



STATE OF WISCONSIN Assembly Journal

Ninety–Second Regular Session

THURSDAY, July 27, 1995

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

INTRODUCTION AND REFERENCE OF PROPOSALS

Read first time and referred:

Assembly Bill 495

Relating to: requiring certain tank vessels to have double hulls or tug escorts, the operation of motorboats for commercial purposes under the intoxicated boating law, prohibiting open burning on vessels operated for commercial purposes, inspecting vessels and providing penalties.

By Representatives Johnsrud, Freese, Harsdorf, Gronemus, Wirch, Goetsch, Ott, Baldus, Kreibich, Black, Huebsch, Bock, Dueholm, Carpenter, Boyle, Robson, Cullen, Meyer, Owens, Gard, Klusman and Vrakas; cosponsored by Senators Rude, Cowles, Wineke, Burke, Clausing, Schultz and Moen.

To committee on Natural Resources.

Assembly Bill 496

Relating to: the calculation of pupil enrollment for school aid purposes.

By Representatives Baldus, Wilder, Meyer and Bell; cosponsored by Senator Clausing.

To committee on Education.

Assembly Bill 497

Relating to: placing educational materials about the parking privileges of physically disabled persons on vehicles.

By Representatives Brandemuehl, Harsdorf, Freese, Hahn, Kreuser, Dobyms, Ryba, Musser, Zukowski, Seratti, Brancel, Travis, Hasenohrl, Green, Schneider, Silbaugh, Schneiders, Lorge, Turner, Ward, Baldus, Grobschmidt, Notestein, Albers, F. Lasee, Baumgart, Duff, Ladwig, Bock, Ainsworth, Goetsch, Gard, Nass, Gunderson, Ott, Wirch, Grothman, Boyle, Cullen, R. Young, Linton, Dueholm, Owens, Olsen, Kreibich, Handrick, La Fave, Vander Loop, Coleman, Carpenter, Krug, R. Potter, Lazich and Morris–Tatum; cosponsored by Senators Buettner, Rude, Fitzgerald, Farrow, Zien, Jauch, Drzewiecki, Risser, Rosenzweig, Breske, Clausing, Schultz, Burke, Cowles, Moen, Wineke, Panzer, Moore, C. Potter, Chvala and George, by request of Vietnam Veterans of America, Disabled American Veterans and Wisconsin Paralyzed Veterans of America.

To committee on Highways and Transportation.

EXECUTIVE COMMUNICATIONS

State of Wisconsin
Office of the Governor
Madison

July 27, 1995

To the Honorable the Legislature:

The following bill(s), originating in the Senate or the Assembly, have been approved, signed and deposited in the office of the Secretary of State:

<u>Bill Number</u>	<u>Act Number</u>	<u>Date Approved</u>
AB 150 (partial veto) 27	July 26, 1995

Sincerely,
TOMMY G. THOMPSON
Governor

COMMUNICATIONS

State of Wisconsin
Office of the Secretary of State
Madison

To Whom It May Concern:

Acts, Joint Resolutions and Resolutions deposited in this office have been numbered and published as follows:

<u>Bill Number</u>	<u>Act Number</u>	<u>Publication Date</u>
Assembly Bill 150 27	July 28, 1995

Sincerely,
DOUGLAS LA FOLLETTE
Secretary of State

GOVERNOR'S VETO MESSAGE

State of Wisconsin
Office of the Governor
Madison

July 26, 1995

To the Honorable Members of the Assembly:

I have approved **Assembly Bill 150** as [1995 Wisconsin Act 27](#) and deposited it in the Office of the Secretary of State.

The signing of this budget marks the culmination of a long process that began last year with a bipartisan agreement to provide dramatic property tax relief by having the state fund two-thirds of school costs by the 1996-97 school year. When I signed last year's Budget Adjustment Bill enacting this commitment into law, I was asked how we would pay for it in the 1995-97 budget. My response was that we would do it by making state government more efficient and effective and reducing spending, and we would do it without a general tax increase.

Today I am pleased to sign a budget bill that does just that. It wasn't easy, but with the support of the Joint Committee on Finance, the Assembly and the Senate, the goal of having the state fund two-thirds of school costs will be achieved and my commitment to do it without a general tax increase will be honored.

I am also pleased to say that the budget I am signing today is balanced. There will be a positive ending balance in fiscal year 1995-96 and in fiscal year 1996-97, the two fiscal years in the 1995-97 biennium covered by this budget. There is no deficit in this bill, and I want to stress in the strongest terms possible that there won't be deficits in the future either.

We are required to balance the budget under our state constitution. We have balanced the books in this budget and we will continue to do so in the future. We have lived within our means in this budget and we will continue to do so. The skeptics who said we could not balance this budget and reach two-thirds state funding of schools have been disproved, and the critics who predict deficit spending in the future will be disproved as well.

Total spending under this budget will be \$14.8 billion in fiscal year 1995-96 and \$15.5 billion in fiscal year 1996-97, for a biennial total of \$30.3 billion. (When projected transportation budget spending of approximately \$3 billion for the 1995-97 biennium is added in, total spending for the biennium will be about \$33.3 billion.) Net spending from general purpose revenue will be \$8.3 billion in fiscal year 1995-96 (a 3.6% increase) and \$9.1 billion in fiscal year 1996-97 (a 10.3% increase, which primarily reflects the increased support for schools), for a total of \$17.4 billion. General purpose revenue spending in areas other than school aids will increase only 1.6% in fiscal year 1995-96 and 1.3% in fiscal year 1996-97.

The budget bill will significantly reduce the actual amount of property taxes paid by homeowners, farmers and businesses, and will further reduce the overall tax burden in Wisconsin. On the average home property tax bill received in December of 1996, school property taxes will go down by 26% and overall property taxes will go down by 10% compared with the December 1995 bill. The average homeowner will see a tax reduction of \$222 from December 1995 to December 1996. School property taxes for all classes of property taken together will drop by 25% from December 1995 to December 1996 and overall property taxes will drop by 9%. Equally important, the budget bill contains no general tax increases to fund this property tax reduction. There is no increase in income tax rates, no increase in sales tax rates and no expansion of the sales tax to new classes of goods or services.

Progress in reducing property taxes has not come at the expense of increases in other taxes.

I am signing this budget bill with a total of 112 vetoes. A number of these vetoes are technical in nature and clean up conflicting language or drafting problems. A number of them also reduce paperwork requirements for state agencies. The Legislature created over 100 new one-time or permanent reports, studies or legislative approvals for state agencies. These are time-consuming and come at a time when agencies are already being asked to do more with fewer resources. The most onerous of these additional new requirements have been vetoed out.

The partial vetoes I am executing will also improve the ending balance on June 30, 1997, by over \$800,000. This will provide an additional cushion for the general fund which is prudent given our pledge to significantly increase state support for schools.

This budget is a very constructive plan for the future. It builds on the successful foundations of economic development and responsible taxing and spending policies that we have established. Among the highlights are the following measures:

Property Tax Relief, Spending Controls and Mandate Relief

- Provides increases in state aid to local governments.
 - Provides record increases in state aid to schools.
 - Increases total state aid and credits for K-12 schools by \$248 million for school year 1995-96 and by another \$964 million for school year 1996-97.
 - Provides additional annual funding of \$14.9 million for shared revenue for municipalities, \$6.0 million for the expenditure restraint program for municipalities and \$15.4 million for county mandate relief grants.
 - Increases the local assistance share of state GPR spending from 56% of the budget at present to 61% in fiscal year 1996-97.
 - Directs additional relief to farmers by phasing in use value assessment on farmland.
- Continues state spending controls to assure tax restraint.
 - Makes school revenue limits permanent.
 - Makes the qualified economic offer provisions of the state's mediation-arbitration law permanent for school employees.
 - Requires arbitrators to give "greatest weight" to limitations on local government or school district spending or revenues when making decisions regarding public employe contracts under the state's mediation-arbitration law.
- Increases mandate relief.
 - Eliminates the mandate on counties to provide general relief.
 - Increases state grants for support of circuit courts by \$13 million during the biennium.

Governmental Reorganization and Efficiency

- Reduces the state operations share of state GPR funding from 23% of the budget at present to 21% in fiscal year 1996–97.
- Converts three existing agencies to cabinet government status.
- Consolidates numerous state programs and functions.
- Improves the use of information technology.
- Encourages greater use of the private sector in delivering certain services.
- Requires state agencies to improve their cost recovery efforts.
- Reduces most state agency administrative budgets by 5% and 10%.
- Eliminates the Sentencing Commission, Privacy Council, Cost Containment Commission and several other state functions.
- Establishes a sunset process to consider the elimination of up to 144 statutory boards, councils and commissions.
- Requires several agencies to pursue opportunities for further efficiencies in their operations.

Economic Development

- Creates a new cabinet level Department of Tourism.
- Consolidates state labor training, employment and welfare programs into a renamed Department of Industry, Labor and Job Development.
- Consolidates various business development services into a renamed Department of Commerce.
- Consolidates financial regulatory agencies into a new Department of Financial Institutions.
- Consolidates most consumer protection programs into the Department of Agriculture, Trade and Consumer Protection.
- Authorizes creation of enterprise development zones to ensure economic growth throughout the state by providing tax credits for specific business projects.
- Provides funding for the operation of the Mexico Trade Office.
- Increases funding for the Dairy 2020 program to encourage innovations in dairy farming and ensure growth in the dairy industry.

Education

- Creates a new cabinet level Department of Education.
- Ensures that all school districts will benefit from the large increase in school aid.

- Provides school boards with greater flexibility to innovate and enhances local control.
- Expands the Milwaukee Parental Choice Program to include sectarian schools in Milwaukee only, and increases participation to up to 15,000 students by 1996–97 and thereafter.
- Initiates several reforms for Milwaukee Public Schools, including the authority to close failing schools.
- Provides that an unlimited number of charter schools can be created statewide.
- Maintains UW tuition at levels that are the second lowest of the schools in the Big Ten.
- Creates a University of Wisconsin Hospital and Clinics Public Authority to help maintain the hospital's high quality in an increasingly competitive health care market.

Environmental Protection and Resource Management

- Converts the Departments of Natural Resources and Agriculture, Trade and Consumer Protection to cabinet agencies.
- Streamlines regulatory services to business and industry by consolidating in the new Department of Commerce responsibility for grants under the petroleum environmental cleanup fund award (PECFA) program and for approving remediation of low and medium priority leaking underground storage tank sites.
- Authorizes the reallocation of uncommitted funds from the Lower Wisconsin State Riverway component of the Warren Knowles–Gaylord Nelson stewardship program for acquisition of the Willow Flowage in Oneida County.
- Improves boating safety on Wisconsin lakes and rivers by increasing aids for local water safety patrols to over \$1 million.
- Eliminates the \$2 per tire fee for removal and recovery of waste tires, effective June 30, 1997, reflecting successful cleanup of waste tires in the state.
- Encourages the redevelopment of vacant urban industrial sites by providing staff for review and approval of property cleanups to ensure purchaser release from future liability related to past contamination.
- Enhances the recycling of high volume industrial waste (including foundry sand and paper mill sludge) by authorizing its use in highway improvement projects and by directing the Department of Natural Resources to establish standards for the reuse of this waste.

Human Services

- Renames the Department of Health and Social Services to be the Department of Health and Family Services, reflecting the agency's redefined mission.
- Creates an assisted living initiative providing a long-term care option stressing independent and individualized living.
- Provides counties with an estimated increase of \$20 million in federal funds for the biennium by expanding

claims for federal funds for MA services currently paid with county dollars.

- Creates a Division of Children’s Programs to provide a focus for the well–being of children.
- Creates state support for an optional medical relief program for counties to pay for the medical costs of the indigent.
- Provides an increase of \$1 million annually to pay for treatment costs of drunk drivers.

Government Operations and Justice

- Completes the phased–in pickup of county court costs by providing additional state funds to offset approximately 90% of court costs currently funded by the property tax.
- Consolidates juvenile correctional programs and youth services in the Department of Corrections.
- Eliminates juvenile court jurisdiction over 17–year olds alleged to have committed criminal offenses.
- Lowers the minimum age of adult court jurisdiction from 18 to 17.
- Provides funding and staff to operate new or expanded state correctional facilities at Jackson County, Dodge, Oshkosh, Taycheedah, Waupun, Kettle Moraine and Green Bay.
- Authorizes up to \$25 million in state bonding for a super–maximum security state correctional institution.
- Places responsibility for administration and operations of the state lottery with the Department of Revenue.
- Creates an information technology fund to ensure that all state agencies have access to adequate information technology.
- Creates a new Bureau of Judicial Information Systems to develop common information technology systems for agencies involved with court and legal proceedings and case management.
- Provides limited pay increases for state employees.

The budget I am signing today is a budget that positions Wisconsin for the future. It does this by reducing property taxes, controlling spending at all levels and making our state government work smarter for the benefit of everyone. State government is being challenged to innovate, to economize and to become more efficient. We will respond to these challenges.

Respectfully submitted,
TOMMY G. THOMPSON
 Governor

VETO MESSAGE

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1993tm, 1993tp, 1994m, 1995, 1995g, 3321m, 3323m, 9105 (3g), 9205 and 9405 (1m)

These provisions require the Arts Board to submit a report to the Joint Committee on Finance (JCF) by September 1, 1996, to identify alternative funding sources for Arts Board programs. They also establish procedures for the elimination of the Arts Board, effective July 1, 1997, if the JCF does not approve the report by May 1, 1997.

I am partially vetoing these sections regarding approval of the funding report by the JCF and possible elimination of the Arts Board because it is premature to propose the possible elimination of the Arts Board in the 1997–99 biennium. However, I am requiring the Arts Board to submit a funding report to the JCF by September 1, 1996, identifying possible alternative sources of funding for the Arts Board.

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A. EDUCATION AND TRAINING

ARTS BOARD

1. Elimination of the Arts Board

Sections 22m, 103r, 104, 127m, 128, 394m, 548m, 548p, 548r, 548t, 549, 549c, 549e, 549g, 549j, 550, 550g, 550j, 1066g, 1066j, 1193m, 1993te, 1993tg, 1993ti, 1993tk,

INDUSTRY, LABOR AND HUMAN RELATIONS

2. Private Sewage Systems

Section 9116 (3g)

This provision prevents the Department of Industry, Labor and Human Relations (DILHR), and beginning July 1, 1996, the Department of Development (DOD), from proposing rules related to private sewage systems until after July 1, 1997. This provision also instructs DOD to appoint an advisory committee to assist in the drafting of the rules related to private sewage systems and specifies the membership of that committee. DOD, with the assistance of the committee, is also required to study the effects of proposed private sewage systems rules and submit its findings to the Governor and to the chief clerk of each house for distribution to the appropriate standing committees under s. 13.172(3).

I am vetoing this provision because I believe that additional study is unnecessary and would result in needless delay and costs. In other AB 150 action, the Legislature addressed the concerns of property owners regarding changes to the administrative rules for private sewage systems. DILHR has undertaken an extensive review of rules and issues affecting private sewage systems. An advisory committee made up of representatives very similar to those mandated by this provision has been meeting since 1991 and is prepared to move forward with the rule promulgation process.

