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# Wisconsin Briefs

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Brief 97-7 (Corrected Copy)

October 1997

## EXECUTIVE PARTIAL VETO OF 1997 ASSEMBLY BILL 100

### Executive Budget Bill Passed by the 1997 Wisconsin Legislature

(1997 Wisconsin Act 27)

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#### I. INTRODUCTION

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This brief contains the veto message of Governor Tommy G. Thompson for the partial veto of 1997 Assembly Bill 100 (1997 Wisconsin Act 27), the “Executive Budget Bill” passed by the 1997 Wisconsin Legislature. Subsequent editions of *Wisconsin Briefs* will cover the messages for other gubernatorial vetoes or partial vetoes relating to 1997 legislation.

##### *Veto Brief Format*

This brief provides the following information:

- 1) Background material on the veto process including legislative review of vetoes, use of the partial veto and judicial interpretation of the governor’s veto power.
- 2) The legislative action for 1997 Assembly Bill 100, including the vote for final passage in each house and the page number of the loose-leaf journals in each house referring to the vote (“S.J.” stands for Senate Journal; “A.J.” stands for Assembly Journal).
- 3) The text of the governor’s veto message.
- 4) The text of each segment of the governor’s veto message keyed to the corresponding partially vetoed sections of 1997 Wisconsin Act 27 (with the vetoed material indicated by a distinguishing shading — like this, and the write downs indicated by a distinguishing reverse shading of white numerals on black background).

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#### II. THE VETO PROCESS

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##### *History*

Wisconsin governors have been granted the constitutional power to veto bills in their entirety since the ratification of the Wisconsin Constitution in 1848. In November 1930, the people of Wisconsin approved a constitutional amendment granting the governor the additional power to veto appropriation bills in part. This new “partial veto” authority was used immediately beginning with the 1931 session (see following table).

## PARTIAL VETOES OF EXECUTIVE BUDGET BILLS 1931-1997<sup>1</sup>

Session	Bill	Law	Number of Vetoes <sup>2</sup>	Senate/Assembly Journal Page <sup>3</sup>	Session	Bill	Law	Number of Vetoes <sup>2</sup>	Senate/Assembly Journal Page <sup>3</sup>
1931	AB-107	Ch. 67	12	A.J. p. 1134	1973	AB-300	Ch. 90	38	A.J. p. 2409
1933	SB-64	Ch. 140	12	S.J. p. 1195		AB-17	Ch. 333	19	A.J. p. 310
1935	AB-17	Ch. 535	0	---	1975	AB-222	Ch. 39	42	A.J. p. 1521
1937	AB-74	Ch. 181	0	---		SB-755 <sup>6</sup>	Ch. 224	31	S.J. p. 2257
1939	AB-194	Ch. 142	1	A.J. p. 1462	1977	SB-77	Ch. 29	67	S.J. p. 853
1941	AB-35	Ch. 49	1	A.J. p. 770		AB-1220 <sup>6</sup>	Ch. 418	44	A.J. p. 4345
1943	AB-61	Ch. 132	0	---	1979	SB-79	Ch. 34	45	S.J. p. 617
1945	AB-1	Ch. 293	1	A.J. p. 1383		AB-1180 <sup>6</sup>	Ch. 221	58	A.J. p. 3420
1947	AB-198	Ch. 332	4 <sup>4</sup>	A.J. p. 1653	1981	AB-66	Ch. 20	121	A.J. p. 895
1949	AB-24	Ch. 360	0	---	1983	SB-83	Act 27	70	S.J. p. 276
1951	AB-174	Ch. 319	0	---	1985	AB-85	Act 29	78	A.J. p. 293
1953	AB-139	Ch. 251	2	A.J. p. 1419	1987	SB-100	Act 27	290	S.J. p. 277
1955	AB-73	Ch. 204	0	---		AB-850 <sup>8</sup>	Act 399	118	A.J. p. 1052
1957	AB-77	Ch. 259	2	A.J. p. 2088	1989	SB-31	Act 31	208	S.J. p. 325
1959	AB-106	Ch. 135	0	---		SB-542 <sup>9</sup>	Act 336	73	S.J. p. 957
1961	AB-111	Ch. 191	2	A.J. p. 1461	1991	AB-91	Act 39	457	A.J. p. 404
1963	SB-615	Ch. 224	0	---		SB-483 <sup>10</sup>	Act 269	161	S.J. p. 896
1965	AB-903	Ch. 163	1	A.J. p. 1902	1993	SB-44	Act 16	78	S.J. p. 362
1967	AB-99	Ch. 43	0	---		AB-1126 <sup>8</sup>	Act 437	11	A.J. p. 960
1969	SB-95	Ch. 154	27	A.J. p. 2615	1995	AB-150	Act 27	112	A.J. p. 383
1971	SB-805	Ch. 125	12 <sup>5</sup>	S.J. p. 2162		AB-557 <sup>11</sup>	Act 113	11	A.J. p. 689
	AB-1610 <sup>6</sup>	Ch. 215	8	A.J. p. 4529	1997	AB-100	Act 27	152	A.J. p. 322

