13.10 of the statutes, to allow JCF to authorize a delay if warranted. I am vetoing this section because the delay requests are unnecessary since Wisconsin will participate in year five of the birth-to-three program in fiscal year 1992-93 and since the additional reports increase workload at a time when it is critical that staff devote time to assist counties in fifth year participation.

24. Family Support Program Funding

Section 9225 (22)

This provision appropriates $696,200 GPR beginning January 1, 1993 to provide additional funding for the family support program (FSP). Although there is no language in the budget bill that authorizes this increase, the Joint Committee on Finance (JCF) passed a motion during its budget deliberations to authorize these additional funds for the family support program. The funds were included in the appropriation in JCF's substitute amendment to the budget adjustment bill and were retained throughout the legislative process.

I object to the expansion of funding for this program at a 47% annual rate during a period of limited financial resources. The FSP, as part of Community Aids, received a 1% funding increase in 1992 and will receive an additional 1% increase in 1993. While I am supportive of this worthy program for children with disabilities, elsewhere in this budget adjustment bill are provisions for the state to participate in the fifth year of the early intervention program for infants and toddlers with disabilities (birth-to-three). Eligible infants and toddlers who are awaiting services under the FSP will be able to receive services through the birth-to-three program. In fiscal year 1992-93, $4.7 million in federal funding will be available for the birth-to-three program. However, the program will have to be supplemented by at least $6 million GPR in the next biennium. Participation in year five of the birth-to-three program and the $3 million GPR base for the FSP clearly illustrate the state's commitment to provide needed services to the developmentally disabled and their families.

The Department of Health and Social Services' appropriation s. 20.435 (7) (b) was vetoed to zero in Act 39. By lining out the amount of increase that restores the appropriation and writing in a smaller amount, I am vetoing the part of the bill which funds this program at the level approved by the Legislature and have provided a reduced amount. The fiscal effect of this veto is a reduction of the appropriation by $696,200 GPR in fiscal year 1992-93. I am also requesting the Department of Administration Secretary not to allot these funds.

25. Domestic Abuse Assessment Revenue Expenditure Authority

Section 9125 (7p)

This provision permits the Department of Health and Social Services to expend not more than $200,000 PRO in each of fiscal years 1991-92 and 1992-93 from its continuing appropriation for domestic abuse assessment grants without being subject to allotment review by the Department of Administration (DOA). I am vetoing this provision because fiscal prudence dictates that DOA retain its statutory responsibility to review and approve requests for increased expenditure authority for continuing appropriations. The motivation for this provision was to allow the Domestic Abuse Council to use all available domestic abuse assessment funds for the purpose for which they were intended, namely, to provide grants to domestic abuse service organizations. However, the amount in the schedule for this appropriation currently is less than the amount available, requiring an increase in expenditure authority. I am therefore directing the Department of Health and Social Services to provide the Council with periodic reports on the revenues available and to expedite DOA review of requests from the Council for increased expenditure authority when additional revenues are available.

Division of Economic Support

26. Funding for Opportunities Industrialization Center of Greater Milwaukee (OIC-GM)

Sections 9125 (3w) and 9225 (3p)

These provisions appropriate $200,000 GPR in fiscal year 1992-93 as a management stabilization grant to OIC-GM for the management and operation of the job training (JOBS) services that the agency provides to recipients of Aid to Families with Dependent Children (AFDC). I am exercising my partial veto on the restriction that the funding be used only for JOBS-related services because it is contrary to legislative intent in that these funds are intended for a management

stabilization grant and were incorrectly placed in the AFDC employment and training appropriation. I am directing the Department of Health and Social Services to request the Joint Committee on Finance, under the provisions of s. 13.101, to place these funds in the appropriation that will allow the funds to be provided to OIC-GM in a manner consistent with legislative intent.

27. Welfare Reform Studies

Section 9225 (16)

This provision reduces the welfare reform studies appropriation by $95,000 GPR in fiscal year 1992-93. I am vetoing this provision because a recent review of study costs by the Department of Health and Social Services (DHSS) indicates that DHSS needs to retain this funding to carry out required welfare reform studies.

28. Employment and Training Appropriation

Sections 110 and 111

These provisions change the employment and training appropriation (commonly referred to as JOBS) for Aid to Families with Dependent Children recipients from a continuing appropriation to an annual appropriation upon passage of the budget adjustment bill. While a change from continuing to annual is desirable because it would aid in future budgeting for the JOBS appropriation, an immediate effective date would allow uncommitted funds in the appropriation to be lapsed to the general fund at the end of fiscal year 1991-92.

I am vetoing these provisions to delay the appropriation change until June 30, 1993 because a recent review by the Department of Health and Social Services (DHSS) indicates that DHSS will need additional funding for this program in fiscal year 1992-93 above the amount in the schedule. This delay will allow DHSS to carry over uncommitted funds in this appropriation from fiscal year 1991-92 to fiscal year 1992-93 to meet these needs.

Division of Youth Services

29. Relocation of Lincoln Hills School Girls

Sections 1196d and 9125 (6w)

These provisions require the Department of Health and Social Services (DHSS) to appoint an advisory committee to prepare a request for proposal (RFP) for one or more secure correctional facilities so that girls currently located at the Lincoln Hills School can be relocated to the new facility or facilities. The provisions specify the membership of the advisory committee and also prohibit DHSS, or the Department of Administration if DHSS bids on the proposal, from using the original bidding process which was required under Act 39 to choose the service provider. I am vetoing these provisions because a significant amount of time has already been spent in issuing the RFP required under Act 39, evaluating the proposals and choosing a service provider. Because there is no reason to believe that the original RFP process was faulty, I am vetoing these provisions.

30. Early Intervention Program

Sections 106b and 296d

These provisions repeal the June 30, 1993 sunset date for the early intervention program which attempts to divert youth from the juvenile justice system. I recommended eliminating the program as of the effective date of the passage of the budget adjustment bill and lapsing funds associated with the program. The Legislature agreed to lapse the funding. However, the Legislature repealed the sunset date for the program. I am vetoing these provisions to retain the sunset date, because I believe that leaving the program in the statutes with no end date creates the expectation that funding may be provided for what was originally proposed as a pilot program. Further, a county already has the discretion to provide such a program locally funded from its Youth Aids allocation.

CORRECTIONS

31. Required GPR Appropriation Reduction

Section 9160 (1z) (d) [as it relates to the Department of Corrections]

This provision requires the Department of Corrections (DOC) to increase the currently required fiscal year 1992-93 GPR lapse of 5% of the supplies and services and permanent property lines, to become a permanent reduction of 10% of both lines.

The budget adjustment bill I proposed required no additional lapse from DOC's supplies and services and permanent property lines. To take an additional 5%, and also require that the full 10% reduction be permanent, is too severe for the agency to absorb.