3. Career Counseling Centers

Section 9130 (14g)

This provision requires the Department of Industry, Labor and Human Relations (DILHR) to submit a plan to the Joint Committee on Finance to combine new and existing career counseling centers with DILHR job centers.

I am vetoing this provision to remove this requirement. While there are similarities between these two efforts, their target populations are very distinct. Linkages already exist between job centers and career counseling centers and, in some instances, the two are jointly located. However, career counseling centers are unique vehicles to provide school-age youth with the necessary tools to prepare for future education and/or work. Unlike job centers, which focus on helping adults find employment, career counseling centers focus primarily on preparing school-aged youth for the challenges

of succeeding in a skilled work force. The adult and youth populations of our state have distinct needs which must be met for proper preparation and entry into a skilled work force.

4. Safety and Buildings Code Development Operations

Sections 473 [as it relates to s. 20.143(7)(jz) and (rz)], 517p, 517r, 978m, 979, 3727g, 3727h, 3729d, 3729e, 3729f, 3729g, 3729h, 3729i, 3729j, 3729k, 3729L, 3729m, 3733c, 3733g, 3733L, 3733p, 3733t, 3733x, 9116 (7m), 9130 (1g) and 9430 (1g), (2) and (4) [as it relates to the transfer of the Division of Safety and Buildings, Office of Code Applications]

These provisions transfer 8.5 employees of the Office of Code Applications in the Division of Safety and Buildings and related rule-making authority from the Department of Industry, Labor and Human Relations (DILHR) to the Department of Development (DOD) on September 1, 1995.

I am vetoing these provisions because transferring part of the Safety and Buildings Division staff to another agency ten months prior to the move of the remainder of the Division's other organizational units will disrupt this consolidation effort, add unnecessary costs and be counterproductive to the goals of the transfer and consolidation. Further, placing Safety and Buildings rule authority in DOD while application and enforcement of these rules remains in DILHR ignores the necessary interaction between the code and program units. It is my intent that the transfer of the Division of Safety and Buildings to DOD be a smooth and functional transfer. Therefore, I am instructing the Secretaries of both DILHR and DOD to establish an interagency memorandum of understanding that will guide the transfer of the Safety and Buildings Division to DOD.

PUBLIC INSTRUCTION

5. Student Achievement Guarantee in Education

Section 3994m

Section 3994m establishes achievement guarantee contracts and provides for the payment of state aid from the appropriation under s. 20.255 (2) (cu). Under the program, the school board of a school district in which a school had an enrollment that was at least 50% low-income in the prior year is eligible to sign a contract with the Department of Public Instruction (Department of Education effective January 1, 1996) on behalf of one school in the district which had an enrollment that was at least 30% low-income in the previous year. The school board of the Milwaukee Public Schools may sign contracts on behalf of up to 10 schools. The contract shall require the school board to reduce class size in at least grades K-3 between the 1996-97 and 2000-01 school years, collaborate with the community in certain ways, review and modify curriculum, change staff development and accountability, and make other modifications to participating schools.

I am partially vetoing section 3994m to modify the contract requirements for curriculum in the participating schools. Under s. 118.43 (c) 1., I am vetoing certain curriculum requirements to focus resources on improving academic

achievement. I object to these curriculum requirements because, while encouraging students to appreciate cultural diversity is important, the first priority of all schools must be academic achievement.

The effect of this partial veto is to limit the required components of achievement guarantee contracts, as they relate to curriculum, to improving the academic achievement of pupils in participating schools.

6. Compulsory School Attendance

Section 3941m

Section 3941m amends the requirements for compulsory school attendance under s. 118.15. This section would allow any child who is 16 or older, with the approval of his or her parent or guardian, to be excused by the school board from regular attendance if the child is employed full-time or is participating in an adult apprenticeship program under ch. 106.

I am vetoing section 3941m because, while the intent of the provisions in this section has merit, I am convinced the issues of compulsory school attendance and alternatives available for children need further study. Therefore, I plan to establish a task force to examine these issues and make recommendations for possible action.

7. Maximum Allowable Revenue Increase

Section 4112m

Section 4112m limits school district revenues in the 1997-98 school year and any school year thereafter. In 1997-98, school district revenues per member may not increase by more than \$206, adjusted for the increase in the consumer price index for urban consumers between the preceding March 31 and the second preceding March 31. In the 1998-99 school year and thereafter, the limit on the increase in revenue per member is the previous school year's limit, adjusted for the increase in the consumer price index for urban consumers between the preceding March 31 and the second preceding March 31.

I am partially vetoing this section to eliminate the inflationary adjustment to the allowable increase of \$206 per member in school district revenues in 1997-98, 1998-99 and any school year thereafter. The effect of this veto is to provide an increase of \$206 per member in school district revenues in the 1996-97 school year and any school year thereafter. I object to the inflationary increase in the \$206 amount because, with the state's commitment to providing two-thirds of school district revenues, it is not fiscally prudent to increase this amount by formula. It is more appropriate for this amount to be reviewed during the development of future state budgets.

8. Certification of Athletic Associations

Sections 3866m and 3997 [as it relates to s. 115.32]

Section 3866m requires the Department of Public Instruction (the Department of Education effective January 1, 1996) to certify school athletic associations, requires that the associations allow private schools to join in order to be certified and prohibits public schools from being members of non-certified associations. It also provides for the appeal of

decisions made by school athletic associations to the department. Section 3997 [as it relates to s. 115.32] extends the provisions of s. 115.32 to the Milwaukee Public Schools.

I am vetoing section 3866m and partially vetoing section 3997 [as it relates to s. 115.32] because it is not the role of state government to regulate school athletic associations in this manner. This section would create a new, unnecessary level of state oversight of local school activities. The effect of this veto is to maintain the current relationship between athletic associations and the department.

9. Definition of a School Bus

Sections 4080g, 4080m, 6409m and 6416v

Sections 4080g, 4080m, 6409m and 6416v modify the definitions of school buses and motor vehicles which may be used as alternatives to school buses. Section 4080g increases the maximum number of passengers from 9 to 15 that may be transported by a school board or a private school using a motor vehicle which is an alternative to a school bus. Section 4080g also requires that a school board or private school request the approval of the Secretary of Transportation to transport 16 or more passengers using an alternative to a school bus. Current law requires such a request to transport 10 or more passengers. Section 4080m increases the maximum number of passengers from 9 to 15 for a vehicle which is required to meet certain insurance standards under s. 121.555 (2) (a). Section 6409m amends the definition of a school bus by defining it as a vehicle which carries 16 or more passengers rather than 10 or more passengers. Section 6416v increases the passenger-carrying capacity of a school bus which is not required to have a mirror under s. 347.40 (2) from 9 persons (including the operator) to 15 persons (in addition to the operator).

I am vetoing these sections because they do not result in a workable definition of a school bus when considered in conjunction with other state and federal requirements. In addition, the modifications contained in AB 150 may reduce the safety of pupils being transported. The effect of the veto of these sections is to maintain the current definition of a school bus and the current alternative transportation methods available to school districts and private schools. I am open to revising state regulations of school buses and would support continued discussions of proposals to address the concerns of all parties.

10. Earmarking of Operations Funding

Section 9145 (15e)

Section 9145 (15e) requires the Department of Public Instruction (Department of Education effective January 1, 1996) to allocate \$741,100 GPR from its operations appropriation under s. 20.255 (1) (a) in fiscal year 1996–97 to fund the positions specified under s. 115.28 (30) of the statutes.

I am vetoing section 9145 (15e) because it is unnecessary and limits the department's flexibility. Section 115.28 (30) requires that the department provide the positions for which the funds are earmarked and therefore ensures that the vocational education consultants will be in the department and funded as necessary. Allocating a specific dollar amount

for the positions in addition to the requirements under s. 115.28 (30) limits the department's ability to fund the required positions at the amount actually needed during fiscal year 1996–97. Staff departures or changes in the pay range of employes in these positions may change the amount of funding necessary, and continuing to allocate a fixed dollar amount will limit the department in adjusting to such circumstances. The effect of this veto is to eliminate the allocation of \$741,100 in fiscal year 1996–97 for the positions. The vocational education consultant positions will continue to be required under s. 115.28 (30).

11. Modifications to Cooperative Educational Service Agencies

Sections 3922c [as it relates to s. 116.032 (4)], 3922g and 3924m

These sections are part of the revisions made to chapter 116 of the statutes in this bill regarding Cooperative Educational Service Agencies (CESAs). Section 3922c establishes the conditions under which a board of control of a CESA may contract for the purpose of providing services or programs to pupils. Section 3922g establishes the qualifications and responsibilities of the agency administrator. Section 3924m amends the process for a board of control of a CESA to purchase, hold, encumber and dispose of real property.

I am partially vetoing section 3922c. I object to a state-imposed limitation on school districts being able to contract with the CESA of their choice for services. The effect of this veto is to continue to allow this issue to be decided by CESAs and the school districts which comprise them.

I am partially vetoing section 3922g to remove the requirement that the person appointed by the CESA board of control as agency administrator be licensed or eligible to hold a license as a school administrator. I object to this provision because it limits the flexibility of boards of control to select administrators which best suit their needs. This will apply to all CESA boards of control.

Finally, I am vetoing section 3924m because I object to easing the current requirements for the board of control of a CESA to purchase, hold, encumber or dispose of real property. The statutes currently establish appropriate processes and authority for boards of control regarding real property. The effect of this veto is to maintain current law in this area.

12. Charter School Notification

Section 9145 (1) (b) [as it relates to s. 118.40 (1)]

Section 9145 (1) (b) [as it relates to s. 118.40 (1)] provides that wherever the term "state superintendent" appears in chapters 115 to 121 of the statutes as affected by the acts of 1995, the term department is substituted effective January 1, 1996, except for sections 118.40 (1) and 118.43 (5) (b). The exception under s. 118.40 (1) requires that school boards notify the state superintendent of public instruction when they intend to establish a charter school and provide a description of it to him or her.

I am partially vetoing this section to transfer the notification requirement under s. 118.40 (1) from the state superintendent to the Department of Education effective January 1, 1996.

Receiving these notifications is an administrative task which is more appropriately assigned to the department rather than the state superintendent. The state superintendent will have access to the information submitted by school boards to the department.

13. Charter School Petitions

Section 3984m

Section 3984m requires that charter school petitions under s. 118.40 (1m) (b) and charter school contracts under s. 118.40 (3) include quantifiable performance improvement standards.

I am vetoing this section because it imposes state requirements on charter schools that are not imposed on other schools by the state. School boards that open new schools which are not charter schools are not subject to this requirement. The effect of this veto is to maintain the current authority of school boards to include performance standards in contracts with charter schools under s. 118.40 (3) without requiring those standards.

14. Restrictions on MPS Contracting for Educational Services

Section 4010

Section 4010 provides that the board of directors of the Milwaukee Public Schools (MPS) may contract with any nonprofit, nonsectarian private school or agency located in the city of Milwaukee to provide educational programs to pupils enrolled in the school district. The section also establishes requirements for the board and private schools and agencies operating under it.

I am partially vetoing section 4010 because I object to the requirement that the board may only contract with nonprofit schools and agencies. This partial veto will allow the MPS board of directors to consider a wider range of schools and agencies with which to contract within the requirements of the section and should lead to improved services for pupils and parents in the school district.

15. Handicapped Education Aid Reimbursement

Section 3909

Section 3909 amends the statutory reimbursement rate under s. 115.93 (1) for costs related to school age parents programs and transfers the responsibility for administering the aids from the state superintendent to the Department of Public Instruction (which becomes the Department of Education effective January 1, 1996). The statutory reimbursement rate is increased from 63% to 100%, with payment made (as under current law) from the appropriation for aids for handicapped education.

I am partially vetoing this section to maintain the current 63% reimbursement rate for certified costs because that was the intent of the Legislature. The repeal of the 63% reimbursement rate was included in a provision of AB 150 which was subsequently removed by the Legislature. This portion of that provision inadvertently remained in the bill.

Through the use of this partial veto, I am making a technical correction to the bill.

16. Public Instruction — Technical Correction

Section 9445 (1) [as it relates to s. 48.48 (4)]

Section 9445 (1) [as it relates to s. 48.48 (4)] makes the treatment of s. 48.48 (4) effective January 1, 1996.

I am partially vetoing this section to make a technical correction to the enrolled bill regarding the State Superintendent of Public Instruction. Effective dates are provided in sections 9426 (19t) and 9445 (1) for s. 48.48 (4). The effect of this veto is to clarify that the effective date of July 1, 1996, under section 9426 (19t) is the correct date.

STATE HISTORICAL SOCIETY

17. Budget Efficiency Measures

Section 9128

This section requires the State Historical Society to submit a report for approval by the Joint Committee on Finance (JCF) recommending how savings of \$49,000 GPR in fiscal year 1995–96 and \$250,700 GPR in fiscal year 1996–97 will be allocated among the society’s general purpose revenue appropriations.

I am vetoing this section to remove the requirement for approval by the JCF and provide the society with greater flexibility in determining appropriations to be reduced to achieve the targeted savings. Further, I am vetoing this section because the language adding further reductions to the reductions recommended in my budget proposal may not accurately reflect legislative intent. While I am unable to restore the correct amounts in the society’s appropriations, it is my intent that the State Historical Society work with the Legislature to address this concern.

UNIVERSITY OF WISCONSIN SYSTEM

18. University of Wisconsin Hospital and Clinics — Agreement Approval Process

Sections 6301 [as it relates to s. 233.04 (4m), (7g) and (7p)] and 9159 (2) (k)

These provisions establish a process for the Joint Committee on Finance (JCF) to review and approve the initial lease, affiliation and contractual services agreements to create the University of Wisconsin Hospitals and Clinics (UWHC) Authority and any subsequent modification, extension or renewal of these agreements.

I am partially vetoing section 9159 (2) (k) because, while the JCF should have responsibility for reviewing these agreements, the Governor is charged under s. 13.10 (4) with the authority to approve or object to the actions of the JCF. The effect of the veto will be to restore the Governor’s authority under s. 13.10 (4) with regard to the review of the lease, affiliation and contractual services agreements related to the newly created UWHC Authority.

Further, section 6301 creates the JCF approval process for any modification, extension or renewal of these agreements as a 14 working day passive review, with no gubernatorial

involvement. If the JCF doesn't object, the modification, extension or renewal is implemented.

I object to this process because changes should not be made to the initial lease, affiliation or contractual services agreements without formal gubernatorial involvement. The Governor and the JCF should both have a role in reviewing any future revisions or extensions to any of the initial agreements. Therefore, I am vetoing the passive review process established in the bill for any future modification, extension or renewal of the lease, affiliation or contractual services agreements so that approval is an action considered under s. 13.10.

19. Distribution of Efficiency Measures Reductions

Section 9157 (5)

This provision requires the University of Wisconsin System to submit a plan to the Joint Committee on Finance identifying the programs, positions and expenditure categories to be reduced or eliminated to generate GPR savings from budgetary efficiency measures in the 1995–97 biennium. The provision directs that reductions be distributed proportionately among the campuses, Extension and System Administration based on the fiscal year 1994–95 GPR budget.