<sup>1</sup>A constitutional amendment giving the governor authority to veto appropriation bills in part was ratified by the electorate in November 1930.

<sup>2</sup>As listed in the respective governor's veto message.

<sup>3</sup>Beginning journal page reference. A.J. — Assembly Journal; S.J. — Senate Journal.

<sup>4</sup>All 4 partial vetoes involved the Conservation Fund.

<sup>5</sup>Numerous "technical changes" made by the governor are counted as one partial veto.

<sup>6</sup>Budget Review Bills.

<sup>7</sup>Budget Review Bill considered in April 1974 Special Session.

<sup>8</sup>1988 Annual Budget Bill.

<sup>9</sup>1990 Agency Adjustment Bill.

<sup>10</sup>1992 Budget Adjustment Bill.

<sup>11</sup>1995-97 Transportation Budget Bill.

Source: Senate and Assembly Journals.

Section 10 of Article V of the Wisconsin Constitution grants the veto power to the governor. As printed in the 1995-96 edition of the *Wisconsin Statutes*, the section reads:

WISCONSIN CONSTITUTION [Article V] GOVERNOR TO APPROVE OR VETO BILLS; PROCEEDINGS ON VETO. Section 10. (1) (a) Every bill which shall have passed the legislature shall, before it becomes a law, be presented to the governor.

(b) If the governor approves and signs the bill, the bill shall become law. Appropriation bills may be approved in whole or in part by the governor, and the part approved shall become law.

(c) In approving an appropriation bill in part, the governor may not create a new word by rejecting individual letters in the words of the enrolled bill.

(2) (a) If the governor rejects the bill, the governor shall return the bill, together with the objections in writing, to the house in which the bill originated. The house of origin shall enter the objections at large upon the journal and proceed to reconsider the bill. If, after such reconsideration, two-thirds of the members present agree to pass the bill notwithstanding the objections of the governor, it shall be sent, together with the objections, to the other house, by which it shall likewise be reconsidered, and if approved by two-thirds of the members present it shall become law.

(b) The rejected part of an appropriation bill, together with the governor's objections in writing, shall be returned to the house in which the bill originated. The house of origin shall enter the objections

at large upon the journal and proceed to reconsider the rejected part of the appropriation bill. If, after such reconsideration, two-thirds of the members present agree to approve the rejected part notwithstanding the objections of the governor, it shall be sent, together with the objections, to the other house, by which it shall likewise be reconsidered, and if approved by two-thirds of the members present the rejected part shall become law.

(c) In all such cases the votes of both houses shall be determined by ayes and noes, and the names of the members voting for or against passage of the bill or the rejected part of the bill notwithstanding the objections of the governor shall be entered on the journal of each house respectively.

(3) Any bill not returned by the governor within 6 days (Sundays excepted) after it shall have been presented to the governor shall be law unless the legislature, by final adjournment, prevents the bill's return, in which case it shall not be law.

### *Wisconsin Supreme Court Cases*

The constitutional provision granting the governor the authority to veto bills in part has come under the scrutiny of the Wisconsin Supreme Court in 8 cases: *State ex rel. Wisconsin Telephone Co. v. Henry*, 218 Wis. 302 (1935); *State ex rel. Finnegan v. Dammann*, 220 Wis. 143 (1936); *State ex rel. Martin v. Zimmerman*, 233 Wis. 442 (1940); *State ex rel. Sundby v. Adamany*, 71 Wis. 2d 118 (1976); *State ex rel. Kleczka v. Conta*, 82 Wis. 2d 679 (1978); *State ex rel. Wisconsin Senate v. Thompson*, 144 Wis. 2d 429 (1988); *Citizens Utility Board v. Klauser*, 194 Wis. 2d 484 (1995); and *Risser v. Klauser*, 207 Wis. 2d 558 (1997). With 2 exceptions, the opinions have broadened the power of the governor to veto parts of appropriation bills.