I am vetoing this provision because of the adverse affect the additional reduction of $1,136,400 GPR in supplies and services and permanent property would have on the ability of DOC to safely supervise overcrowded institutions and their heavy probation and parole caseload. This veto will restore $1,136,400 GPR to DOC's appropriations. However, I am requesting the Department of Administration Secretary to place $568,200 of that amount in unallotted reserve to lapse to the general fund in fiscal year 1992-93. This provision will have the effect of reducing DOC's supplies and services and permanent property expenditures by 7.5% for fiscal year 1992-93.

32. Intensive Sanctions Information

Section 1040m

This provision deletes the current law requirement that the Department of Corrections (DOC) charge the Sentencing Commission for information the Commission needs to assist in promulgating guidelines for intensive sanctions sentencing.

I am vetoing this provision because DOC is unable to assume significant additional costs for providing information for sentencing guidelines without an increase in funding.

33. Correctional Officer Training

Sections 1040w, 1040x and 1040y

These sections amend the existing preservice training program by requiring a minimum of 240 hours of preservice training and 24 hours of annual update training for all permanent correctional officers, effective fiscal year 1993-94. These sections also require in-service training and staff development.

I am vetoing these provisions because of the annual $1,124,300 GPR estimated cost required to implement these sections next biennium. The appropriate legislation to deal with commitments for the next biennium is the 1993-95 biennial budget bill. Decisions on expenditure increases should be made then in the context of what is affordable at that time.

Also, the Department of Corrections already has a program which provides 280 hours of preservice training for correctional officers and an additional 40 hours annually in each of the following two years. Furthermore, correctional officers receive an average of 4 hours of update training annually in subsequent years under the current training program. These amounts of training should be sufficient to maintain the public safety and the security of our correctional institutions.

34. Inmate Death Investigation Board

Sections 6m, 7c, 7d, 20h, 47 [as it relates to s.20.450], 121m, 1041m, 1189k, 9160 (4p) and 9212 (10mt)

These sections create a board of seven members appointed for four-year terms to investigate any inmate death, except the death of an inmate confined under the intensive sanctions program or the community residential confinement program. These sections also create a separate continuing appropriation of $5,000 GPR in fiscal year 1991-92 and $10,000 GPR in fiscal year 1992-93 for operation of the inmate death investigation board and for payment for investigations. These funds are reallocated from existing Department of Corrections appropriations.

I am vetoing these provisions because they infringe on the authority and responsibility of coroners or medical examiners, local law enforcement agencies and district attorneys. I am also vetoing these provisions because they reallocate existing DOC funds from higher priority functions.

35. Jail and Correctional System Impact Statement

Sections 1pag and 9412

These provisions require jail and correctional system impact estimates for any bill that creates a crime permitting imprisonment, increases the length of imprisonment in a jail or Wisconsin state prison for an existing crime or requires that an offender be imprisoned. The estimate shall describe the probable impact on the prisoner population, Department of Corrections' budget and county budgets.

I am vetoing these provisions because it is estimated they would require two additional staff and $76,600 GPR annually which has not been provided in this bill. Additionally, the Legislative Reference Bureau currently identifies penalty bills where a fiscal estimate is required to be prepared by the Department of Corrections.

VETERANS AFFAIRS

36. General Fund Supplement for the Veterans Home

Sections 9258 (1) and (2)

These provisions appropriate supplemental funding for the Veterans Home at King. Several technical corrections are needed. First, the Joint Committee on Finance included section 9258 (2) to appropriate on a one-time basis segregated funding from the veterans trust fund to replace general purpose revenue, which typically supplements the Home's revenues. However, although the Assembly intended to delete this provision, it failed to do so in its amendments. Therefore, I am vetoing this provision to reflect legislative intent.

There is also a technical problem with 9258 (1). Under the Assembly proposal, the GPR supplement for the Home should have been increased by $732,300 to provide a total GPR supplement in fiscal year 1992-93 of $5,143,100. However, the dollar amount included in this provision inadvertently overstated the actual amount required. As a result, I am vetoing the fiscal year 1992-93 allocation and writing in the correct increase for the appropriation to reflect legislative intent. I am also asking the Department of Administration Secretary not to allot the excess funds. The fiscal effect of this veto will be to decrease both expenditures and estimated lapses in the same amount, producing no net impact on general fund balances.

37. Veterans Population

Sections 26jh and 9360 (4gx)

These provisions require that residents of the Veterans Home at King be counted as residents of Waupaca County for purposes of the shared revenue formula and for the community aids allocation. I am partially vetoing these provisions to eliminate the requirement that the Home's residents be included in the community aids formula because that formula, which originally counted the Home residents as Waupaca County residents, is currently not used in the allocation of annual increases in community aids to counties.

38. Veterans Trust Fund (VTF) Shortfall

Section 9158

This provision allows the Department of Veterans Affairs (DVA) to submit a request under the s. 13.10 process to the Joint Committee on Finance to provide a supplemental appropriation from the general fund to the VTF if DVA determines that insufficient segregated trust monies are available to allow full payment of grants, loans and aids authorized to be funded from the VTF. This provision was added to the budget adjustment bill when it appeared that funding certain program expansions proposed in the Legislature would put the VTF in a deficit position. However, further action by the Conference Committee resulted in providing sufficient funds for veterans programs for this biennium. Therefore, I am vetoing this provision because it is no longer necessary.

39. Waupaca County Appropriation

Sections 127m and 288p

These provisions establish a sum sufficient appropriation to reimburse Waupaca County, where the Veterans Home is located, for inpatient care provided to Home residents outside the Home when other sources do not fully reimburse the county for the costs of such care. In order to be reimbursed, costs would have to exceed $5,000 per year and be approved by the Joint Committee on Finance. I am vetoing these provisions because they are not necessary. There have been no cases where the county has not been able to recoup its costs, and these provisions would remove any incentive for the county to aggressively pursue reimbursement from other payors.

E. TAX POLICY

GAMING

1. Lottery Prize Payouts

Sections 1112ar and 9460 (3z) (a) [as it relates to the creation of s. 565.02(7)]

These provisions require the Joint Committee on Finance to approve the proposed prize payout on lottery sales if the Committee schedules a meeting to review the payout within 14 days after receiving the Gaming Commission's projection of sales and prizes. I am vetoing these provisions because such approval will not prevent unanticipated changes in prize payout. Players, not the state, ultimately decide the prize payout by the mix of lottery games they choose to play. Any attempt by the committee to lower the payout in hopes of increasing property tax relief may instead reduce that relief since sales may decline as prizes decrease.

2. Simulcast Racing

Sections 1105no, 1105np, 1105pm, 1109hg, 1109hm, 9147 (2) and 9460 (3z) (a) [as it relates to the repeal and recreation of 562.057 (4)]

These sections allow the Racing Board and its successor, the Gaming Commission, to permit Wisconsin racetracks to receive unlimited simulcast races from out-of-state tracks. Currently Wisconsin tracks can receive no more than nine such races.