I am partially vetoing this provision to eliminate the mandate that reductions be distributed proportionately based on the GPR budget, because the University System should have the flexibility to administer the reductions in a manner determined by the Board of Regents. Given the timing involved, I request the UW System to distribute reductions proportionately for fiscal year 1995–96. However, the UW System should not be statutorily required to act in this manner.

20. Student Application Fee Initial Applicability

Section 9357

This provision establishes an initial applicability date of the Fall 1996 semester for the student application fee increase. I am vetoing the provision because it creates logistical problems for the UW System in implementing the fee increase. Application materials reflecting the new fee have already been printed by the UW System, which assumed an initial applicability of Fall 1995. While the UW System should have checked the initial applicability of the fee increase prior to printing these materials, it is too late to make changes. The veto will make the fee increase take effect immediately.

However, I believe students should not bear any unnecessary extra cost from this provision. Therefore, I am requesting that all funds generated from the \$3 application fee increase related to the 1995–96 academic year be credited against the overall tuition increase for the 1996–97 academic year.

B. ENVIRONMENTAL AND COMMERCIAL RESOURCES

AGRICULTURE, TRADE AND CONSUMER PROTECTION

1. Board of Agriculture, Trade and Consumer Protection Membership

Sections 121x and 9104 (5q)

These provisions change the composition of the membership of the Board of Agriculture, Trade and Consumer Protection (DATCP) to reflect the increased responsibility of DATCP in consumer protection affairs. The membership would stay at seven members, but one member with a background in agriculture would be replaced by a member with a consumer protection background.

I am partially vetoing this provision to delete the replacement of a member with an agricultural background because of the importance of agriculture to Wisconsin's economy. Instead of maintaining the current size of the board, my veto will increase the board membership by one, reflecting the greater importance of DATCP as a state agency and its expanded role in consumer protection issues.

2. Proportional Funding of Agrichemical Clean-Up Grants

Section 3574q

This provision requires that reimbursement grant payments for agrichemical spills be funded from both GPR and SEG dollars in proportion to the amount that each source contributes to total program funding.

I am vetoing this provision because it will allow no flexibility in grant funding should the proportion of source dollars be modified. This objective can be achieved through administrative procedures without the need for a statutory restriction. I am requesting the Department of Administration Secretary to utilize the authority under s. 16.52 to ensure that agrichemical management fund SEG and GPR dollars are expended for agrichemical spill reimbursement grant awards in proportion to their contribution to the total funding for the program. This veto will accomplish the intended goal of the provision while providing necessary flexibility in program funding should compelling reasons justify a future change.

3. Agricultural Drainage Districts

Sections 3529m, 3530g, 3530r, 9142 (9z) and 9342 (14z)

These sections require drainage boards to obtain a Department of Natural Resources (DNR) permit under the special procedures in cases affecting navigable waters (s. 88.31) for drainage work undertaken in navigable waters within a drainage district. These sections also allow any drainage board or person within a drainage district that is currently seeking a permit to choose to obtain a permit under the special procedures in cases affecting navigable waters. Under the s. 88.31 procedures, DNR must follow prescribed timelines for issuing the permit and, in addition to environmental criteria, DNR must consider the duties of the drainage board and the needs of the landowners to maintain district dams.

I am vetoing these sections because these changes would create additional procedures and hearing processes related to drainage work that are unnecessary. While I recognize the need to ensure timely resolution of requests for drainage work, narrowing the options for drainage boards to this specific process is unnecessarily cumbersome. I am requesting the Department of Natural Resources to ensure that requests of this nature are processed within reasonable timelines without overly burdensome requirements.

DEVELOPMENT

4. Development Opportunity Zone Day Care and Environmental Remediation Credits

Sections 3377m, 3377r, 3407m and 3407r

These provisions create a day care and environmental remediation tax credit for individuals and insurance companies located in development opportunity zones.

I am partially vetoing these provisions because development opportunity zones only apply to regular (C) corporations and not to individuals and insurance companies. This veto clarifies the statutes and will ensure that the new enterprise development zone program can be successfully implemented.

5. Safety and Buildings — Technical Correction

Section 9430 (4) [as it relates to the effective date for amending s. 626.12 (13)]

Section 9430 (4) [as it relates to the effective date for amending s. 626.12 (13)] refers to the effective date associated with the transfer of the Division of Safety and Buildings from the Department of Industry, Labor and Human Relations to the Department of Commerce.

I am partially vetoing section 9430 (4) [as it relates to the effective date for amending s. 626.12 (13)] to remove the number “1” to change the paragraph citation from s. 626.12 (13) to s. 626.12 (3) in order to correct a technical drafting error.

NATURAL RESOURCES

6. Financial Hardship Assistance Grants

Sections 4226 and 4253b [as it relates to financial hardship assistance grants]

Section 4226 decreases the minimum amount that a community must pay for clean water fund eligible projects from 30% to 10% of the project costs. Section 4253b [as it relates to financial hardship assistance grants] provides that the Department of Natural Resources shall provide financial hardship assistance in the form of a grant of up to 90% of eligible project costs and no-interest or low interest loans so that estimated total annual wastewater treatment charges per residential user in the municipality do not exceed 2% of the median household income in the municipality, if possible.

I am vetoing section 4226 and am partially vetoing section 4253b [as it relates to financial hardship assistance grants] because this high level of grant assistance will sharply curtail the number of communities that will be able to receive

financial hardship assistance through the clean water fund. By returning to current law, grants may still be provided to municipalities eligible for hardship assistance at a 70% maximum level and may be combined with no-interest or low-interest loans in order to bring wastewater treatment charges per residential user in the municipality down to 2% of municipal median household income. This veto will greatly increase the number of communities that can benefit from the clean water fund’s financial hardship provisions while maintaining a significant level of state assistance for hardship projects.

7. Advance Funding Grants for Plans and Specifications

Section 4253b [as it relates to advance funding grants for facility plans and project plans and specifications]

Section 4253b [as it relates to advance funding grants for facility plans and project plans and specifications] provides for advance funding grants of up to 50% of costs (up to \$20,000 for facility plans and \$40,000 for project plans and specifications) for projects eligible under the clean water fund financial hardship assistance program. These grants are given first priority in the distribution of financial hardship assistance each fiscal year.

I am partially vetoing this section to eliminate the advance grants for facility plans and project plans and specifications because these grants may be awarded to communities whose projects will never be completed. This could occur through a number of circumstances including a decision by a municipality to discontinue a project, or a low environmental priority score and corresponding low placement on the funding priority list. The result would be that significant funds would be expended for plans and specifications that would never be utilized. The supply of funds through the financial hardship program is very limited in relation to demand. Placing advance planning grants ahead of project funding further curtails fund availability for actual construction costs. Therefore, I am vetoing this provision to ensure that communities which have proceeded to the construction phase can receive funding to complete those projects as soon as possible.

8. Clean Water Fund Loan Interest Rates

Sections 4247b, 9342 (11g) and 9442 (8)

These sections establish the interest rates for each level of clean water fund financial assistance as follows: Tier 1 – 50% of market interest rate; Tier 2 – 70% of market interest rate; and Tier 3 – market interest rate. Eligibility for each tier is dependent upon the need and uses for a community’s wastewater treatment project.

I am vetoing sections 4247b and 9342 (11g) and partially vetoing section 9442 (8) because they reduce the Tier 1 interest rate from 55% of market interest rates to 50%, which will result in increased costs for financial assistance under the program and will not appreciably change the interest municipalities pay under the program. Increasing the extremely favorable subsidy under current law will require the state to increase the amount of general obligation debt (paid for with general purpose revenue). This is not a prudent course of action given the increased demand on the general fund both in this and future biennia.

9. Public Intervenor Board

Sections 94c and 166c

These sections establish an eight member public intervenor board attached to the Department of Natural Resources. Two members each are nominated by the Governor and Attorney General and with the advice and consent of the Senate are appointed, and one member each is appointed by the majority and minority leaders of each house.

I am vetoing section 94c and partially vetoing section 166c to replace the Attorney General's nominations with nominations made by the Governor and to allow direct appointment of two members by the Governor because the public intervenor's office is no longer attached to the Department of Justice. Since the policy-setting functions for actions by the public intervenor are now the responsibility of the Governor and the Legislature, the authority to appoint the public intervenor board should reflect this change.

10. Fish and Wildlife Account Expenditure Reduction Plan

Section 9142 (10h)

This section requires the Department of Natural Resources to submit a plan to reduce expenditures from the conservation fund that relate to fish and wildlife management so that the expenditures will not exceed revenues deposited during the 1995-97 biennium. This plan is then subject to a 14 working day passive review by the Joint Committee on Finance.

I am vetoing this section because it is unnecessary. The Departments of Administration and Natural Resources have sufficient authority and responsibility under current law to ensure that expenditures will not exceed revenues from the fish and wildlife account of the conservation fund.

11. Heritage State Parks and Forests Trust Fund

Section 1405e

This section establishes a Heritage State Parks and Forests trust fund consisting of revenues from gifts to the trust fund, from utility easements on property located in the state park system, southern state forests or state recreation areas and moneys that are not fees that are received for rental of real property or equipment that is part of the state park system, southern state forests or state recreation areas. These revenues may then be disbursed by the Department of Natural Resources in grants to qualified friends groups for operation and maintenance of state parks.

I am partially vetoing this section to remove the deposit of revenues from rental of real property and equipment into the Heritage State Parks and Forests trust fund because it limits the administrative flexibility of the Department of Natural Resources to allocate these funds based on priority needs. There is currently an appropriation that collects these revenues for maintenance expenditures within the entire state park system. A reallocation of these revenues to a trust fund is unnecessary.

12. Nonresident Sports and Conservation Patron Licenses — Technical Correction

Section 9442 (9)

Section 9442 (9) establishes effective dates for statutory changes related to creation of a nonresident sports and conservation patron license.

I am partially vetoing this section to remove the reference to Section 1589 in the amendment of section 29.092 (13) (b) (by Section 1589) because Section 1589 does not exist in the bill. This will correct a technical drafting error.

STATE FAIR PARK BOARD

13. Youth and Athlete Facility

Sections 1965c, 1966j and 9152 (1x)

Sections 1965c and 1966j permit the youth and athlete facility at State Fair Park to be used only by participants in activities at State Fair Park, athletes and trainers using the Olympic ice training center, and chaperones of those athletes.

Section 9152 (1x) requires the State Fair Park Board and the Department of Administration to jointly submit a report outlining the most cost effective construction options for the youth and athlete facility at State Fair Park to the Joint Committee on Finance. The State Fair Park Board may not proceed with the construction of the youth and athlete facility without approval of the construction option report by the Joint Committee on Finance.

I am vetoing sections 1965c and 1966j because they limit the use of the youth and athlete facility before details regarding construction and financing of the facility have been finalized. I am requesting the Department of Administration and the State Fair Park Board to work with interested parties regarding use of the facility. Prior to final construction of the facility, this process should result in clear guidelines that ensure the youth dorm does not benefit the State Fair Park or the Pettit National Ice Center at the expense of private businesses in the area.

I am vetoing section 9152 (1x) because the Legislature has statutorily entrusted state building construction decisions to the Building Commission, which has the experience and staff to evaluate construction options. The present system for review of construction projects has worked well and is often considered a model by other states. A second review by the Joint Committee on Finance would result in delays and a duplication of effort.

14. Memorandum of Understanding Approval

Section 9152 (1t) (a) and (c)

This provision requires the State Fair Park Board and the Department of Natural Resources to submit, for approval, a memorandum of understanding regarding termination of a lease arrangement to the Joint Committee on Finance by January 1, 1996.

I am partially vetoing section 9152 (1t) (a) and vetoing section 9152 (1t) (c) because these changes create an unnecessary level of review on an administrative matter. I am requesting the Department of Administration Secretary to ensure that the

agreement between the State Fair Park Board and the Department of Natural Resources complies with the requirements stipulated in section 9152 (1t) (b).

UNIVERSITY OF WISCONSIN – EXTENSION

15. Funding for Recycling Market Development Education and Technical Assistance

Section 473 [as it relates to s. 20.285 (1) (tb)]

Section 473 [as it relates to s. 20.285 (1) (tb)] provides Recycling Fund SEG of \$519,200 in fiscal year 1995–96 and \$557,000 in fiscal year 1996–97 for 8.0 FTE positions to develop an education and technical assistance program for recycling market development. Although there is no language in the budget bill that authorizes this increase, funding for this purpose was included in a Joint Committee on Finance budget motion.

I object to the creation of 8.0 permanent FTE positions for this purpose. While education and technical assistance for recycling market development are valuable objectives, a program supported by new permanent staff is inappropriate in light of the reductions being made to existing staff in the majority of state agencies. In addition, the UW–Extension has been directed to prepare a study by October 1, 1996 as to the feasibility of transferring recycling market development functions to a private business entity. Establishing a permanent state program in an area that may be transferred to the private sector in the future is not prudent. Since the authority for the UW–Extension to develop a recycling market development technical assistance program is retained, the Recycling Market Development Board could choose to contract with UW–Extension on an interim basis for these purposes. By lining out the UW–Extension’s s. 20.285 (1) (tb) appropriation and writing in a smaller amount that deletes the \$519,200 SEG in fiscal year 1995–96 and \$557,000 SEG in fiscal year 1996–97, I am vetoing the part of the bill that funds these 8.0 FTE positions. I am also requesting the Department of Administration Secretary not to allot these funds.

16. Recycling Market Development Board Membership

Sections 112d, 112e, 112f and 112g

These sections change the membership of the Recycling Market Development Board by eliminating the representatives from the Departments of Natural Resources and Development and reducing the number of members representing responsible units from six to four.

I am partially vetoing section 112d and vetoing sections 112e, 112f and 112g in order to maintain the board’s current composition. The Department of Natural Resources has direct responsibility and interest in the area of recycling and the Department of Development has a primary mission to develop and promote economic markets for all types of business, including recycling. Therefore it is appropriate that a representative from these departments be retained on the board. In addition, responsible units of government should maintain their level of representation in order to recognize the great diversity in the size and scope of recycling programs and levels of technical expertise.

C. GOVERNMENT OPERATIONS AND JUSTICE

ADMINISTRATION

1. Sponsorship for State Publications

Section 9159 (14h)

Section 9159 (14h) requires each executive branch agency (excluding the Building Commission) to submit to the Department of Administration (DOA) Secretary by January 1, 1996 a report which describes the following: (1) the documents and other materials published by the agency and bulk mailings of such materials; (2) the appropriateness of and feasibility of securing sponsorship for such items; and (3) the specific types of sponsorship for these items. This section also requires the DOA Secretary to examine the reports and report to the Legislature concerning any legislative proposals that may be required to implement recommendations of the DOA Secretary concerning sponsorship of state publications.