In the *Henry* case, the court held that the authority granted to the governor in the Wisconsin Constitution to veto a "part" is broader than the authority of other governors to veto an "item"; that the governor could disapprove nonappropriation parts of an appropriation bill; that the parts approved after the veto must constitute a complete, entire, and workable law; and that the governor's power to disapprove separable pieces of an appropriation bill is as broad as the legislature's power to join the pieces into a single bill.

The *Finnegan* case held that, in order for the governor to exercise the partial veto, the body of the bill itself must contain an appropriation of public money not merely have an indirect bearing upon an appropriation; and that an increase in revenues that has the effect of increasing expenditures under an existing appropriation does not create an appropriation.

The *Martin* case stated that the purpose of the partial veto was to prevent, if possible, the adoption of omnibus appropriation bills "with riders of objectionable legislation attached" which would "force the governor to veto the entire bill and thus stop the wheels of government or approve the obnoxious act." The court held in *Martin* that 1) the governor may effect policy changes through the partial veto and 2) the veto is sustainable if the approved parts, taken as a whole, still provide a complete, workable law.

In the *Sundby* case, the court recognized that the governor may effect an affirmative change as well as negate legislative action through the veto, and it reiterated that the veto may be applied to nonappropriation language.

In the *Kleczka* case, the court rejected any implication in the earlier cases that a legislative proviso or condition on an appropriation was inseverable from the appropriation and thus could be vetoed only if the appropriation itself was vetoed.

In the *Thompson* case, decided prior to the 1990 constitutional amendment (which prohibited the governor from using his partial veto authority to create new words by rejecting individual letters), the court reiterated that the governor's authority to veto appropriation bills in part is very broad, that the governor may exercise the partial veto authority on conditions or provisos attached to appropriations, that a partial veto may be affirmative as well as negative in effect, and that the material remaining after the veto must be a complete and workable law. The court let stand vetoes that created new words and sentences by striking words, letters and punctuation. It held that the governor may reduce dollar amounts by striking individual digits and that any text remaining after the governor's use of the partial veto must be "germane to the topic or subject matter of the vetoed provisions" contained in the enrolled bill.

In *Citizens Utility Board*, the court held that the governor may exercise the partial veto power by striking a numerical sum in an appropriation and writing in a different smaller number as the appropriated sum.

The *Risser* court held that the governor's write-in veto may be exercised only on a monetary figure which is an appropriation amount.

**Federal Cases**

The federal courts have also addressed the Wisconsin veto process. Following *State ex rel. Wisconsin Senate v. Thompson*, 144 Wis. 2d 429 (1988), the governor’s veto power was upheld by both the United States District Court for the Western District of Wisconsin (No. 90 C 215) and the United States District Court of Appeals for the Seventh Circuit in *Fred A. Risser and David M. Travis v. Tommy G. Thompson*, 930 F.2d 549 (7th Cir. 1991). The U.S. Court of Appeals concluded that “Wisconsin’s partial veto provision as interpreted by the state’s highest court is a rational measure for altering the balance of power between the branches. That it is unusual, even quirky, does not make it unconstitutional. It violates no federal constitutional provision because the federal Constitution does not fix the balance of power between branches of state government.” In October 1991, the U.S. Supreme Court refused to review the decision of the U.S. Court of Appeals. *Risser v. Thompson*, 502 U.S. 860 (1991).

**Legislative Action and Publication of Law Supplements**

Since 1973 each act vetoed in part has originally been published to show the parts approved by the governor as clear text and the parts objected to by the governor as overlaid text and beginning in 1995 as shaded text (this is shaded text). If the legislature overrides a partial veto, only the new law text resulting from the veto override is published. The new text is identified as a supplement to the act originally published.

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**III. LEGISLATIVE ACTION**

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**1997 Wisconsin Act 27 (Assembly Bill 100): Executive Budget Act**

On September 16, 1997, the assembly adopted Assembly Substitute Amendment 1 [as amended by Assembly Amendments 8 (as amended by Assembly Amendments 1, 3, 4, 5, 9, 10, 12 and 13) and 9 (as amended by Assembly Amendment 1)] to 1997 Assembly Bill 100, by a voice vote, A.J. 09/16/97, p. 277, and passed Assembly Bill 100 as amended, by a vote of 75 to 24, A.J. 09/16/97, p. 278.