My special session bill on gambling, which the Senate has already passed, restates the nine-race limit on simulcasting and restrains casino gambling in Wisconsin. I urge the Assembly to follow the Senate's lead and deal with my special session proposal in an expeditious and responsible fashion. I am vetoing these sections because this issue should be dealt with in the special session bill on gambling.

3. Ownership and Management of a Racetrack

Sections 1099qg and 1099qr

These sections create definitions of 'ownership and operation of a racetrack' and 'sponsorship and management of a race.' I am vetoing these sections because these definitions are vague and may interfere with future actions of the Racing Board or Gaming Commission. The division of responsibilities between racetrack owners and managers can be adequately defined by contracts approved by the board or its successor, the commission.

GAMING COMMISSION

4. Reappointment of Commissioners

Sections 18am [as it relates to Commissioner terms] and 9160 (1) (b)

This provision specifies that the Gaming Commissioners may not serve more than one term. I am vetoing this provision to allow commissioners to serve more than one term and thus allow experienced individuals to be retained.

5. Residency of Commissioners

Section 18am [as it relates to residency of Commissioners]

This provision requires that members of the Gaming Commission be residents of this state at the time of appointment. I am partially vetoing this provision because it unnecessarily restricts the field of candidates for appointment. My veto will allow non-residents to be appointed but commissioners will still need to be residents once they are confirmed by the Senate.

6. Elimination of Positions

Sections 9138 (1e) (b), 9147 (1) (b), 9160 (1) (bm), 9238 (1gp) and 9247 (1zp)

These provisions require the Gaming Commission to delete six Lottery and Racing Board positions and also delete funding associated with these positions. I am partially vetoing these sections because it is premature to delete gaming positions. My partial veto retains the positions and restores the funding. The commission may need these six positions for coordination and oversight of Indian gaming, to ensure adequate security for gaming, to ensure sufficient staff for lottery on-line games or to cover other needs. Instead of abolishing positions prior

to the Gaming Commission's full activation, I am requesting that the commission recommend cost savings once it has settled into its duties. My partial veto will increase expenditures by $223,500 SEG and $91,300 PRO in fiscal year 1992-93 by retaining Lottery and Racing Board funds that will become the commission's resources. It will reduce GPR-earned by $91,300 in fiscal year 1992-93 since increases in racing PRO spending reduce dollars that flow into the general fund.

7. Transfer of Positions

Sections 1101k, 1110u, 9138 (1e) (bm), 9147 (1) (bm) and 9160 (1) (c)

These provisions transfer the director and deputy director positions of the Lottery and Racing Boards to become the four division administrator positions under the Gaming Commission and also eliminate the authority of the lottery and racing division administrators to appoint and supervise deputies and assistants. I am vetoing these provisions because they conflict with the more general statement within the bill that existing employes and positions are transferred to corresponding positions in the Gaming Commission. My veto will create a structure that more closely resembles the existing Lottery and Racing Boards in function, classified/unclassified status and organization. My veto places four positions into the unclassified service, a deputy and an assistant in both the lottery and racing divisions. These roles are currently unclassified but would become classified under the bill as passed by the Legislature. With my veto, the commission will have more freedom to match current roles with job duties and responsibilities under the new agency.

8. Legal Services

Section 1099m [as it relates to s. 561.04]

This provision places several functions, including legal services, into the Gaming Commission's administrative services division. I am partially vetoing this provision to eliminate legal services from the list of this division's duties. The commission should have the flexibility to determine the appropriate place for legal services in its organizational structure.

LOCAL GOVERNMENT

9. County Executive Veto Power

Section 469mm

This provision removes a county executive's specific power to veto any increases or decreases in the county budget. I am vetoing this provision because counties did not have ample opportunity to discuss this important change and because the current system appears to be working satisfactorily.

10. Municipal Reimbursement for Ambulance Services

Sections 474g, 1042g, 1042m, 1042p, 1042t, 9360(7f) and 9460(7f)

These provisions require a prisoner to pay for ambulance service or other transportation in connection with hospital or medical care outside of the prison and require the county to pay the full cost of the transportation if the prisoner is unable to pay. The county could pay less than the full cost if the municipality agreed to the lower payment. I am vetoing these provisions because this exempts ambulance services from the current requirement that a governmental unit is limited to the amount payable by medical assistance when paying for medical or hospital care.

PUBLIC SERVICE COMMISSION

11. Limiting County Assessment for 911 Systems

Sections 771x, 771y and 771ym

I am vetoing section 771ym because it will restrict the development of 911 emergency systems. This section prohibits a county from assessing the costs of a 911 exchange to residents of a city with an operating 911 system.

In Wisconsin, counties are the governments that coordinate the development of an areawide 911 emergency system. Prohibiting the billing of selected county residents raises the average costs for all other county residents. Excluding certain cities from a county 911 system undermines the economies of scale necessary for a county-wide system to be cost effective.

I am vetoing sections 771x and 771y in favor of signing identical provisions in enrolled AB 699.

12. Caller Identification Services and Telecommunication Privacy Rules

Section 984d

This section creates provisions to establish regulations for caller identification services and will permit utilities to offer such services. Customers electing such services will use them as a means of reducing abusive, obscene and nuisance phone calls. It also addresses the privacy concerns of the calling party by providing optional call blocking.

I am partially vetoing this section to remove the privacy rule requirement because it is unnecessary.

However, the section also adds the requirement that the commission adopt a rule establishing privacy guidelines to telecommunication utilities. Such a provision is unnecessary and too broad. The PSC has already addressed these issues several times as privacy issues have been raised in several dockets. I am vetoing similar provisions in enrolled **Assembly Bill 763** in favor of the provisions in the budget adjustment bill.

REVENUE

13. Convention Center Study

Section 9149 (5f)

This provision directs the Department of Revenue (DOR) to determine the best way to finance the Wisconsin Center in downtown Milwaukee and to project the impact of the project by May 1, 1992. I am vetoing this provision because it is not possible for DOR to complete a study by that date and because the scope of the study exceeds the mission of the department. DOR is currently studying local option taxes and will make the study available upon completion. I hope the City of Milwaukee and Milwaukee County will work cooperatively with DOR, the Department of Administration and other state agencies and the private sector to develop financing options that have broad-based support. The private sector, local governments and state government need to work together to enhance Milwaukee's tourism and convention business. A new convention center holds great promise for Milwaukee.

14. Investment and Local Impact Fund Grant

Section 9249 (5g) and (5h)

These provisions decrease the Department of Revenue's (DOR's) administrative appropriation for the Investment and Local Impact Fund by $10,000 in each fiscal year to fund a grant under section 9149 (2g) and increase the Investment and Local Impact Fund Supplement appropriation under s. 20.566 (7) (e). I am vetoing the funding decrease for fiscal year 1992-93 because the provision does not provide adequate funding for administrative expenses. I am also vetoing the part of the increase in the Investment and Local Impact Fund Supplement appropriation that would be funded through the reduction in fiscal year 1992-93 administrative expenses.