I am partially vetoing section 9159 (14h) to delete the January 1, 1996 deadline for executive branch agencies to submit their reports to the DOA Secretary because this issue will require a significant commitment of staff time during a period of increasing workloads and limited resources for all state agencies.

2. Joint Committee on Finance Approval of Federal Block Grants

Sections 16g and 303m

Sections 16g and 303m require the approval of the Joint Committee on Finance (JCF) under section s. 13.10 prior to the allocation and expenditure of funds received as part of a federal block grant.

I am vetoing these sections in their entirety to remove the requirement that the JCF approve under s. 13.10 the allocation and expenditure of funds received as part of a federal block grant because this process will significantly delay the expenditure of critical grant funds, particularly in the human service areas. Further, I am concerned that this provision is drafted in a broad manner which could require all federal grant funds to be approved by the JCF. My veto will retain current law with regard to the allocation and expenditure of federal grants received by the state.

3. Commission on Privatization

Section 9201

Section 9201 provides that if the funds appropriated under s. 20.505 (3) (a) are not sufficient to fund the operation of the Commission on Privatization, the Department of Administration (DOA) Secretary shall transfer sufficient funds from the appropriation under s. 20.505 (1) (a) to the appropriation under s. 20.505 (3) (a) to provide for the operation of the commission.

I am vetoing section 9201 in its entirety because it is unnecessary for DOA to fund the operation of the

commission. I believe that any funding needed above that being appropriated under s. 20.505 (3) (a) should be raised from private sources through the commission's authority to receive and expend gifts and grants.

4. National and Community Service Board

Sections 115, 116, 117, 146, 147, 148, 148m, 280, 281, 282, 473 [as it relates to s. 20.445 (1) (jc), (o) and (pe)], 1077, 1082, 1083, 9101 (1) and 9445 (1)

These provisions transfer the National and Community Service Board (NCSB) from the Department of Administration (DOA) to the Department of Industry, Labor and Human Relations.

I am vetoing these provisions to retain the administrative attachment of the NCSB to DOA because the NCSB is currently functioning effectively while attached to DOA and the stability of the NCSB and its programs should be maintained. My veto will maintain the current appropriations for the NCSB in DOA. I am also requesting the DOA Secretary to allot the funds approved by the Legislature in fiscal years 1995–96 and 1996–97 (\$212,700 FED annually) for the administration of the NCSB to the existing appropriation under s. 20.505 (4) (o), National and community service board; federal aid for administration.

5. Information Technology Strategic Planning

Sections 32m, 415, 419 and 1762x

Section 32m requires the Joint Committee on Information Policy (JCIP) to review the information technology (IT) strategic plans submitted to the JCIP by the Department of Administration (DOA), the Board of Regents of the University of Wisconsin System (UW), the Joint Committee on Legislative Organization (JCLO) and the Director of State Courts and to transmit comments to DOA, the UW, JCLO and the courts concerning their strategic plans.

Section 415 requires each executive branch agency, other than the UW, to adopt, revise biennially and submit to DOA a strategic plan for the utilization of IT to carry out the functions of the agency. Each plan is required to address the following: (1) the business needs of the agency; (2) all resources that the agency desires to acquire; (3) the priority for such acquisitions; and (4) the justification for such acquisitions.

Section 419, which generally outlines the process for distributing grants from the Information Technology Investment Fund, also includes a cross-reference to a change made in section 1762x related to the strategic planning process for the UW.

Section 1762x requires the UW to adopt, revise biennially and submit to the cochairpersons of the JCIP, the Governor and the Secretary of DOA a strategic plan for the utilization of IT to carry out the functions of the UW. The plan is required to address the following: (1) the business needs of the agency; (2) all resources that the agency desires to acquire; (3) the priority for such acquisitions; and (4) the justification for such acquisitions.

I am vetoing section 1762x in its entirety and partially vetoing sections 32m, 415 and 419 to: (1) remove the exemption of

the UW from the strategic planning process for all other executive branch agencies; and (2) delete the requirement that the UW submit a separate strategic plan to the DOA Secretary, the Governor and the JCIP. I am vetoing these provisions because the UW is an executive branch agency which utilizes a significant amount of IT resources and should be treated in the same manner as all other executive branch agencies. Further, I believe there should be a single, comprehensive statewide strategic plan that includes all state agencies, including the UW. Chapter 16 currently requires DOA to generally administer IT responsibilities for all of state government and to formulate a consistent statewide strategic plan for the use and application of IT. Therefore, it is appropriate for DOA to prepare and submit a statewide strategic plan which incorporates the individual plans of all state agencies to the JCIP and the Governor.

6. Information Technology Budget Plan

Section 288r

Section 288r requires the Department of Administration to submit to the Joint Committee on Finance in March of each odd-numbered year separate budget plans for each agency containing the following information: (1) the level of information technology (IT) expenditures in the current biennium, and the amount requested for the next biennium on IT improvements; (2) an evaluation of how the proposed expenditures would comply with the statewide IT strategic plan; and (3) a recommendation for each agency on a funding level for the next biennium based on the agency's IT plan and the statewide strategic plan.

I am vetoing section 288r in its entirety because it is inappropriate to separate IT issues from state agency biennial budget issues, as both are interdependent and essential mechanisms for managing state government. Further, I believe there are procedures already in place at the administrative level to ensure that IT expenditures are carefully analyzed and monitored. However, I recognize that IT is an important and rapidly evolving subject with significant impacts on state government. Therefore, as was the case with the 1995–97 biennial budget, I intend to continue to highlight IT projects in the presentation of future biennial budgets.

7. Temporary Reallocation of Program Revenues

Sections 422, 467 and 467m

These provisions permit the Department of Administration (DOA) Secretary to propose to the Joint Committee on Finance (JCF) the temporary reallocation of funds from any program revenue–service (PR–S) account under s. 20.505 to the Information Technology Investment Fund. The reallocation may not be made until it has been approved by the JCF through a 14 day passive review process.

I am vetoing these provisions because they are unnecessary. Under s. 20.002 (11), the DOA Secretary already has the authority to temporarily reallocate funds from any general fund or segregated fund account to any other general fund or segregated fund account, and is required to report such temporary reallocations to the Legislature under the provisions of s. 20.002 (11).

8. Procurement of Information Technology Services

Section 9101 (21ho)

Section 9101 (21ho) requires the Department of Administration to submit, no later than January 1, 1996, to the cochairpersons of the Joint Committee on Information Policy proposed legislation that: (1) provides for speedier and more flexible competitive procedures for state procurement of information technology equipment, systems and services; (2) establishes terms and conditions under which an agency that is required to procure computer services from the Division of Information Technology Services under s. 16.78 (1) of the statutes may instead procure services from a private vendor; and (3) limits the application of services provided under section 16.76 (4) of the statutes to telecommunications services.

I am partially vetoing this section to eliminate the specific areas that the proposed legislation must address because I believe that the department should have the flexibility to propose any changes in the information technology procurement process that it determines would provide speedier and more flexible competitive procedures for state procurement of information technology equipment, systems and services. I am also vetoing the January 1, 1996 deadline for submitting the proposed legislation to the Joint Committee on Information Policy because this is a complex issue that will require a significant commitment of staff time during a period of increasing workloads and limited resources for all state agencies.

9. Contract Administration Fee

Sections 400r, 1420, 3515m, 3519g, 3519i, 3524m and 9101 (2)

Section 400r requires the Department of Administration (DOA) to: (1) prescribe by rule a contract administration fee to be paid by persons who contract with the department to provide engineering or architectural services or to perform construction work; (2) deposit all revenues received from this fee to the Information Technology Investment Fund; and (3) promulgate rules providing for administration and collection of the contract administration fee, and exemption of any class of contractors from payment of the contract administration fee if exemption of that class of contractors is in the best interests of the state.

Sections 3515m, 3519g, 3519i and 3524m apply the provisions of section 400r outlined above to highway construction, engineering, consulting, surveying and other specialized services contracts entered into by the Department of Transportation (DOT).

Section 1420 and Section 9101 (2) require the revenues collected specifically from applying the contract administration fee to the services listed in sections 400r, 3515m, 3519g, 3519i and 3524m to be deposited into the Information Technology Investment Fund.

I am vetoing sections 400r, 3515m, 3519g, 3519i and 3524m in their entirety and I am partially vetoing sections 1420 and 9101 (2) to eliminate the application of the contract administration fee to persons who contract with DOA to provide engineering or architectural services or to perform construction work, and persons who contract with DOT to perform highway construction, engineering, consulting, surveying and other specialized services. I am vetoing these provisions because application of this fee to contractors in these areas will restrict the ability of small and minority-owned firms to successfully compete for state projects and may jeopardize employment opportunities.

10. Educational Technology Board

Section 118m

This section identifies the nine members composing the Educational Technology Board (ETB), attached to the Department of Administration, which will be responsible for reviewing grant and loan applications for educational technology and distance education projects.

I am partially vetoing this section to remove the state superintendent of public instruction's responsibility for appointing to the ETB an employe of the Division for Libraries and Community Learning in the Department of Public Instruction. The effect of this veto will be to give appointing responsibility to the Governor, as authorized under s. 15.07 (1) (b), until January 1, 1996 when it will be assumed by the Secretary of the Department of Education.

I am also partially vetoing the provisions in this section related to the appointment authority of the State Director of the Technical College System; the Chairperson of the Public Service Commission; and the President of the University of Wisconsin System. The effect of the veto will be to retain the membership categories, but to give appointing authority to the Governor, as authorized under s. 15.07 (1) (b). Since the Governor is ultimately accountable for the success of the state's distance education initiative, to the extent possible the Governor should directly appoint a majority of ETB members.

BUILDING PROGRAM

11. Exchange of McNaughton Correctional Center Property

Section 9112 (2x)

Section 9112 (2x) provides that before July 1, 1996, the Department of Corrections shall transfer the McNaughton Correctional Center property to the Department of Natural Resources in exchange for state-owned land in the town of Lake Tomahawk, Oneida County, under the jurisdiction of DNR.

I am partially vetoing this section to remove the date of "before July 1, 1996." Replacement housing for the inmates at the McNaughton Correctional Center must be constructed before the property can be transferred over to the Department of Natural Resources. The partial veto corrects a timing problem and allows more flexibility to construct a replacement housing facility.

12. Use of Proceeds from Sale of Surplus Lands

Section 16m

This provision allows the Joint Committee on Finance, upon request from the Building Commission, to transfer from its appropriation under s. 20.865 (4)(a) not more than 50% of the moneys from the sale of state surplus property to the building trust fund.

I am partially vetoing this section to provide more flexibility to the Joint Committee on Finance to transfer more than 50% of the moneys from the sale of state surplus property to the building trust fund.

13. Central Wisconsin Center Laundry Facility

Section 9108 (1)

This section authorizes a \$684,000 project financed by general fund supported borrowing in the 1995–97 state building program for the replacement of laundry equipment at the Central Wisconsin Center for the Developmentally Disabled.

Currently laundry services at the Center are provided internally with state–owned facilities, with a small portion provided by Badger State Industries (BSI). My budget recommendations proposed transferring all laundry services from the Central Wisconsin Center and Mendota Mental Health Institute to BSI. This would have promoted a more efficient use of resources.

I am vetoing this provision and the bonding to replace laundry equipment because it is inefficient and inconsistent with efforts to save costs through consolidation.

CORRECTIONS

14. Prison Expansion Project

Section 9108 (7)

This provision prohibits the Building Commission from authorizing the contracting of public debt or the construction of a project identified as a “prison expansion project” which is enumerated in the bill at \$25,000,000 from general fund supported borrowing and \$50,000,000 from federal funds unless the state receives at least \$50,000,000 in federal funding for the project.

I am partially vetoing this provision because the \$50,000,000 minimum threshold for federal funding eliminates any flexibility for the Building Commission to proceed with a modified prison expansion project if a reduced amount of federal funding is received or if the federal funding is allocated, for example, over a five year period. Although it is my intent to defer the project until federal funding is available, my veto will delete the reference to “at least \$50,000,000,” which will allow the Building Commission to proceed with the project if any amount of federal funding is received.

15. Private Business/Prison Employment Program

Section 6384

This provision allows the Department of Corrections to select or enter into a space lease with no more than three private

businesses to employ prison inmates to manufacture products or components within the confines of a correctional institution only with the approval of the Joint Committee on Finance.

I am vetoing this provision because it severely restricts the ability of the Department of Corrections to find appropriate private businesses that would be compatible for manufacturing operations in a prison environment. This veto will eliminate the requirement that proposed businesses be approved by the Joint Committee on Finance. My original proposal to require the Department of Corrections to consult with appropriate trade organizations and labor unions prior to making a selection will be followed.

EMPLOYMENT RELATIONS DEPARTMENT

16. Unclassified Position Authorization

Section 6248m

This section eliminates an unclassified division administrator position within the Department of Employment Relations and reduces the number of unclassified division administrator positions authorized for the agency from four to three.

I am vetoing this section in order to retain the authority to appoint four unclassified division administrators because I believe this authority may be needed in the future.

The effect of this veto is to retain the statutory authority to appoint four unclassified division administrator positions within the department.

GOVERNOR’S OFFICE

17. Transfer of the Wisconsin Sesquicentennial Commission to the State Historical Society

Sections 47p, 47pg, 48m, 48n, 48ng, 48p, 48q, 72, 82, 88m, 91L, 209m and 1217m

These provisions transfer the Wisconsin Sesquicentennial Commission from its current attachment to the Office of the Governor to the State Historical Society.

I am vetoing these provisions because I believe the direct oversight of this activity should remain with the Governor. I support the additional authorities, appropriations and responsibilities given to the commission by the Legislature in this budget. These additions will not be operative as a result of this veto. However, I will support follow–up legislation necessary to accomplish their intent.

JUSTICE

18. Court–Awarded Settlements

Sections 473 [as it relates to s. 20.455 (1) (gm), 1014m, 3066, 3608, 4146 and 9336(1)]

Sections 3066, 3608, 4146 and 9336(1) allow the courts to award to the Department of Justice (DOJ) the reasonable and necessary costs of investigation and prosecution (including attorney fees) and an amount reasonably necessary to remedy the harmful effects of the violation in cases relating to medical assistance fraud, unfair trade practices and anti–trust violations. These provisions require DOJ to deposit all

money awarded under these sections in the general fund. These provisions also require that 10% of the money deposited in the general fund that was awarded for the costs of investigation and prosecution (including attorney fees) be credited to a new program revenue annual appropriation under s. 20.455(1)(gh). Finally, these provisions require that the money deposited in the general fund that was awarded to remedy the harmful effects of the violation be credited to a new continuing program revenue appropriation under s. 20.455(1)(gm).

Sections 473 [as it relates to s. 20.455(1)(gm)] and 1014m create a new continuing program revenue appropriation to receive legal settlement money awarded to the Department of Justice (DOJ) by the courts in cases relating to medical assistance fraud, unfair trade practices and anti-trust violations to be used to remedy the harmful effects of violations.