By lining out DOR's s. 20.566 (7) (e) appropriation and writing in a smaller amount, I am deleting $10,000 GPR provided for this purpose and am vetoing the part of the bill which funds this provision. Since the remainder of the grant can be funded from the balance in the Investment and Local Impact Fund, I am requesting the Department of Administration Secretary to increase the continuing appropriation under s. 20.566 (7) (v) by $10,000 SEG and to allot these funds.

15. Property Tax Deferral Program;

Section 9149 (1x) (a)

These provisions include the transfer of the property tax deferral loan portfolio to the Wisconsin Housing and Economic Development Authority (WHEDA) for an amount of money equal to the value of the portfolio as determined by the Legislative Audit Bureau and adjustments to the value of the portfolio for differences in interest rates between this program and similar WHEDA loans and for a loan loss reserve. I am vetoing the adjustments to the loan portfolio and the requirement that the Legislative Audit Bureau determine the value of the portfolio because the adjustments are not necessary. WHEDA has stated that it does not need a loan loss reserve for this program and that it does not have loans that are comparable to this program. Since no special adjustments will be made, the Department of Revenue can determine the value of the loan portfolio. This will increase GPR-Earned by an estimated $175,000.

SHARED REVENUE AND TAX RELIEF

16. Shared Revenue -- Study of Formula

Section 9149 (4gx)

This provision directs the Department of Revenue to enter into a contract with an outside consultant to study the shared revenue formula and the tax rate disparity program. I am partially vetoing the topics included in the study to make it consistent with the recommendation of the Shared Revenue Task Force. The vetoed topics are population growth, urban sprawl and the public utility component. I am also vetoing the provision requiring the report to be distributed to the Legislature by September 1, 1992, because this does not allow sufficient time to complete the study. I am asking the Secretary of Revenue to ensure that the study is completed by November 1, 1992.

17. Shared Revenue -- Maximum Payment for Certain Counties

Sections 535gam and 9349 (11my)

These provisions remove counties that do not have any incorporated cities or villages from the maximum payment limitations of the shared revenue formula. I am vetoing these provisions because no local government participating in the formula should receive special treatment under the minimum and maximum payments. If these counties were removed, the other local governments that are subject to the maximum payment limitation would receive lower increases.

18. Shared Revenue -- Small Municipalities Shared Revenue Funding

Section 530m

I am vetoing the $5 million funding increase in fiscal year 1993-94 for the small municipalities shared revenue program because the formula does not contain any spending control measures and it allows municipalities to receive both this payment and a tax rate disparity payment. The lack of spending limits reduces the effectiveness of additional state aid. Since the tax rate disparity payment has spending limits, the lack of limits in this program is not justified.

19. Shared Revenue -- Tax Rate Disparity Payment Corrections

Sections 26ji, 26jim, 529r, 535gap, 535gar and 9349(12t)

These provisions create a November payment for corrections of the tax rate disparity payment. I am vetoing these provisions because a November correction process reduces the incentive for municipalities to file

their budget information on time and could penalize those municipalities that do file on time. The Department of Revenue needs budget data from all of the qualifiers to calculate the tax rate disparity payment. The accuracy of the September shared revenue estimate (s. 79.015) requires timely information. Municipalities use the September estimate when developing their budgets. Under these provisions, municipalities that filed on time would receive less money than estimated while those that filed late would receive more.

20. Property Tax Credits

Sections 145p, 145r, 476, 497qm, 535gc, 535gf, 535gi, 535gim, 536gb, 536gdm, 536gfm, 537dbm, 537ddm, 537dfm, 537gbm, 537gdm, 540gm and 9449 (5g)

Current law provides a bottom-of-the-line property tax levies credit for all property taxpayers based on the amount of school levies they pay. The current school levies credit is funded with $319,305,000 GPR. These provisions create a total levies credit in addition to the school levies credit. Taxation districts would calculate how much they would receive using the total levies method and how much using the school levies method and would then receive the greater of the two credits. These provisions would require an estimated funding level of $341,360,000 for fiscal year 1993-94 and thus would create a $22 million advance commitment for next year's budget.

I am vetoing these provisions because the $22 million advance commitment they create is excessive. Such commitments lay the foundation for future general tax increases, which I oppose.

My veto will result in the retention of current law. Elsewhere in this budget I have signed measures, such as increases in shared revenues and payments for municipal services, that will increase state payments that assist counties and municipalities which have not received a direct benefit from the levies credit since the Legislature eliminated the total levies credit last year.

21. Property Taxed in Part

Sections 490i and 9449 (4p)

I am vetoing this provision because it gives state and local government enterprises an unfair advantage over private enterprises. Current law subjects state and local property used for a trade or business unrelated to governmental business to the property tax. Extending an exemption for unrelated business activity lowers costs for state and local governments, while comparable private businesses would still be subject to tax.

22. Property Tax Exemptions -- Municipal Appeal of Declassification of Manufacturing Property

Section 490sv, 529p and 9349 (10x)

These provisions allow municipalities to appeal declassification of manufacturing property. Since declassification can result in lower shared revenue payments, the provisions require DOR to provide information to the municipality in their September 15 notice and allow for local appeal of declassification within 60 days of DOR's September 15 shared revenue payment notice. However, under this timetable, the municipality's review and subsequent appeal would occur too late to affect the initial impact on their shared revenues. I am partially vetoing these provisions. The notice of declassification can be given soon enough so that the appeals process is completed by September 15.

As partially vetoed, a municipality will be notified of the change of a manufacturing assessment and will be given 60 days from the notice to appeal. I am also directing DOR to provide, upon request of the municipality, information on the impact on the municipality's shared revenue payment. I am vetoing similar provisions in enrolled AB 656 in favor of the provisions in the budget adjustment bill.

23. Property Tax Exemptions -- Reporting Requirements for Owners of Tax-Exempt Real Property

Section 490qq

I am vetoing this section because it removes a reasonable reporting requirement. 1991 Wisconsin Act 39 required most owners of tax-exempt real property to report the value of their property to municipalities. This section excludes state and county forests from the reporting requirement.

The reporting requirement is a reasonable one and should be retained for forest lands. More importantly, it does not impose undue administrative hardship on state or county government. The Department of Revenue, working with local governments and the Department of Natural Resources, has developed a consolidated reporting procedure for state and county forest lands. Therefore, I am vetoing this exclusion.

STATE TAXES

24. Sales Tax Exemption for Use of School Facilities

Sections 505m and 9449 (4b)

These sections exempt from the sales tax the use of school amusement, entertainment, athletic or recreational facilities if the proceeds received by the school are used for educational, religious or charitable purposes. I am vetoing these sections because this exemption would create inconsistencies. Use of school, but not municipal, facilities would become exempt even though both governmental units may run similar recreational programs. Private sector facilities would also be placed at a competitive disadvantage. My veto will prevent the loss of $100,000 GPR revenues in fiscal year 1992-93.

25. Retailers Discount and Payment Date Acceleration;

Sections 496, 506b, 510 and 9349 (6)

These provisions modify the compensation received by retailers for collecting the sales tax and accelerate for all

businesses the dates by which sales tax collections and individual income tax withholdings must be paid to the Department of Revenue.

These provisions base the retailer discount on quarterly collections. This will complicate the discount for retailers with seasonal sales patterns who may swing from one discount rate to another and also for monthly filers who must guess their quarterly collections and discount rate twice before finally reaching the end of the quarter.

These provisions will also create hardships for many businesses by cutting the time they will have to remit their tax collections. Businesses may find it difficult to complete their accounting in the reduced time period allowed.

I am partially vetoing the retailers discount to simplify its computation. My partial veto will allow retailers to retain 0.5% of all sales tax collections. Retailers will not need to estimate their quarterly collections or track their year-to-date collections for purposes of the discount. This partial veto will increase GPR revenue by $3.1 million in fiscal year 1992-93.

I am also vetoing the acceleration of payment dates to retain the current time allowed to remit sales and withholding collections. My veto will also limit the impact of the discount simplification on retailers. This veto will decrease GPR-earned by $2.6 million in fiscal year 1992-93.

26. Cigarette Tax Effective Date

Section 9449 (1)

This provision specifies that the increase in the cigarette tax from 30 to 38 cents per pack takes effect on May 1, 1992 or the first day of the first month beginning after publication of the bill, whichever is later. I am partially vetoing this provision to guarantee that the increase is effective May 1, 1992. This is necessary to ensure that the effective date is consistent with the Legislature's intent.

27. Individual Income Tax Identification Labels

Sections 490x and 9349 (6m)

Taxpayers currently receive each year's tax forms with a pre-printed label. These provisions allow the taxpayer to elect to receive only a postcard with the pre-printed label. I am vetoing these provisions because they will not reduce printing and disposal costs in processing tax forms.

While admirable in their intent to improve tax filing processes and to reduce printing and disposal costs, these provisions would not meet their objectives. They would not significantly ease tax filing for those who use a tax service. For a tax preparer, it is just as easy to obtain the tax identification label from a tax form as a postcard. These provisions would not lower the administrative costs of the Department of Revenue. The cost of processing postcards and the loss of bulk mail savings will offset the savings from printing fewer forms. The Department of Revenue already prints its forms on recycled paper.

It is also premature to implement a label checkoff system in Wisconsin. Other states have had, at best, mixed results with such a system. Of the fourteen states that had a label checkoff in 1987, eight have discontinued the program. Further, the Internal Revenue Service is now asking taxpayers if they would prefer not to have a tax booklet. Wisconsin's income tax returns system should await the outcome of the federal experience.

28. Use of Net Operating Losses and Unused Historic Rehabilitation Credits for Income Offsets

Sections 493nm, 493p and 9349 (49)

The section allows corporate members of affiliated groups to offset income with losses generated by affiliate corporations if the loss was from qualified investments in low income housing projects or residential rental projects. Similarly, corporate members of affiliated groups can claim any part of an affiliated member's unused state supplement to the federal historic rehabilitation credits if the credits were generated from qualified low income housing projects or qualified residential rental projects.

I am vetoing this section because it introduces inconsistency into corporate tax policy and because it sets a poor precedent for the system of corporate taxation.

This change introduces an element of consolidated reporting into the current state system of separate returns. However, it does so asymmetrically. A return is consolidated only if it reduces tax liability.

Further, allowing the transfer of unused credits between affiliated members sets a bad precedent for other credits. Most corporate credits already have carry forward provisions of 15 years. Allowing the transfer of credits defeats the purpose of the carry forward provisions.

State of Wisconsin
Office of the Governor

April 30, 1992

To the Honorable, the Senate:

The following bills, originating in the senate, have been approved, signed and deposited in the office of the Secretary of State:

Senate Bill	Act No.	Date Approved
102 (partial veto)	285	April 29, 1992
231	286	April 29, 1992
232	287	April 29, 1992
237	297	April 30, 1992
450	298	April 30, 1992
238	303	April 30, 1992
476	304	April 30, 1992
486	305	April 30, 1992
532	306	April 30, 1992

Respectfully,

TOMMY G. THOMPSON
Governor

State of Wisconsin
Office of the Governor

May 1, 1992

To the Honorable, the Senate:

The following bills, originating in the senate, have been approved, signed and deposited in the office of the Secretary of State:

Senate Bill	Act No.	Date Approved
281 (partial veto)	309	May 1, 1992
292	310	May 1, 1992

Respectfully,
TOMMY G. THOMPSON
Governor

State of Wisconsin
Office of the Governor

November 22, 1991

To the Honorable, the Senate:

I have approved **Senate Bill 102** as 1991 Wisconsin Act 285 and deposited it in the Office of the Secretary of State.

This bill expands the number of possible locations where th public can access state documents and requires each depository library to keep state documents accessible for use by the public at no cost.

Section 19(1) and (2) appropriates $17,100 GPR and creates 2.0 GPR full-time equivalent positions to the State Historical Society in FY92 and $3,400 GPR and 0.5 GPR full-time equivalent to the Department of Public Instruction in FY92. I have partially vetoed the FY92 funding for the positions in this section because it is unlikely that the State Historical Society and the Department of Public Instruction will be able to recruit and fill these positions in FY92.

Respectfully,
Tommy Thompson
Governor

State of Wisconsin
Office of the Governor

April 30, 1992

To the Honorable, the Senate:

I have approved **Senate Bill 281** as 1991 Wisconsin Act 304 and deposited it in the Office of the Secretary of State.

Senate Bill 281 contains many worthwhile proposals to address nonpoint source pollution and has, in large part, received extensive review by the Legislature. In exercising my partial veto authority, I have strived to maintain the core of these nonpoint source pollution abatement proposals placed before me, including increased funding for Nonpoint Source program activities and requirements for statewide standards for the control of construction site erosion. As signed, Act 304 meets that objective and keeps Wisconsin in the forefront in addressing nonpoint sources of pollution. Under the provisions of this act, the state will accelerate the planning process for the Nonpoint Source program and will make available an additional $10.4 million annually for nonpoint source pollution abatement activities with revenue generated from a nonpoint source pollution fee on vehicle title transfers. Loan guarantees to landowners for the implementation of best management practices are also provided in the act.