I am partially vetoing sections 473 [as it relates to s. 20.455(1)(gm)], 3066, 3608, 4146 and 9336(1) and vetoing section 1014m in its entirety, to remove the provisions that require that the money deposited in the general fund that was awarded to remedy the harmful effects of violations be credited to the appropriation under s. 20.455(1)(gm) because legal settlement money awarded to DOJ by the courts under these sections should be deposited into the general fund. I believe my partial vetoes are consistent with current law under s. 20.001(4).

The effect of this veto will be to increase GPR-Earned by \$281,800 in fiscal year 1995-96 and \$281,800 in fiscal year 1996-97.

19. District Attorney Computer Network

Sections 473 [as it relates to s. 20.455 (1) (g)], 1014e, 4460bp, 4460c, 4460d, 4460e, 4460em, 4460f, 4460g, 4460v, 9155, 9426(19t)] [as it relates to s. 165.87(1)(bn)] and 9436 (3h) [as it relates to ss. 20.455(1)(g) and 165.87 (1)(bd)]

Section 4460v requires the Department of Justice (DOJ) to maintain a district attorney computer network that provides district attorney offices with access to driver records from the Department of Transportation, access to criminal history records, ability to exchange legal information, use of electronic mail and access to statutory and attorney general opinion data bases. Sections 473 [as it relates to s. 20.455(1)(g)] and 1014e create an annual program revenue appropriation and provide \$213,700 PR and 2.0 FTE positions in the 1995-97 biennium to maintain a district attorney computer network. Further, Section 9155 requires the Department of Transportation (DOT) to provide a grant from federal highway safety funds in the amount of \$250,000 in fiscal year 1995-96 to DOJ for the purchase of computer equipment for the network.

I am vetoing sections 4460v, 473 [as it relates to s. 20.455(1)(g)] and 1014e to eliminate the requirement that DOJ maintain a district attorney network and the program revenue appropriation and related funding for staff to develop and maintain a district attorney network. I am also vetoing section 9155 to eliminate the requirement that the DOT

provide a grant to DOJ from federal highway safety funds for the purchase of computer equipment. I have vetoed these provisions because I believe the Department of Administration (DOA) should be responsible for automating district attorney offices statewide. The new Bureau of Judicial Information Systems (BJIS) within the Division of Technology Management in DOA will work closely with an advisory group to develop and maintain a computer network for district attorneys across the state. Resources will be available in BJIS to enable the project to expand well beyond its original scope and ensure that the network will be integrated with other state agencies within the justice system.

Finally, AB 150 increases the penalty assessment on court fines and forfeitures imposed for a violation of a state law or a municipal or county ordinance under s. 165.87(2)(a) by a percentage point (from 22% to 23%). Section 4460d is created to require that one twenty-third of all moneys collected from penalty assessments be used for maintenance of the district attorney computer network under s. 20.455(1)(g). Sections 4460bp, 4460c, 4460e, 4460f and 4460g change current law percentages related to the distribution of penalty assessment revenue to various state agencies.

While my vetoes retain the increase in the penalty assessment, I am partially vetoing sections 4460bp, 4460c, 4460e, 4460f, 4460g and vetoing sections 4460d, 4460em, 9426(19t) [as it relates to s. 165.87(1)(bn)], and 9436(3h) [as it relates to ss. 20.455(1)(g) and 165.87 (1)(bd)] entirely to retain the current law distribution of the penalty assessment revenue. Through my veto I am able to direct additional penalty assessment revenue to DOJ's law enforcement training fund to offset a deficit in s. 20.455(2)(i). The additional revenue is expected to generate \$400,000 during the 1995-97 biennium and a minimum of \$500,000 in future biennia in DOJ's law enforcement training appropriation to offset the deficit in this fund.

LIEUTENANT GOVERNOR'S OFFICE

20. Evaluation of Certain State Bodies for Possible Termination, Transfer of Functions or Continuation

Section 9159(6f)

This provision requires the Lieutenant Governor to submit to the Joint Committee on Finance no later than January 1, 1996 a report and two pieces of legislation which provide for the termination, transfer or continuation of 144 enumerated boards, commissions or councils on March 31, 1996.

I am partially vetoing this provision to provide the Lieutenant Governor more flexibility to complete this task. Specifically, my veto removes the January 1 and March 31 due dates. In addition, I object to the requirement of having the Lieutenant Governor submit two complete bills, one which sunsets or transfers functions of all 144 enumerated bodies and one which sunsets only those which are recommended for elimination or transfer. Therefore, I have partially vetoed this provision so that only one bill encompassing the Lieutenant Governor's recommendations is required to be submitted.

MILITARY AFFAIRS

21. Sales of Property for National Guard Tuition Grant Program

Sections 1029r and 1219j

Sections 1029r and 1219j require the proceeds from the sale of state-owned military property, real and personal, to be deposited into a newly created PR appropriation to offset GPR funding in the national guard tuition grant program.

I am vetoing section 1029r and partially vetoing section 1219j because proceeds from the sale of state-owned military property, real and personal, are needed by the agency to continue to operate and maintain the remaining military facilities. This veto does not affect the use of proceeds from sale of the Whitefish Bay Armory, which will be used to offset budgeted GPR in the tuition grant program.

MISCELLANEOUS PROVISIONS

22. Termination of Advisory Bodies to State Agencies

Section 77m, 77n, 77p, 1762z, 1775hi, 3849m, 3873m, 3934, 5239, 5239m, 6611m, 6923g, 6923h, and 9459(8f)

These sections require that each advisory body created by an agency head must terminate upon expiration of the term of the Governor in whose term the office was created.

I am vetoing these sections because I object to the automatic dissolution of councils and committees whose members serve without compensation. The agency head has ongoing authority to terminate these bodies if that is considered desirable.

23. Zero-Based Budgeting

Sections 288p and 288q

These sections require the Secretary of the Department of Administration to implement “zero-based budgeting” in state agencies.

Zero-based budgeting has been tried in several governmental jurisdictions around the country, including the federal government in the 1970s under President Carter. It has not been particularly successful at achieving its goals, which are to review all agency programs and spending each year from a base of zero, as a means to save money.

I am vetoing these sections because I believe implementation of zero-based budgeting would be costly, time-consuming and unproductive. My administration has successfully employed a reduced-base budgeting approach in all of my budgets which has produced a wide range of funding reallocation alternatives. Reduced-base budgeting asks agencies to submit budgets that indicate how they would reallocate their resources if they were required to spend at a level below their current year’s level (for example, at 95% of current year funding). This approach ensures that agencies will scrutinize their spending bases and develop proposals to reallocate spending from lower priority areas to higher priority areas, so they do not simply ask for spending increases. It thus accomplishes the goal of forcing agencies to

examine their spending bases in each budget, which is what zero-based budgeting is intended to do, but in a more effective manner.

I do not believe that the net results of zero-based budgeting would warrant the considerable additional effort and paperwork that would be required. I am, however, interested in having program performance measurement play a significant role in agency budget justifications and funding. Toward this end I will emphasize performance measures in my future budgets.

24. Budget Efficiency Measures Process

Sections 9126 (24x), 9136 (2) and 9145 (7)

These provisions establish a process to identify how certain budget reductions will be allocated. Many state agency budgets were reduced in AB 150. In most cases specific program reductions were identified with the associated dollar savings. However, in the budget I proposed, parts of the reductions for six agencies were taken from the agencies’ largest GPR appropriations without specifying what was to be cut. Instead, the agencies were directed to report to the Governor and the Joint Committee on Finance (JCF) on what they would cut and how the cuts would be allocated among appropriations. Any appropriation changes would need approval under s. 13.10 of the statutes.

The Joint Committee on Finance modified this procedure by requiring a total of nine agencies to report their proposed budget cuts to the Joint Committee on Finance only.

The reports required by the JCF must identify the programs, positions and expenditure categories to be reduced or eliminated and how the agencies would recommend allocating the reductions among appropriations. Further, the JCF’s reporting process is a 14 working day passive approval process, which may or may not have gubernatorial involvement. If the Joint Committee on Finance doesn’t object to an agency’s proposed reductions, they are implemented. If the committee objects, a meeting will be held to act on the proposal under s. 13.10.

I object to a process whereby budget reductions for any agency can be adopted without gubernatorial involvement. A decision to decrease funding for programs or services to the public is just as important as a decision to increase funding. My original budget provided a role for both the Governor and the Joint Committee on Finance in reviewing agencies’ proposals. Any changes to GPR appropriation totals proposed by the agencies would have required action by the committee under s. 13.10 under current law.

In order to provide for gubernatorial involvement in the reduction process, I am vetoing the passive review process established in the bill for the reports to be submitted by the Department of Justice and the Department of Public Instruction, so that approving these agencies’ reports is an action that must be taken under s. 13.10. This will establish a process under which reductions for all the agencies affected will have some degree of direct or indirect gubernatorial involvement.

In addition, I am partially vetoing Section 9126 (24x) [as it relates to the report for fiscal year 1996-97 for the

Department of Health and Social Services] to delete the requirement that the Department of Health and Social Services (DHSS) report by September 1, 1995 the way in which savings will be achieved in fiscal year 1996–97. I am partially vetoing this section due to the impact of the reorganizations which will affect DHSS in the second year of the biennium.

DHSS has begun a strategic planning process to prepare a reorganization plan to be submitted to the Governor by April 1, 1996. The reorganization plan will describe what the department will look like once the welfare, vocational rehabilitation and juvenile corrections functions have been transferred to other agencies. Given the significant impact of these reorganizations on the department, it is premature to ask the department to identify how the second year savings will be achieved when staff do not yet know the configuration of the new department. I strongly support the DHSS strategic planning effort and believe that process should be completed before savings are identified. As a result, I am vetoing the requirement that DHSS report on the second year savings by September 1, 1995. The fiscal year 1996–97 budget reduction is still in effect, but I am directing DHSS to submit the report to the Department of Administration and the Joint Committee on Finance in time for the fiscal year 1995–96 fourth quarter meeting of the committee under s. 13.10.

REGULATION AND LICENSING

25. Social Worker Training Certificate

Section 6620

This section creates a non-renewable social worker training certificate which allows a certificate holder to use the title “social worker” if the individual does the following: (1) submits evidence that is satisfactory to the Social Worker Section of the Examining Board of Social Workers, Marriage and Family Therapists and Professional Counselors documenting that they hold a bachelor’s degree in psychology, sociology, criminal justice or other human service field approved by the section; (2) submits a statement to the Social Worker Section that they are seeking to attain social worker degree equivalency while holding a social worker training certificate; (3) seeks to attain social worker degree equivalency by completing courses relating to social welfare policy and services; social work practice methods with individuals, families, small groups, communities, organizations and social institutions; and human behavior in the social environment, including human growth and development and social systems theory; (4) completes a human internship that involves at least 400 hours of direct practice with clients and that is supervised by a certified social worker who has a bachelor’s or master’s degree in social work, or one year of social work employment that involves direct practice with clients and that is supervised by a certified social worker who has a bachelor’s or master’s degree in social work; and (5) pays the relevant fee.

I am partially vetoing this section to delete the 400 hour minimum requirement for the human service internship because this requirement is onerous and reduces the hiring flexibility of employers of social workers, which is the

opposite impact that the creation of the social worker training certificate is intended to achieve.

26. Denial of Credential Renewal Applications Because of Liability for Delinquent State Taxes

Sections 3422m, 6567L and 6572c

Sections 3422m and 6567L require the Department of Regulation and Licensing (R&L) or the interested examining board or affiliated credentialing board to determine whether the applicant for renewal is liable for any delinquent taxes owed to this state.

Section 6572c requires R&L or the interested examining board or affiliated credentialing board to deny the applicant’s application for credential renewal in either of the following cases: (1) it has been determined that the applicant for renewal is liable for any delinquent taxes owed to this state; or (2) the applicant does not complete the information on the credential renewal form outlined in section 6567k. This section also requires R&L or the interested examining board or affiliated credentialing board to hold a hearing to review the denial if the applicant files a written request within 30 days of receiving notice that the application for credential renewal has been denied.

I am partially vetoing sections 3422m, 6567L and 6572c to delete references to the “interested examining board or affiliated credentialing board”. It is more efficient for the department to determine if an applicant for credential renewal is liable for any delinquent taxes owed to this state and to hold a hearing to review the denial if the applicant files a written request within 30 days of receiving notice that the application for credential renewal has been denied rather than have the department and the many boards establish separate and duplicative systems for these responsibilities.

STATE COURTS

27. Court-Ordered Judgment for Guardian Ad Litem Reimbursement

Section 7096t

This section amends current law to allow the court to direct the county of venue to pay the guardian ad litem (GAL) compensation only in cases where both parties are indigent. Under current law, the court may order the county of venue to pay GAL costs if either or both of the parties are unable to pay. Further, this section eliminates the court’s authority to order a separate judgment for reimbursement of GAL costs from the responsible parties to the county.

I am partially vetoing this section to remove the provision that eliminates the court’s authority to order a separate judgment for reimbursement of GAL costs because it limits counties’ ability to collect GAL costs when a party to the suit is able to pay. My partial veto will retain the court’s authority to order a separate judgment for GAL reimbursement.

28. Court Reporter Study

Section 9110

This section requires the Director of State Courts to conduct a study of court reporter overtime, training costs and transcript

volume and submit a report of the results of the study by January 1, 1997 to the Governor and the Joint Committee on Finance.

I am vetoing this section because it is unnecessary. The Legislative Audit Bureau has sufficiently studied the issues of transcription technology and court reporter management.

STATE PUBLIC DEFENDER

29. No–Jail Misdemeanors

Sections 251d, 473 [as it relates to s. 20.410(1)(g) and (gf)], 783p, 783sg, 783sr, 783v, 2611q, 3251e, 3251g, 3741g, 3789x, 6285, 6355L, 6355m, 6358x, 6364c, 6364d, 6364L, 6365j, 6408, 6408g, 7142m, 7225m, 7225x, 7245m, 7246r, 7246s, 7246t, 7247m, 7247t, 7249m, 7249s, 7249t, 7253m, 7255am, 7255jm, 7255sm, 7255tg, 7255tm, 7257j, 7257k, 7263bd, 7263be, 7263bf, 7263bg, 7263bh, 7263bi, 7263bj, 7263bk, 7263bL, 7263p, 7281t and 9359(4g)

These sections create a restriction on misdemeanor penalties for a person who has not previously been convicted of a state or federal crime at the time of the alleged violation. The restriction does not apply to violent misdemeanor crimes under Chapters 161, 940, 941 or 948, criminal offenses resulting from a mandatory arrest for domestic abuse, or the violation of a domestic abuse injunction or restraining order. Further, the misdemeanor penalty restriction prevents the court from placing a person on probation but instead allows the court to place the person on community supervision. These sections also identify the procedures a district attorney must follow in charging these types of cases. Specifically, a district attorney must charge a person with a misdemeanor offense under the penalty restriction if the person is a first–time offender unless he/she files a written statement specifying the reasons for not charging under the penalty restriction. In addition, if a district attorney chooses to seek imprisonment or probation for a person who has previously been convicted of a state or federal crime, he/she must include in the written complaint an allegation that the penalty restriction does not apply because the person has a prior criminal record.