The act creates a state regulatory program for construction site erosion control for one- and two-family dwellings and road and bridge construction and places state regulatory responsibility with the Departments of Industry, Labor and Human Relations and Transportation, respectively. I have removed provisions in the bill which would have placed state regulatory responsibility for nearly all other land disturbing activities in the Department of Natural Resources (DNR). I intent to include a proposal in the 1993-95 biennial budget to more appropriately divide these additional responsibilities between DILHR and DNR.

I have used the partial veto to limit new spending in the act to the revenue raised by the new title transfer fee. A variety of funding strategies will need to be considered to meet nonpoint source pollution abatement funding needs in future years. Therefore, it would not be prudent to significantly increase authorized bonding to meet these future demands until other cost-effective funding alternatives can be considered. I plan to include a proposal to meet these future needs in my 1993-95 biennial budget.

I have eliminated requirements in the bill establishing guidelines for shoreland management through an administrative rulemaking process. The Department of Agriculture, Trade and Consumer Protection will provide guidance to local units of government that wish to establish a shoreland management ordinance. The act does not require fencing.

I have also used the partial veto to eliminate unnecessary new enforcement authorities created in the bill. I believe landowners in the state are concerned about water quality and are willing to implement necessary management practices to address water quality problems. The DNR has adequate enforcement authority under current law to address significant nonpoint pollution problems. If it is proven over time that landowners are not participating in nonpoint source pollution abatement activities in sufficient numbers, I will consider a more stringent enforcement mechanism.

I believe **Senate Bill 281**, with my partial vetoes, will increase nonpoint pollution abatement activities, set standards to control soil erosion at construction sites, allow for better organization and management of drainage districts and improve the environment for the benefit of the citizens of Wisconsin.

Respectfully,
TOMMY G. THOMPSON
Governor

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1. Enforcement in Priority Watersheds and Priority Lakes

Sections 35d, 50, 51, 51g, 52, 53, 60, 64, 64d, 70, 73, 75, 75c, 78h, 91g, 9142 (3) and 9342

These provisions create an enforcement plan which would be applied to landowners in priority watersheds and priority lakes who have not volunteered to participate in the Nonpoint Source program during an initial three-year voluntary sign-up period and who the Department of Natural Resources (DNR) determines need to implement best management practices to achieve water quality objectives. Reduced cost share grants would be available to these landowners after the initial three-year period. The DNR is authorized in these provisions to issue orders to abate nonpoint source pollution based on the enforcement plan. These provisions use authority under current law but do not require a specific finding that a person receiving an intent to issue an order to implement best management practices is causing significant nonpoint source pollution. These provisions also authorize DNR to issue temporary emergency orders to abate severe nonpoint source pollution that can be remedied by noncapital expenditures.

I am vetoing these provisions because they create new enforcement authorities for the DNR under the Nonpoint Source program which have not been proven to be necessary at this time. Enforcement authority already exists under current law to address significant nonpoint source pollution problems when they occur. One of the key components of the Nonpoint Source program since its inception has been voluntary participation of landowners. The program has enjoyed significant landowner participation under this voluntary structure.

I am approving other provisions in the bill which will accelerate the pace at which DNR identifies, plans and implements priority watershed and priority lake projects. While there is an obvious need to continue to abate nonpoint sources of pollution, the desire to accelerate the program is not adequate justification to add an enforcement component to the program at this time. The program should continue to solicit the cooperation of landowners through the program's existing voluntary structure, rather than assuming there are a significant number of 'bad actors'. I believe landowners are concerned about the state's water quality and are willing to implement necessary management practices to address water quality problems. If it is proven over time that landowners are not participating in the program in sufficient numbers, then I will consider a more stringent enforcement mechanism.

2. Shoreland Management Guidelines

Sections 4, 5 [as it relates to s. 20.399 (1) (s)], 12b, 33 [as it relates to shoreland grazing management], 33n, 39 and 9104 (1)

These provisions require the Department of Agriculture, Trade and Consumer Protection (DATCP) to prepare guidelines, as an administrative rule, for a shoreland grazing management ordinance. An advisory committee is appointed to assist in drafting the guidelines. DATCP is also directed to encourage all counties to adopt the ordinance by January 1, 1995. These provisions also require that any county, city or village ordinance based on the DATCP guidelines must be submitted to DATCP and the land conservation board.

I am vetoing the requirement that guidelines prepared by DATCP be promulgated as administrative rules. I am concerned that these provisions in the bill, requiring the promulgation of rules, may be interpreted to require restricting the access of livestock to streams and lakes through the use of fences. These provisions, as vetoed, do not require fencing nor do they require local governments to enact ordinances restricting access to streams and lakes. The ability of local units of government to enact ordinances restricting access to shoreland exists under current law. The vetoed provisions will allow DATCP to provide guidance to

local unit of government that wish to enact a shoreland management ordinance.

To further clarify that I do not intend that any guidelines prepared by DATCP require local governments to enact ordinances requiring the fencing of livestock or otherwise restricting the access of livestock from streams and lakes, I am vetoing all references in these provisions to 'grazing' and the provision which requires DATCP to encourage all counties to enact the ordinance by January 1, 1995. Given the significant level of interest in the issue of shoreland management guidelines, I am also partially vetoing language regarding the membership of the advisory committee to give DATCP more flexibility to appoint members who represent these interests. Finally, I am vetoing the requirement for local governments to submit proposed ordinances to the land conservation board. I believe that submittal to DATCP is adequate.

3. Bonding for Nonpoint Source Grant Program

Sections 13 and 80e

These provisions increase the level of GPR-supported general obligation bonding by $71.0 million for the Nonpoint Source Grant program. The current level of authorized bonding to support this program is $11.5 million.

I am vetoing these provisions because it is premature and imprudent for the State to increase the GPR-supported bonding levels for this program before consideration is given to cost-effective alternative methods of providing long-term program funding. It is essential that the many funding options available to the program be discussed and a funding option or options chosen that strike a proper balance which ensures the State's continued financial integrity and meets the program needs. I am also troubled that the debt service on the new bonding will be paid exclusively with GPR.

Upon enactment of this bill, the State has three separate funding sources for nonpoint programs and an option for a fourth. First, under current law, there are GPR appropriations in the Department of Agriculture, Trade and Consumer Protection (DATCP) and the Department of Natural Resources (DNR). Second, also under current law, DNR is authorized to use up to $11.5 million in GPR-supported general obligation bonding to fund nonpoint program grants. Third, in this bill, I have approved additional program funding from segregated revenue generated by an increase in the vehicle title transfer fee. A fourth option exists under the Clean Water Fund program, which is statutorily authorized to make loans to local units of government to finance nonpoint source pollution projects. No Clean Water Fund loans have been made for nonpoint projects to date.

In addition to considering alternative long-term funding sources for the program, the current method employed by DNR to encumber funds to implement projects should be examined. The current encumbrance method often results in program funding being set aside three to eight years before actual expenditures occur. Consideration should be given to an annual cash flow management system, such as the one employed by the Soil and Water Resource Management program at the Department of Agriculture, Trade and Consumer Protection.

It is my intention to propose a funding plan for nonpoint source pollution in the 1993-95 budget bill which addresses the concerns raised here and provides adequate funding for future program needs.

4. Drainage Districts

Sections 24, 25 and 28

These provisions require the Department of Agriculture, Trade and Consumer Protection (DATCP) to promulgate rules, in consultation with the Department of Natural Resources (DNR), establishing performance standards for drainage districts. These provisions establish rules for a procedure for residents of the state to petition DATCP regarding drainage district compliance with applicable statutes and rules and establish forfeitures of not less than $25 and not more than $5,000 per day for violations. I am partially vetoing the requirement that DATCP consult with DNR in promulgating rules on performance standards for drainage districts because DATCP should have more latitude in determining the assistance that may be needed to promulgate the rule. I am partially vetoing the requirement that DATCP create rules for a procedure for citizens to petition DATCP because a petition process may be unnecessarily burdensome to complainants. My veto will give DATCP needed flexibility in developing a citizen complaint procedure that is more accessible to citizens of the state. I am also exercising my partial veto authority to reduce the maximum forfeiture from $5,000 to $500 per day because a fine of $5,000 per day of violation is excessive.

5. Construction Site Erosion Control

Sections 5 [as it relates to s. 20.370 (2) (ag) and (as)], 7, 7m, 17, 18, 19, 20, 22, 32, 33 [as it relates to construction site erosion ordinances], 45, 48, 63, 65, 80, 81, 82, 83, 84, 85, 86, 92g, 92k, 9129 (2) and (3),9142 (5), (5m), (5s), and (6c) and 9400 (1)

These provisions place state regulatory responsibility for construction site erosion control activities in the Department of Natural Resources (DNR) for all land disturbing activities, other than the construction of one- and two-family dwellings, metallic mining activities, agricultural crop production and road and bridge construction. These provisions place responsibility for one- and two-family dwellings in the Department of Industry, Labor and Human Relations (DILHR). DNR and DILHR are directed to promulgate rules for the respective programs, including requirements for the training and certification of plan reviewers and inspectors and to collect fees for the program. Finally,

these provisions allow counties with preexisting erosion control ordinances related to the construction of one- and two-family dwellings to continue to enforce the ordinances rather than the uniform standards DILHR is required to establish.

I am not convinced that two agencies should have overlapping jurisdiction in regulating construction site activities, particularly now that the uniform multi-family dwelling code has been put in place. DILHR already has an existing plan review and inspection infrastructure. It would be more efficient to integrate erosion control requirements within the existing structure. However, I recognize that DNR has responsibility for stormwater management control on construction sites greater than five acres. Therefore, I am requesting DNR and DILHR to work together in developing an integrated approach for managing erosion control on large sites. I intend to include a proposal on this issue, based on an integrated approach, in the 1993-95 biennial budget.

I am also vetoing the provisions requiring DILHR to establish a certification and training program and to collect fees for program activities because DILHR can incorporate these requirements into its rule on one- and two-family dwellings. Under the existing dwelling code, DILHR already trains and certifies persons to be plan reviewers and inspectors or both. The existing statutes and authority in the uniform dwelling code can be used to set fees and train and certify inspectors for soil erosion control regulation.

I believe that the uniform standards developed by DILHR for one- and two-family dwellings should be applicable statewide. Therefore, I am vetoing this provision.

6. Designation of Priority Watersheds and Priority Lakes

Section 57

Section 57 requires the Department of Natural Resources (DNR) to complete the designation of all priority watersheds by January 1, 1995 and to collect information necessary to determine the need to designate lakes as priority lakes and to complete the designation of priority lakes by January 1, 1995. I am partially vetoing this section to remove the requirement that all priority watersheds and priority lakes be designated by January 1, 1995. I am removing this requirement because the completion date in the bill may not provide the DNR sufficient time to finish the designation process. While I am removing this requirement, I am retaining language in the bill which requires DNR to complete the planning process for all priority watersheds and priority lakes by December 31, 2000. I remain committed to accelerating the Nonpoint Source program to improve the quality of the state's waters.

7. Water Quality Objectives

Section 58

Section 58 requires the Department of Natural Resources (DNR) to establish water quality objectives for each priority watershed and priority lake and to identify the best management practices which must be implemented by individual landowners to achieve the water quality objectives. I am partially vetoing this section to remove the requirement that identifies practices that individual landowners must implement because it may have the effect of identifying selected landowners as 'bad actors' before they are given an opportunity to voluntarily participate in the Nonpoint Source program. My veto will still require the DNR to identify water quality objectives and the best management practices that are needed to achieve the water quality objectives.

8. Trust Fund

Section 72

This section allows the Department of Natural Resources to make grants to one or more counties in a priority watershed or priority lake to create a trust fund for the long-term maintenance of best management practices and easements, information and education and other appropriate management activities in a priority watershed or priority lake. I am vetoing this section because the bill does not provide any funding for this activity, and policymakers have not had the opportunity to establish a long-term maintenance strategy. This bill sets forth a policy direction regarding the identification, planning and implementation of remaining priority watersheds and priority lakes. Policymakers have not yet debated the issue of long-term maintenance responsibilities to determine the best approach. This provision assumes that local governments will have a significant financial responsibility in maintaining practices. It would be premature to set up trust funds at the local level at this time to maintain best management practices.

9. County Cost Share Grant Limit

Sections 66m and 66q

These provisions impose a cap on funding allocated to Milwaukee County equal to the percentage of motor vehicles registered in the state that are customarily kept in Milwaukee County and preclude other counties from receiving an amount of funds which exceeds the amount allocated in a biennium to Milwaukee County. I am vetoing these provisions because they are unworkable and have the effect of prohibiting Milwaukee County from receiving sufficient funding to allow the five priority watershed projects in Milwaukee County to be implemented in a timely manner. Capping funds to other counties at Milwaukee County's level will become problematic when Milwaukee County's funding needs diminish in future years. My veto removes these unduly restrictive funding limitations.

10. Conservation Easements

Section 78 [as it relates to s. 144.25 (8) (m)]

This provision allows the Department of Natural Resources (DNR) to recognize the value of donated conservation easements as the landowner's share of a cost share grant in the Nonpoint Source program. I am vetoing this provision because other provisions in the bill provide sufficient additional financial incentives to landowners to implement best management practices to abate nonpoint sources of pollution. These other provisions raise the maximum grant amount for manure storage facilities, allow higher cost share rates in cases of economic hardship and provide loan guarantees for the landowner's portion of a cost share agreement.