I am vetoing these sections because I cannot veto out specific misdemeanor crimes which I believe, given the serious nature of the offenses, warrant a harsher penalty. I am very concerned that serious crimes such as resisting or obstructing an officer, refusing to aid a peace officer and impersonating an officer would be subject to the no–jail misdemeanor restriction and I am not comfortable creating a no–jail option for these as well as other serious misdemeanors covered by this provision. While I commend the Legislature for their efforts to generate GPR savings, signing this legislation would send the wrong message to persons who commit serious criminal misdemeanors. In the future, however, I would be willing to consider legislation that creates more charging options for less serious non–violent misdemeanors.

30. Obstruction Charges

Sections 7232q, 7232r, 7246k and 9359(6m)

Under current law a person who knowingly resists or obstructs an officer is guilty of a Class A misdemeanor. These sections amend current law to exclude certain cases from prosecution. Specifically, the provisions require a district attorney to drop obstruction charges in cases where a person who knowingly provides false information to a law enforcement officer is the only violation and it is factually remedied within 48 hours. Further, the provisions allow a district attorney to charge the obstruction violation as a county ordinance violation, subject to a civil forfeiture, in counties which have adopted an ordinance for obstructing an officer in conformance with state law.

I am vetoing these sections entirely because they would cause critical delays in investigations and seriously impede law enforcement efforts to solve crimes. The effect of the veto restores the language to current law.

31. Flat–Rate Contracts Sunset Provision

Sections 7284m and 9144(4zt)

Section 7284m requires that any annual contracts between the State Public Defender (SPD) and private attorneys or law firms for the provision of legal representation must be terminated before January 1, 1998.

I am vetoing section 7284m entirely and partially vetoing section 9144(4zt) to eliminate the sunset provision for annual contracts because it limits the SPD’s ability to negotiate and enter into contracts with private attorneys or law firms as a way to contain the costs of SPD legal representation.

32. Joint Committee on Finance Approval of Private Bar Rate Reduction

Section 7263i

This section requires the State Public Defender Board to submit a request for any reduction in the private bar hourly rate for cases assigned by the State Public Defender to the Joint Committee on Finance (JCF) under s. 13.10 and receive JCF approval before reducing the private bar hourly rate.

I am vetoing this section to eliminate the requirement that the State Public Defender Board submit a request under s. 13.10 and receive JCF approval before reducing the private bar hourly rate. This requirement limits the Board’s flexibility to reduce private bar costs in response to a projected deficit in the private bar appropriation. The effect of the veto is to retain current law which allows the State Public Defender Board to reduce the private bar hourly rate by \$2 per hour without JCF approval.

D. HUMAN RESOURCES

HEALTH AND SOCIAL SERVICES

1. Department of Public Health

Section 9126 (27h)

This section requires the Department of Health and Social Services (DHSS) to develop a plan by July 1, 1996, to transfer

to a department health functions that are performed by state agencies. The plan must include an inventory of positions and funding associated with the health functions. I am partially vetoing this section because it dictates the outcome of the plan by assuming that all health-related functions belong in one agency. It is possible that certain health functions should remain in a specific, distinct agency while other functions would reside in a different agency. I believe that before developing a plan to consolidate all health functions, DHSS staff should develop an inventory of health-related staff in state agencies. Once these functions have been identified, a decision can be made as to whether a plan to consolidate health functions should then be developed.

2. Payment of Nursing Home Monitor

Section 3240y

This section would allow the Department of Health and Social Services to assess an owner of a nursing home or Community Based Residential Facility (CBRF) for the costs of a monitor placed in their facility only if the facility is subsequently placed into receivership.

I am partially vetoing this provision to allow the department to assess the owner of a nursing home or CBRF for monitor costs even if the owner is not subsequently placed into receivership. One purpose of placing monitors in nursing homes is to help these facilities avoid receivership. I believe that a facility that needs monitoring should reimburse the state for the cost of that monitoring. This is especially true if the state's monitor helps the facility to avoid receivership.

3. Standardized Forms for Managed Care Providers

Section 9126 (28x)

This section requires the Department of Health and Social Services to convene, by January 1, 1996, a working group to study the development of standardized forms to be used by managed care providers. The department shall submit the study to the Legislature by July 1, 1996.

I am partially vetoing the dates in this section because they do not allow the department sufficient time or flexibility in scheduling this study. This veto allows the department to begin and complete this study at any time during 1996.

4. Medical Assistance School Services

Sections 821b and 3000

Section 821b directs that only 60% of the federal moneys received for meeting costs of medical assistance school services under s. 49.45 (39) be deposited in s. 20.435 (1) (o). Section 3000 directs that these services be established upon approval of the state plan amendment and the implementation of an administrative system by the Department of Health and Social Services to claim these benefits.

I am vetoing section 821b because it would only allow 60% of the federal moneys received for meeting the costs of medical assistance school services to be deposited in s. 20.435 (1) (o). Legislative intent was for school districts to receive 60% and

the state's general fund to receive 40% of the federal share of allowable charges for school medical services. Section 821b does not realize this intent.

To fulfill legislative intent, this appropriation must be able to receive 100% of the federal moneys that are a reimbursement for providing these services. It is the state's MA fiscal agent who will actually draft two reimbursement checks under its contract with the state to process MA reimbursements. One check, for 60% of the federal reimbursement, will go to the school districts. The other check, for 40% of the federal reimbursement, will go to the department for deposit in the state's general fund. From s. 20.435 (1) (o), the department must reimburse the MA fiscal agent for the total of both checks. This is why 100% of the amount of the federal moneys received for these costs must be deposited in s. 20.435 (1) (o).

This veto establishes a process for retaining the state's share of these additional federal moneys. To fulfill legislative intent, I am directing the department, as reimbursements for services are received by the department from the MA fiscal agent, to send these reimbursements to the State Treasury for deposit as general purpose revenues in the general fund. The reimbursements that the department receives from the MA fiscal agent are the state's 40% share of the federal moneys received for school medical services.

I am partially vetoing the provision in section 3000 because school districts and Cooperative Educational Service Agencies should be required to claim reimbursement for school medical services only under s. 49.45 (39). Although s. 49.45 (39) significantly reduces the administrative requirements for school districts claiming MA, the state still would be required to honor school districts' MA reimbursement claims under current law processes. This veto will ease the administrative burden on the state and guarantee that the state pays to school districts only 60% of the federal share of allowable charges for school medical services.

I am also partially vetoing the provision in section 3000 because I believe that the requirement to implement an administrative system for these benefits is potentially redundant and should be eliminated. The MA program contracts with a fiscal agent for the processing of Medicaid claims. There is no need for the state to develop a new administrative system for the processing of school medical services claims. This veto will allow the department to process these claims through current administrative systems.

5. Incentive-Based Pharmacy Payment System

Section 2989d

This section requires the Department of Health and Social Services to establish, by January 1, 1996, an incentive-based pharmacy payment system that would provide financial incentives for pharmacists who perform services that result in savings to the MA program.

I am vetoing the date in this provision to allow the department more flexibility to design and establish this system. This will give the department adequate time to consult with all affected parties in designing the system.

6. Juvenile Correctional Facility Staffing

Section 9112 (1t)

This section requires the Department of Corrections to obtain the approval of the Joint Committee on Finance of a plan for the staffing of the new juvenile correctional facility in southwestern Wisconsin in order to release funding for the staff and costs of that facility. I am vetoing this section because I believe that this additional level of review, beyond that normally provided by the Department of Administration, is unnecessary and will delay the process of staffing this much needed institution.

7. Juvenile Facility Construction Plans

Section 9108 (2g)

This section requires the State Building Commission to obtain the approval of the Joint Committee on Finance for construction and remodeling plans for the new juvenile correctional facility at Racine, the juvenile assessment and evaluation center and the expansion of the Southern Oaks correctional facility for girls. I am vetoing this section because such plans are already subject by law to the review and approval of the Building Commission and additional review is not warranted.

8. Child Caring Institutions (CCIs)

Sections 2466r, 2466t and 9426 (19t) [as it relates to s. 48.357 (4) (b) and s. 48.357 (4) (d)]

These sections allow CCIs to make placement decisions for youth in their care to move them into more or less secure facilities, including secure correctional facilities operated by the Department of Corrections (DOC), but without the approval of DOC. Similarly, CCIs are given authority to place youth in county-operated detention centers, without the consent of the county. Further, these changes in placement could be for up to 30 days and the child would be placed without a hearing, to which they are currently entitled.

The intent of these sections is to provide greater flexibility in making placement decisions, to shorten lengthy court processes and to make consequences of bad behavior more immediate. These themes were constantly stressed by members of and speakers before the Juvenile Justice Study Committee. I support these concepts. However, the language as drafted creates several major problems.

For example, authority currently resides with DOC, county departments of social services and the courts regarding placement decisions. These sections give that authority to the administrators of CCIs.

The language also states that any youth adjudicated delinquent, regardless of the disposition imposed, and placed in any CCI, can be transferred to a secure correctional facility under DOC supervision if that department approves. Under current law, youth can only be transferred to DOC if the court has specifically identified the disposition as a transfer of custody to DOC for placement in a secure correctional facility.

Finally, this language was developed without the input of either the Department of Health and Social Services (DHSS) or DOC. Because this language creates significant problems and is not workable, I am vetoing these sections and directing DHSS, DOC and CCIs to develop provisions which accomplish the goals identified above in a manner which preserves proper authority for each entity and to include the proposal as an amendment to Assembly Bill 130, the revision of the juvenile justice code, which will be taken up this fall.

9. JCF Review of DILHR and DHSS Reorganization Plans

Sections 9126 (16) and 9130 (7)

These sections require the Secretary of the Department of Administration to submit the proposed reorganization plans of the Department of Health and Social Services (DHSS) and the Department of Industry, Labor and Human Relations (DILHR) to the Joint Committee on Finance for review and approval by May 1, 1996.

I am vetoing these sections to eliminate this requirement because approval of executive branch agencies' internal reorganizations is a gubernatorial responsibility.

10. Teen Paternity Incentive Program

Section 868

This section creates a new appropriation to pay for administrative costs that counties incur for activities related to child support collection. Included in this appropriation is GPR funding intended to replace certain federal incentive payments that may be lost as a result of implementing the Department of Health and Social Services' new Kids Information Data System. In addition, this appropriation provides assistance to certain pilot counties in establishing paternity and obtaining child support.

I am partially vetoing this section to provide funding for the teen paternity incentive program that was repealed in a separate action. Because I cannot restore the funding specifically for that program, I am broadening the language in the above appropriation in order to allow funds that provide assistance in establishing paternity and obtaining child support to go to any county. Further, funds originally intended to replace federal incentive payments should be reallocated to continue the teen paternity incentive program to the greatest extent possible. It is critical that counties continue to establish paternity in teen cases as promptly as possible. Prompt paternity establishment generates long-term savings for the state and may influence teen parents to delay having additional children.

11. JOBS/AODA Waiver

Sections 2879g and 2879m

These sections add alcohol and other drug abuse (AODA) prevention and treatment programs as a supportive service under the Job Opportunities and Basic Skills (JOBS) program, and direct the Department of Health and Social Services (DHSS) to request a waiver to permit the department to require participation in an AODA prevention or treatment program and allow sanctions for non-cooperation.

I am vetoing these sections for two reasons. First, there is no part of the JOBS legislation or rules that may be waived in

order to specifically require participation in AODA prevention or treatment programs as a JOBS component activity. Second, there was no additional funding provided with this initiative. The use of existing resources raises several problems that must be addressed before proceeding any further. Despite these concerns, I do agree philosophically that a JOBS agency should be able to require a participant to get AODA help in order for that person to participate effectively in the program. Therefore, I am directing DHSS to review these issues and any alternative approaches aimed at accomplishing the same goal.

12. AFDC Maternity Benefit

Sections 9326 (9) and 9426 (12)

These sections specify that the modification in the eligibility for Aid to Families with Dependent (AFDC) maternity benefits applies only to recipients who apply for AFDC after the effective date of the budget bill.

I am partially vetoing these sections because the intent of the legislation was to change the eligibility for these benefits from the seventh month of pregnancy to the eighth month for all AFDC recipients, not just new applicants.

13. New Hope

Section 473 [as it relates to s. 20.445 (3) (dk)]

This section provides \$250,000 GPR annually for the New Hope project and changes the sunset date for state support of this program from June 30, 1995, to June 30, 1997.

I am partially vetoing the appropriation in this section to eliminate GPR funding for New Hope in the second year of the biennium because the state's financial commitment to this project was supposed to extend only through the last biennium. In addition, the New Hope project has managed to secure significant amounts of federal and private funding with which it can continue to operate its program.

The effect of this veto will be to reduce GPR appropriations by \$250,000 in fiscal year 1996-97.

14. Mental Health and AODA Treatment — Technical Correction

Section 9326 (8)

Section 9326 (8) addresses mental health and alcohol and other drug abuse treatment services under the proposed emergency medical relief program, which was replaced by medical block grants.

I am vetoing this section because it references a section of the statutes that has subsequently been repealed and therefore is no longer relevant.

15. State Supplemental Security Income (SSI) Eligibility

Sections 2846c and 9426 (17) (a)

These sections address eligibility for a state SSI payment only, as opposed to eligibility for both a federal and state payment. They specify that individuals who currently receive a state supplement-only payment and those who, in the future,

become eligible for a state-only payment after having previously received a state and federal payment will continue to be eligible.

I am partially vetoing these sections in order to limit eligibility for state-only payments to those recipients who currently qualify for this benefit. This means that anyone who is currently receiving both a state and federal SSI payment and who drops into the state-only category in the future will not receive a state-only payment. Also, any new applicant who would only qualify for a state SSI supplement will no longer be eligible.

In my original budget, I recommended eliminating state supplemental payments for all individuals who no longer qualified for a federal payment as a way to accomplish two things: (1) to prevent a cut to benefits for the most needy SSI recipients; and (2) to make state administration of the supplemental program a feasible and cost-effective option.

Retaining the current and future state-only recipients significantly increases the administrative complexity of the program. In order to provide this payment, the Department of Health and Social Services must establish a mechanism for identifying and disbursing payments and a mechanism for monitoring the location, medical status and incomes for this population.

The funding provided by the Legislature is not sufficient for the department to perform an adequate level of income and medical reviews for this population. As a consequence, some SSI recipients may receive a state payment for which they are not eligible.

I am willing to maintain the eligibility of the current state-only recipients as a reasonable compromise. I do not believe, however, that the state should continue to make payments to any future state-only recipients.

16. Community Aids

Sections 2039g, 2039r and 2300

Sections 2039g and 2039r require that the final budgets submitted by county departments that provide social services be submitted on a uniform budget reporting form developed and distributed by the Department of Health and Social Services (DHSS) and specify the types of information to be included.

I am vetoing these provisions because they represent an unfunded mandate that places an unnecessary burden on county departments. [1985 Wisconsin Act 120](#), effective January 1, 1987, eliminated the requirements that counties submit budgets in a uniform format with detailed expenditures because these requirements were unnecessarily burdensome to counties. I am concerned that the provisions in the bill will significantly increase county reporting costs and reestablish the onerous requirements eliminated in [1985 Act 120](#). Elsewhere in the bill is the requirement that each county department and tribal governing body receiving Community Aids funding submit to DHSS a proposed budget for expenditure of funds on a form developed by DHSS and approved by the Department of Administration (DOA). This information should provide DHSS with the information needed to monitor Community Aids funded programs.

Section 2300 requires DHSS, after consultation with DOA and counties, to develop performance standards for services funded by Community Aids and requires performance evaluation of any private sector human service provider funded by Community Aids. I am vetoing the provision in this section which requires performance evaluation of private sector human service providers because the intent of the motion before the Joint Committee on Finance was to have these providers participate in the development of performance standards, and this intent is not reflected in the statutory language in this bill. I am also directing the Secretary of DHSS to consult with private sector providers, in addition to DOA and counties, in developing community aids performance standards.

17. Community Options Program

Sections 2226n, 2229r, 2231r and 9426 (28h)

Sections 2226n and 2231r limit reimbursement under the Community Options Program (COP) to the average monthly cost of providing care in a nursing home, create exemptions to the limit and set criteria to be used by the Department of Health and Social Services (DHSS) in reviewing high cost clients, including the requirement that DHSS determine the actual nursing home cost of the high cost client.

I am partially vetoing sections 2226n and 2231r to remove the words “in a month” because this stipulation will require counties and DHSS to calculate a client’s cost of services every month and may inadvertently affect clients who have exceptional one-time needs. I am also partially vetoing sections 2226n and 2231r to remove the words “the actual” because of the great difficulty of determining what the actual nursing home cost would be for an individual living in a specific community. While these two vetoes will reduce the administrative burden for counties and DHSS in implementing the provisions contained in these sections, I am directing the Secretary of DHSS to develop a plan for counties to use to determine the average monthly cost of a COP client and for DHSS to use to calculate the average nursing home cost of a COP client, and to submit the plan to the Department of Administration for approval by December 1, 1995.

Section 2229r extends the Medical Assistance (MA) estate recovery program to the general purpose revenue supported COP program. I am partially vetoing this section to remove the provision which allows DHSS to place a lien on a living client’s home for the amount of long-term community services paid on behalf of the client if the individual resides in a nursing home, community based residential facility, adult family home or assisted living facility because this provision allows DHSS to treat these clients differently under the estate recovery program than those funded under the MA COP program. Estate recovery currently, and in accordance with federal law, does not allow liens to be used to recover the cost of community care when a client enters a nursing home. This veto will result in consistent treatment of COP clients by counties when reporting community based services expenditures to DHSS for estate recovery purposes.

Section 9426 (28h) refers to the effective date of a provision which extends the Medical Assistance estate recovery

program to the general purpose revenue funded Community Options Program. I am partially vetoing this section to remove the words “title and” as a technical correction to avoid different effective dates for this provision.

18. Reports and Studies

Section 9126 (17m), (27t), (27u) and (28g)

Section 9126 (17m) requires the Department of Health and Social Services (DHSS) to report to the Joint Committee on Finance at its second quarter meeting in 1996 under s. 13.10 of the statutes on the following: (1) the extent of waiting lists for vocational rehabilitation services and measures taken to minimize waiting lists; (2) the amount of third party match to federal Title 1B Vocational Rehabilitation funds that will be available in fiscal year 1996–97; (3) whether additional funds will be necessary to maximize federal funding; and (4) the source of funding that can be reallocated from the department’s budget for the required match. I am vetoing this section because the information requested is currently available from DHSS and requiring the department to produce this report would be an inefficient use of public funds.

Section 9126 (27t) requires DHSS to submit a report by July 1, 1996, to the Secretary of the Department of Administration and the Cochairpersons of the Joint Committee on Finance on current data collection efforts regarding county social human services expenditures as well as recommendations on modifying current data collection efforts to ensure that information is available that accurately anticipates budget need, evaluates existing and proposed social services initiatives and distributes additional funding after the 1995–97 biennium based on outcomes rather than across the board adjustments. I am vetoing this section because the data collection system envisioned under this study will require additional reporting requirements by counties which will constitute an unfunded mandate. (See Community Aids Item D–16.)

Section 9126 (27u) requires DHSS to conduct a study of the feasibility of implementing a regionally based, rather than county based, social services delivery system and to report the results of the study to the Joint Committee on Finance at its fourth quarter meeting in 1996 under s. 13.10 of the statutes. I am vetoing this section because the study is unnecessary. Counties currently can form multi-county systems for the delivery of social services and the trend by counties in the last decade has been away from the multi-county structure.

Section 9126 (28g) requires DHSS to study the feasibility of consolidating into a single, statewide program all programs relating to alcohol or other drug abuse (AODA) that are administered by agencies in this state and to submit the results of the study to the Governor and the Legislature by January 1, 1996. I am vetoing this section because it duplicates the evaluation of AODA programs conducted by the Legislative Audit Bureau (LAB) in 1993. The LAB recommended against establishing a single state agency to control all AODA programs and recommended strengthening the State Council on Alcohol and Drug Abuse. The LAB recommendations for the State Council were included in [1993 Wisconsin Act 210](#).

19. Assisted Living

Sections 473 [as it relates to s. 20.435 (1) (gn)], 817j and 3234b

Section 3234b does all of the following: (1) requires an assisted living facility to become certified for Medical Assistance (MA) purposes if its residents are clients under the Community Options and Community Integration MA waiver programs and otherwise requires registration with the Department of Health and Social Services (DHSS) as an assisted living facility; (2) requires DHSS to promulgate rules for the regulation of certified facilities and the registration of facilities, including promulgating a rule to define the term “kitchen, including stove”; (3) establishes operation requirements for assisted living facilities; (4) sets a limit of 1500 assisted living units by fiscal year 1998–99, establishes criteria for DHSS to use if the number of requested units exceeds the limits, requires DHSS approval for new construction and nursing home or community based residential facility conversion, and allows DHSS to charge a \$300 application fee for registration and certification; (5) prohibits an entity from designating itself as an assisted living facility unless the entity meets the definition contained in this bill; (6) requires that funding for supportive, personal or nursing services that a person who resides in an assisted living facility receives, other than by private or third-party funding, may be provided only under the MA waiver Community Options and Community Integration programs, unless the provider of services is a certified MA provider; and (7) allows DHSS to revoke certification for substantial and intentional violation of assisted living statutory provisions or rules promulgated by DHSS.

I am vetoing the provision in section 3234b which requires that DHSS promulgate rules to define the term “kitchen, including stove” because this requirement represents an unnecessary utilization of scarce department and legislative resources. Dictionaries define a kitchen as a room or area in which food is prepared and common sense would indicate that a separate kitchen, as required in this bill for an assisted living unit, would at a minimum contain a stove, refrigerator and a sink with hot and cold running water.

I am vetoing the provision in section 3234b that limits the number of assisted living units because the restriction will have an adverse impact on the state’s elderly citizens who are in need of services that assisted living facilities will provide.

I am vetoing the provision in section 3234b which requires entities to obtain prior approval for construction of assisted living facilities from DHSS because this requirement represents an intrusive involvement by the state in private development. Construction of assisted living facilities will have to meet all of the requirements of state and local building codes and local zoning ordinances, which will ensure safe living conditions for the elderly.

I am also vetoing the reference in section 3234b to MA certification under s. 45.45 (3)(a) to delete “(3)(a)” because a technical correction is necessary to ensure that providers who furnish supportive, personal and nursing services which are not funded by private or 3rd-party sources or the MA funded

Community Options and Community Integration programs are MA certified.

Sections 473 [as it relates to s. 20.435 (1) (gn)] and 817j appropriate \$5,500 in fiscal year 1995–96 and \$2,900 in fiscal year 1996–97 for DHSS to review applications for certification or registration of assisted living facilities. I am vetoing sections 473 [as it relates to s. 20.435 (1) (gn)] and 817j and vetoing the provision in section 3234b which allows DHSS to charge a \$300 application fee for registration or certification as an assisted living facility because the fee is excessive and unnecessary. Elsewhere in this bill is the provision that DHSS may charge a fee to cover the cost of certifying a facility for MA purposes as is currently done by the department in certifying other programs.

20. Senior Community Services Employment Program

Sections 2330m, 3698 [as it relates to s. 101.262 (1) (ig)], 9126 (27q) and 9426 (26q)

Sections 2330m, 9126 (27q) and 9426 (26q) transfer the federally funded Senior Community Services Employment Program (Title V of the Older Americans Act of 1965) from the Department of Health and Social Services (DHSS) to the Department of Industry, Labor and Human Relations (DILHR), effective July 1, 1996. Section 3698 [as it relates to s. 101.262 (1) (ig)] requires the Governor’s Council on Workforce Excellence to oversee the planning, coordination, administration and implementation of employment and education programs including the Older Americans Act of 1965. I am vetoing sections 2330m, 9126 (27q) and 9426 (26q), and partially vetoing section 3698 [as it relates to s. 101.262 (1) (ig)] to remove the reference to the Older Americans Act of 1965 because it is premature to transfer this program to DILHR until Congressional action at the federal level determines whether Title V will continue as a work program funded through the federal Department of Labor or whether Title V will become a social program funded through the federal Department of Health and Human Services. Following Congressional action, if Title V remains as a work program in the Department of Labor, I am directing the Secretary of DHSS and the Secretary of DILHR to study the feasibility of transferring this program to DILHR in the next biennium.

21. Homecraft Program

Sections 2418f, 2418g, 2418h, 2418i and 2419c

Sections 2418f, 2418g, 2418h and 2418i require the Department of Health and Social Services (DHSS) to: (1) develop additional markets for finished homecraft products; (2) through a wholesale distributor, purchase or provide for the purchase of supplies needed to produce craftwork; (3) deliver or provide for the delivery of supplies to the homecraft client; and (4) transport or provide for the transportation of finished homecraft products to distribution centers. I am vetoing these sections because they apply to all homecraft clients, many of whom are no longer eligible for services funded under the federal Title 1B Vocational Rehabilitation program. Providing services to noneligible clients by staff funded under Title 1B could result in federal audit disallowances. Under current law, DHSS is required to provide services to homecraft clients with the objective of

enabling severely handicapped persons to operate their own businesses. Since marketing and wholesale and retail distribution are vital components of a homecraft business, I am directing the Secretary of the DHSS, in fiscal year 1995–96, and the Secretary of the Department of Industry, Labor and Human Relations (DILHR), in fiscal year 1996–97, to provide these services to homecraft clients whenever feasible under the eligibility requirements of Title 1B.

Section 2419c requires DHSS, in fiscal year 1995–96, and DILHR, in fiscal year 1996–97, to distribute at least \$218,600 for homecraft services relating to the marketing and distribution of homecraft products and to the purchase of capital equipment for each client who participates in the homecraft program. I am partially vetoing the provisions in section 2419c which requires the funds to be used for the purchase of capital equipment because the \$218,600 is currently used for marketing and distribution, and adding the capital equipment purchase requirement will reduce the funds available for marketing and distribution. DHSS currently uses Title 1B funds to purchase capital equipment for Title 1B eligible clients.

22. Federal Indirect Cost Reimbursement

Sections 307g, 307h and 961m

These sections prohibit the Department of Health and Social Services from creating positions or budgeting additional federal indirect cost reimbursement funds without the approval of the Joint Committee on Finance. Currently the Department of Administration (DOA) can approve the expenditure of these funds over the amounts previously budgeted or the creation of new positions funded from this federal funding source. I am vetoing these sections because I believe DOA has provided sufficient oversight and stringent control over the use of these funds and will continue to do so.

E. TAX, FINANCE AND LOCAL GOVERNMENT

EMPLOYMENT RELATIONS COMMISSION

1. Fees for Services

Sections 3786s, 3803t and 3843s.

These provisions require the Wisconsin Employment Relations Commission to charge a fee for various services provided.

I am partially vetoing these provisions because they set a cap of \$225 on the fees that the commission may charge. I am vetoing the reference to the cap because I am concerned that it may cause the program revenue appropriation to be underfunded. I am directing the commission to set fees which are reasonable and adequate to fund the appropriation, but not excessive.

2. Information Technology Development Project Appropriation — Technical Correction

Sections 798 and 9459 (1) [as it relates to section 20.425 (1) (ka)]

Sections 798 and 9459 (1) [as it relates to section 20.425 (1) (ka)] repeal the information technology development project appropriation for the Employment Relations Commission on July 1, 1996.

I am vetoing these provisions because they were inadvertently retained from a previous version of the biennial budget bill which repealed the commission on July 1, 1996 and created the Wisconsin Employment Commission. The creation of the new commission was deleted from the bill, and this provision should also have been deleted.

GAMING COMMISSION

3. Administrative Rule Making Authority and Regulatory Authority

Sections 6940j, 6977m, and 9423 (2p) [as it relates to s. 565.017]

These sections provide that the newly created Gaming Board shall coordinate and regulate activities relating to the state lottery and that the board promulgate administrative rules relating to the lottery. Section 6977m gives the Department of Revenue the authority to submit proposed rules to the board.

I am partially vetoing these provisions because I believe that the Department of Revenue should have the authority to coordinate and regulate lottery activities and should have rule-making authority relating to the lottery. My partial vetoes eliminate the general statement that the Gaming Board shall coordinate and regulate lottery activities and give the Department of Revenue rule-making authority relating to the state lottery. While statutory authority for rule-making by the board remains, it is my intent that the Department of Revenue have primary rule-making authority for state lottery programs.

4. Lottery Advertising Procurement

Section 6981fn

This section requires that all contracts for advertising of the state lottery that involve any marketing, production or talent services may only be entered into with businesses that have their principal place of business in Wisconsin.

I am vetoing this section because I do not believe it is necessary, nor do I believe it will benefit the State of Wisconsin. Current law contains a procurement reciprocity provision that requires Wisconsin state agencies to treat other states or nations as they treat our state regarding purchasing preferences. If another state hires only in-state talent for its lottery advertising, then Wisconsin must not hire talent from that state for Wisconsin lottery advertising.

In addition, this proposal would conflict with federal laws such as the General Agreement on Tariffs and Trade Procurement Code (GATT). Wisconsin was one of the first states to join GATT, and by doing so we agreed not to give preference to in-state businesses.

The proposal would increase burdens on both state procurement administrators and private sector businesses. The state would be required to certify “in-state” bidders and enforce worker residency requirements. Costs for businesses would increase as a result of their maintaining records documenting residents. Finally, if other states adopted similar procurement rules favoring home state businesses, Wisconsin businesses would have fewer opportunities to sell their goods and services.

5. Class B Raffles

Section 6976v

This section provides the requirements for conduct of raffles under the newly-created Class B raffle license. I am partially vetoing this provision because I believe some of the existing requirements for conducting a raffle should also apply to conduct of Class B raffles. Specifically, I am vetoing the requirement that Class B raffle tickets be identical in shape and color, leaving only the requirement that the tickets be identical in form. This conforms to current law and I believe it clearly states that the form of the raffle tickets must be identical in all respects. I am also vetoing the requirement that the ticket purchaser must be present to win so that a purchaser may claim the prize if he or she is not present.