11. Deed Restrictions

Sections 37 and 78 [as it relates to s. 144.25 (8) (n)]

These provisions direct the Departments of Natural Resources ans Agriculture, Trade and Consumer Protection to identify, in rule, requirements for Nonpoint Source program and Soil and Water Resource Management program grant recipients to record in the office of the register of deeds a document binding subsequent landowners to maintain cost share practices. I am vetoing these provisions because I believe that a deed restriction is not needed to assure maintenance of cost share practices. While it is essential to protect the state's investment in cost share practices, I believe this can be accomplished by identifying rule requirements in the program's cost share agreements.

12. Property Assessments

Section 20m

This provision requires assessors to consider the effect of fences or structures on the value of property if the fences are required to restrict access of livestock to streams and lakes. I am vetoing this provision because it is too restrictive in its application. Although I agree that property assessments should take this requirement into account, I believe property assessments and property tax effects should be considered in a broader context.

13. Stewardship Program -- Public Access

Section 15

Section 15 requires the Department of Natural Resources (DNR), in cases where a nonprofit conservation organization proposes to acquire an interest in property other than an interest in fee simple, to give a higher priority to acquisitions that permit access to the public. Further, DNR is required by rule to establish criteria, for property acquired other than an interest in fee simple, concerning public access to that property.

Under current law, DNR may award grants to nonprofit organizations to acquire property under the Stewardship program including grants for urban greenspace, habitat restoration, stream bank easements, federal and Ice Age Trail, state trails, and natural areas. Section 15 would most commonly apply to conservation easements. Conservation easements are not intended to acquire land in full but rather are intended to limit a land parcel's use in exchange for appropriate compensation. This provision was inserted into the bill to improve program participation. While many landowners are willing to sell conservation easements to protect water quality, they are much less willing to permit public uses on this land. I am vetoing this section because making public access a priority in these transactions may create more problems than it solves. The provision should be discussed further and refined to the address areas of concern, especially those raised by the Wisconsin Association of Lakes.

14. Milkhouse Wastewater Rules

Section 31

Section 31 directs the Department of Agriculture, Trade and Consumer Protection to promulgate guidelines, by rule, to determine financial eligibility for the proper disposal of milkhouse wastewater under the Soil and Water Resources Management program and the Nonpoint Source program. I am partially vetoing this section to remove the requirement that a new rule be promulgated to establish the financial eligibility guidelines because a new rule is not needed for this purpose. If it is necessary to have the guidelines in a rule in order to provide financial assistance for milkhouse wastewater disposal, the guidelines can be incorporated into existing program rules.

15. Animal Waste Management Rules

Section 87

These provisions require the Department of Natural Resources to promulgate rules to establish procedures for implementing best management practices related to animal waste discharges. The rules must give higher priority for issuances of notices for animal waste discharges in already-completed priority watershed and priority lake areas. I am vetoing these provisions as I have done with the enforcement provisions elsewhere in the bill because they work against the voluntary nature of the program. Moreover, I object to placing a higher priority for animal waste enforcement provisions on already-completed prioritywatershed and priority lake areas than on other areas because this detracts from statewide consistent and uniform enforcement of program requirements.

16. Department of Natural Resources Positions

Section 9142 (6) (b)

This provision authorizes an additional 5.0 FTE SEG positions for the Department of Natural Resources (DNR) to carry out the additional nonpoint source program responsibilities enacted in this bill. I have partially vetoed this provision to reduce the number of additional SEG positions from five to two. These two positions together with positions funded by general purpose revenue and federal nonpoint source program grants will be adequate to support the DNR's additional responsibilities under this bill. I am directing the

Secretary of Administration to place funding associated with the vetoed positions into unallotted reserve.

17. Farmland Preservation Program Study

Section 9104 (5m)

This provision requires the Department of Agriculture, Trade and Consumer Protection (DATCP) to study the tax rollback provisions of the Farmland Preservation Program to determine if changes to the rollback provisions are appropriate.

In addition to this study, 1991 Wisconsin Act 286, which makes extensive revisions to the farmland preservation program, contains a provision requiring DATCP to report to the Legislature on certain issues related to farmland preservation agreement relinquishments. I have signed **Senate Bill 231** as Act 286 with the report requirements intact. Since DATCP can study tax rollback provisions as part of the report required in Act 286, the study required in this provision is not needed.

18. UW-Madison Water Resources Management Internships

Sections 9242 (3) and 9257

This section provides $10,000 GPR in additional funding in fiscal year 1992-93 to fund student internships in the water resources management program at the University of Wisconsin-Madison. I object to providing additional funding for this purpose, and I am, therefore, vetoing this provision. The Board of Regents has not identified this as a funding priority for the University. If the University determines a need in this area, it has the flexibility to reallocate funds from its current budget to support additional student internships.

19. Highway Salt Alternatives Research

Sections 11p and 9155

This provision requires the Department of Transportation (DOT) to provide $21,000 to the University of Wisconsin-Eau Claire for research into alternatives to highway salt. DOT regularly evaluates proposals based on their potential to provide improvements in highway safety and environmental impact in a cost-effective manner. This proposal and funding request should be submitted to DOT for evaluation in competition with other similar proposals and other uses of the transportation fund. I am vetoing this provision because it circumvents an objective evaluation process and inappropriately earmarks transportation fund resources.

20. Airborne Contaminant Study

Section 9142 (4m)

This provision requires the Department of Natural Resources (DNR) to conduct a study of the effects of airborne contaminants on water quality. The provision fails to specify objectives for such a study or the purpose for which it will be used. DNR currently conducts studies of specific sites or emissions if questions exist concerning the effect of an emission source or pollutant on water quality. This practice will not change. A comprehensive study of all air contaminants or all sources on all bodies of water would not be feasible because of technical limitations and would also be excessively expensive. I believe the study would not be the best use of the limited resources available to DNR at this time. I am, therefore, vetoing this provision because its scope and purpose is unclear.

SENATE CLEARINGHOUSE ORDERS

State of Wisconsin
Revisor of Statutes Bureau

May 1, 1992

To the Honorable the Legislature:

The following rules have been published and are effective:

Clearinghouse Rule 89- 25 effective May 1, 1992.
Clearinghouse Rule 91-102 effective May 1, 1992.
Clearinghouse Rule 91-104 effective May 1, 1992.
Clearinghouse Rule 91-105 effective May 1, 1992.
Clearinghouse Rule 91-111 effective May 1, 1992.
Clearinghouse Rule 91-119 effective May 1, 1992.
Clearinghouse Rule 91-140 effective May 1, 1992.
Clearinghouse Rule 91-141 effective May 1, 1992.
Clearinghouse Rule 91-152 effective May 1, 1992.
Clearinghouse Rule 91-167 effective May 1, 1992.
Clearinghouse Rule 91-175 effective May 1, 1992.
Clearinghouse Rule 91-176 effective May 1, 1992.

Sincerely,
GARY L. POULSON
Deputy Revisor

Senator Risser, with unanimous consent, asked that the Senate adjourn until 10:00 A.M. Thursday, May 7.

10:01 A.M.