6. Lottery Appropriation for Department of Revenue

Section 9423 (2p) [as it relates to s. 20.566 (8) (title) and (q)]

This section provides for an effective date of July 1, 1996 for the reorganization of the Gaming Commission and the transfer of lottery operations to the Department of Revenue (DOR). I am partially vetoing this provision to create an appropriation for lottery operations within DOR in fiscal year 1995-96. I am doing this because it will provide the opportunity for the department to begin takeover of lottery operations prior to July 1, 1996.

I believe the Legislature’s proposal to transfer the lottery to DOR is a positive step that will increase the lottery’s efficiency. Given the complex nature of the lottery’s operations, I believe it is appropriate for DOR to have some role in the lottery prior to July 1, 1996 and my veto will allow this by providing a vehicle for DOR to assume responsibility for lottery operations. It is my intent that the Gaming Commission and DOR work together to facilitate an accelerated transfer of lottery responsibility to DOR by whatever means is appropriate, including a contract between the two agencies by which the Commission grants both funding and operational responsibilities to DOR.

7. Gaming Commission Reorganization Plans

Section 9123 (6pr)

This section requires the submission of three gaming reorganization plans to the Joint Committee on Finance during 1996. I am vetoing this section because I believe these plans as they are detailed will be unnecessary given my separate veto giving the Department of Revenue (DOR) the ability to begin lottery operations prior to July 1, 1996. It is

my intent that DOR begin operations of the lottery on a much more aggressive timetable than the envisioned July 1, 1996 transfer date, with transfer occurring prior to the delayed dates set for the plans. It is my intent that the Secretary of Revenue aggressively review both opportunities for privatizing certain lottery activities as well as the coordination of gaming security functions. It is possible that DOR will request the Joint Committee on Finance’s s. 13.10 involvement in implementing DOR takeover of the lottery and coordination of gaming security. However, this vehicle is available to DOR under existing law.

8. Gaming Security Contracting

Sections 391g, 391r, and 9423 (2p) [as it relates to s. 16.84 (3) (by Section 391r)]

These sections allow the Department of Administration (DOA) to contract with the Gaming Commission and the Department of Revenue to provide lottery building and warehouse protection. I believe this provision is too narrowly focused, and I am partially vetoing the provision to clarify that DOA may contract for a wide range of lottery security functions if the department is asked to provide those services. It is my intent that the Department of Revenue, the Gaming Board and the Gaming Commission aggressively pursue coordination of gaming security functions, including reviewing the possibility that either DOA or a private contractor could provide some or all of the state’s gaming security functions.

9. Gaming Legal Counsel and Legislative Liaison

Sections 6940k and 9423 (2p) [as it relates to s. 561.02 (2m)]

These sections require the newly-created Gaming Board to appoint a chief legal counsel who shall also serve as the board’s legislative liaison. I am vetoing this provision because I do not believe it is appropriate for state law to require legislative liaison duties of the board’s legal counsel. Decisions regarding responsibility for the limited amount of legislative liaison work performed by a small agency such as the Gaming Board should be made by the board’s Executive Director.

10. Amount of Wagers Provided for Purses

Section 6958

This section removes the current law limitation on the number of simulcast races a Wisconsin racetrack may broadcast and requires a racetrack to use at least 4.5% of the total amount of intertrack and simulcast wagers for purses for races held at the racetrack at which the wagering was conducted. I am partially vetoing this provision to eliminate the requirement that 4.5% of wagers be used for purses because I believe that retaining such a high percentage for wagers could make simulcasting and intertracking uneconomical for Wisconsin’s dog track owners. It is my intent that the Gaming Commission (and the Gaming Board), taking into account the current economics of the racing industry, promulgate administrative rules stipulating what percentage of wagers should be used for purses.

GENERAL FUND TAXES

11. Individual Income Tax Check-Off for Domestic Abuse

Sections 473 [as it relates to s. 20.435 (1) (hk) and 20.566 (1) (hp)], 817m, 1113m, 2345j, 3395e and 9348 (4q)

These provisions provide a check-off for donations on the individual income tax form that would provide funding for a domestic abuse statewide public awareness and prevention campaign program. The check-off would first be available in tax year 1995. Funding is also provided to the Department of Revenue for administering the check-off.

I am vetoing these provisions because, while my commitment to the prevention of domestic abuse remains strong, I do not believe the use of Wisconsin's income tax form is an appropriate vehicle for funding this program or other worthy causes seeking their own check-off. The funding for domestic abuse programs has increased by over 104 percent since 1986 and approximately \$7 million GPR will be provided for these programs in the 1995-97 biennium. In addition, the program receives funds from an "earmarked" surcharge imposed on domestic abuse offenders. I support this form of revenue earmarking because there is a linkage between the source of revenue — perpetrators of domestic abuse — and the social service being funded.

Creating an income tax check-off will lead to tax filing errors, increase the Department of Revenue's costs and cause delays in issuing refunds. I have requested the Department of Administration Secretary not to allot, in appropriation s. 20.566 (1) (hp), \$20,000 PR in fiscal year 1995-96 and \$20,100 PR in fiscal year 1996-97 which was budgeted for the Department of Revenue's administrative costs for this new check-off.

12. Income Taxes — Definition of Internal Revenue Code for Certain Taxpayers

Section 3399j

This section establishes a treatment of social security benefits for regulated investment companies (RICs), real estate mortgage investment conduits (REMICs) and real estate investment trusts (REITs) which is different from the treatment of other taxpayers.

I am partially vetoing this provision because all taxpayers should be treated similarly.

13. Tax Treatment of Municipal Bonds

Sections 3320p, 3321g, 3323p, 3330b, 3399er, 3404jm, 3405r and 9348(4tmt)

These provisions move the tax treatment of certain locally issued bonds from Chapter 66 of the statutes to Chapter 71 of the statutes. Except for the provision regarding county veterans' housing authority bonds, they do not change the tax treatment.

I am vetoing the provisions concerning housing authority bonds, redevelopment authority bonds, and community development bonds because they deal only with the corporate income and franchise taxes, but not with the individual income tax. These provisions were intended to clarify current law, under which interest on these bonds is exempt from the corporate and individual income taxes, but taxable under the corporate franchise tax. My intention is to clarify, and not to change, current law. If these provisions are not vetoed, bonds which were originally sold as exempt under the individual income tax will be taxable.

I am vetoing the provision regarding county veterans' housing authority bonds because it changes the tax treatment of those bonds. Under current law, interest on these bonds is not exempt from the corporate income tax. This provision establishes such an exemption.

REVENUE

14. Refund Setoffs of Debt Owed to Municipalities and Counties

Section 3429m

This section enhances the ability of local governments to collect unpaid fines, fees and forfeitures by allowing a municipality or county to have the Department of Revenue reduce a debtor's income tax refund by the amount which the debtor owes the municipality or county. The section specifies that prior to the setoff of the debt against the refund the municipality or county must notify the debtor of the debtor's right of appeal. It further specifies that the Department of Revenue establish an appeals process.

I am partially vetoing this section to eliminate the requirement that the Department of Revenue establish an appeals process because the department's role should be limited to the setoff of the debt. Appeals should be handled solely by the local government where the debt arose. With my partial veto, the department's role in the offset of debts owed to local governments will be parallel to its current role in offsets of amounts owed to state agencies.

15. County Sales Tax Administrative Fee

Sections 1150m, 3485v, 3485x and 9448(8t)

These sections reduce the portion of county sales tax collections retained by the state for its costs of administering the tax from 1.5% to 1.3% starting July 1, 1997.

I am vetoing these sections to retain the administrative fee at 1.5% because this item should be dealt with in the next biennial budget. These sections are effective in the 1997-99 budget, not the budget in which they are contained. My veto will provide additional time to evaluate the fee before July 1, 1997. The Department of Revenue is already reviewing current and expected costs of administering the county sales tax. The appropriate future fee may be determined after the department completes its review.

SHARED REVENUE AND TAX RELIEF

16. Use Value Assessment of Agricultural Land

Sections 473 [as it relates to s. 20.292 (1) (am)], 615r, 1803m, 3362h, 3434g, 3439m, 9148 (1x) and 9448 (1x) (b)

These sections establish a reimbursement program for the technical college districts, establish a farmland advisory council, and allow use value assessments to be based on actual or estimated rents.

I am vetoing the technical college reimbursement sections because they are a significant advance commitment of funding for the next biennium. I am also concerned about creating a new open-ended sum sufficient appropriation. These reimbursement sections would have no fiscal effect or application in this biennium. Any fiscal ramifications affecting the technical college districts can be dealt with in separate legislation.

I am partially vetoing the provisions establishing the farmland advisory council in order to make the council more workable. The Secretary of Revenue will be the voting chairperson of the council; this is appropriate because the Department of Revenue has numerous responsibilities concerning the administration of use value assessment. The council will not have a definite expiration date and will exist as long as is necessary. The council will not be required to create a review process for objections to assessment. Such a process should be statutory and I urge the Legislature to consider legislation creating a review process as soon as possible.

I am vetoing the reference to actual rents in the sections which create a method for determining use value assessment because such assessments must be based on estimated rents in order to allow for situations in which property is rented at a non-market rent. Basing assessments only on estimated rents will also result in consistent treatment of properties.

17. Expenditure Restraint Program -- Allowable Budget Increase

Sections 3509d, 3509m, 3509mi and 9348(9t)

Under current law, a municipality with a tax rate over five mills may receive a payment under the Expenditure Restraint Program if the municipality limits its year to year increase in its general fund budget to no more than the change in inflation, as measured by the consumer price index (CPI), and a growth factor based on net new construction. These sections modify the program's inflation factor by substituting 3% for the change in the CPI.

I am vetoing these sections to retain CPI as the inflation factor because the fixed 3% figure is insensitive to economic conditions. If inflation is below 3%, this change loosens the existing limit -- allowing many municipalities to qualify and receive a reward for little real spending restraint. If inflation is high, the 3% figure becomes an unrealistic limit and many municipalities would likely opt out of the program. My veto leaves this voluntary spending restraint program intact with the more sensitive limits that have made it successful.

18. County Levy Limit

Sections 3337e, 3337f, 3337g, 3337i, 3337k, 3337m, 3337n, 3337o, 3337p, 3337q, 3337r and 3337s

These sections prohibit a county from increasing its operating levy by more than 4% plus the county's year to year percentage increase in population (with certain adjustments). I am vetoing these sections for two reasons.

First, I am vetoing these sections because I am signing the budget bill provision which repeals the July 1, 1996, sunset of the application of the mediation-arbitration law to counties. Although I support a sunset of this law, I am placed in the unfortunate position of not being able to veto its repeal without also vetoing the repeal of the sunset of the qualified economic offer (QEO) provisions of the mediation-arbitration law that currently apply to schools. I believe maintaining the QEO provisions for schools is critical to ensuring that schools can control spending. However, since the mediation-arbitration law will still apply to counties, it will continue to be difficult for them to manage their employee compensation costs. It is unfair to ask counties to live with a tighter levy limit than under current law if they do not have the tools to manage their personnel costs at the same time. I strongly encourage the Legislature to enact meaningful mediation-arbitration reform for counties.

Second, I am vetoing these sections because the levy limit as passed in AB 150 does not provide for an adjustment if aids to a county should decline. I think it is desirable to provide for such an adjustment if levy limits are tightened.

Counties are already under a mandatory taxing restriction, the county mill rate limit. The county mill rate limit generally prohibits a county from imposing a mill rate for operating purposes in excess of the rate imposed on December 1992 property tax bills. This current law restriction is working well and should not be modified in the manner provided in AB 150. I would consider modifications to the county levy limit in the future if they were accompanied by mediation-arbitration reform and appropriate adjustments for aid changes.

19. Format of Property Tax Bills

Section 3446r

This section establishes new criteria for the format of property tax bills. Among the criteria are changes that will enhance the usefulness of the property tax bills by contrasting current and prior year taxes. The bill requires the Department of Revenue to develop a design for property tax bills using the new criteria and requires the department to submit the design to the Joint Committee on Finance for its approval by January 15, 1996. The department is also to submit its recommendations for statutory changes needed to implement the proposed design.

While I support placing on the property tax bill information on current versus prior year taxes, I regret that the Legislature, in making this positive change, chose to delete from the bill information on state aids. Since the whole thrust of this budget has been to deliver property tax relief through increased state aids to schools, information on how state efforts reduce taxes should continue to be provided to Wisconsin residents. Consequently, I request that the

Department of Revenue include in its recommendations to the Joint Committee on Finance a design that includes the tax relief impact of state aids.

I am using a partial veto to correct two shortcomings of the new requirements that will create confusion for taxpayers and local governments. The bill specifies that the property tax rate be stated after the lottery credit is deducted from taxes owed. As a result, neighboring taxpayers will see differing tax rates on their bills since the lottery credit generally does not vary with value. Furthermore, the bill does not indicate if the tax rate is to be calculated on the assessed value or the taxable value. I am partially vetoing section 3446r to allow the Department of Revenue to continue the current practice of calculating the tax rate with the assessed value and before deduction of the lottery credit.

20. Tax Incremental Financing District Boundaries

Section 3330n

This section allows a city or village to amend the boundaries of a tax incremental financing district (TID) within the first seven years after its creation. If such an amendment is adopted by a city and if the amendment includes additional project costs, the bill specifies that the tax incremental base value of the TID shall be adjusted to include the value of the territory added. I am partially vetoing this section to clarify that the base value be adjusted in all cases where TID boundaries are expanded, whether or not additional project costs are incurred. This partial veto will ensure that overlying jurisdictions will continue to include the existing value of the additional TID territory in their tax bases.

STATE TREASURER

21. Unclassified Stenographer Position

Sections 1214, 6258 and 9456(4)

These provisions remove the statutory authority of the state treasurer to appoint an unclassified stenographer.

I am vetoing these provisions because, with the retention of the Office of the State Treasurer as an independent agency and the administrative attachment of the Division of Public Lands to the office, the treasurer will have increased administrative duties and will need this position. The deletion of this position was part of my original plan to establish the office as an administrative subunit of the Department of Administration. Had that transfer been approved by the Legislature, the office would have received administrative assistance from the department and this position would have been unnecessary. Because that transfer did not take place the office will need this position in order to best serve its clientele.

22. State Treasurer — Technical Corrections

Sections 3459m [as it relates to s. 76.24 (1)] and 4454t

Section 3459m [as it relates to s. 76.24 (1)] requires the Department of Revenue to remit certain taxes to the Secretary of Administration to become part of the general fund.

Section 4454t requires the Department of Justice to pay to the Secretary of Administration certain obligations collected in bankruptcy cases. The Secretary of Administration then deposits moneys collected into the appropriate fund.

I am vetoing these sections because they were inadvertently retained from a previous version of the biennial budget bill which transferred some responsibilities of the State Treasurer to the Department of Administration. Since this transfer was deleted from the bill these provisions should also be deleted.