On September 25, 1997, the senate adopted Senate Amendment 1, and concurred in Assembly Bill 100 as amended by a vote of 30 to 3, S.J. 09/25/97, p. 285.

On September 29, 1997, the assembly received the bill from the senate as amended and concurred in by the senate (Senate amendment 1 adopted), A.J. 09/29/97, p. 307.

On September 29, 1997, the assembly concurred in Senate Amendment 1 to Assembly Bill 100, A.J. 09/29/97, p. 309.

On October 11, 1997, the governor approved in part and vetoed in part Assembly Bill 100, and the part approved became 1997 Wisconsin Act 27, A.J. 10/13/97, p. 322. The date of enactment is October 11, 1997, and the date of publication is October 13, 1997, and, as provided by section 991.11, Wisconsin Statutes, the effective date of all provisions of the act is October 14, 1997, except those provisions for which the act expressly provides a different date.

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**IV. TEXT OF THE GOVERNOR’S VETO MESSAGE**

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October 11, 1997

To the Honorable Members of the Assembly:

I have approved Assembly Bill 100 as 1997 Wisconsin Act 27 and deposited it in the Office of the Secretary of State. The budget bill is the most important piece of legislation enacted in each legislative session. It is the largest bill, it receives the most debate and it affects all citizens, businesses and local governments. The taxing and spending decisions

made in the budget bill will have an impact far into the future. I am confident that this budget makes a wise investment in our future.

The Legislature is to be commended for its hard work and bipartisanship in passing a budget. Wisconsin has waited a long time for this budget bill to be passed but the end product is good. The bill reduces and then permanently restrains the growth of state income taxes, continues our commitment to lower property taxes and makes responsible spending decisions within our ability to pay. The budget advances education and training programs to give all of our citizens the opportunity to succeed and enhances our environment.

While the product of the budget deliberations was a good one, the process itself needs improvement. Nearly 500 days elapsed from the time budget instructions were sent to state agencies in May of 1996 until the signing of the budget bill in October 1997. The bill itself was not passed by the Legislature until 91 days after the last budget ended. The debate dragged on so long that the budget outlook changed several times during the process. Since agencies prepared their 1997-99 budget requests, revenue estimates have been revised upward on three different occasions, school aid estimates have been revised upward twice, a major lawsuit against the state was settled and the Congress and the President agreed to major federal budget changes. All these events complicated a process that is difficult enough under normal circumstances. I challenge the Legislature to pass the next budget by June 30, 1999.

The budget I am signing appropriates \$18.6 billion in fiscal year 1997-98 and \$18.8 billion in fiscal year 1998-99, for a total of \$37.4 billion in the biennium. This budget represents annual appropriation increases from all fund sources of 8.4% in fiscal year 1997-98 and 1.1% in fiscal year 1998-99, or an increase in the second year over the base year of 9.5%. Appropriations of general purpose revenue are set at \$9.8 billion in fiscal year 1997-98 and \$9.9 billion in fiscal year 1998-99, for a total of \$19.7 billion GPR in the biennium. The GPR appropriations represent increases of 6.5% in fiscal year 1997-98 and 1.6% in fiscal year 1998-99, or an increase in the second year over the base year of 8.2%. Almost all of the increase in GPR spending is accounted for by three major items: settlement of the Special Investment Performance Dividend lawsuit (\$215 million); increases in school aid funding; and increases in funding for the correctional system.

The budget bill continues the commitment we made to provide meaningful property tax relief. Property taxes on December 1997 tax bills are expected to drop for the second consecutive year, with taxes reduced by 1.2% on a home at the median value of \$93,300. The budget also provides tax relief that our citizens deserve in a number of other ways, including substantial income tax cuts.

The combined effect of the tax cuts in the last two budgets is dramatic. The total state and property tax burden on Wisconsin citizens is now at its lowest level in 15 years when measured as a percentage of personal income. By the end of this biennium, the total state and property tax burden will have dropped in just five years from 12.1% of personal income in 1993-94 to 11.3% of personal income in 1998-99.

The budget bill I am signing has a total of 152 vetoes. A number of these vetoes are technical in nature or needed to correct drafting problems. The budget bill also contained over 130 new directives requiring agencies to prepare reports, studies or plans for the Legislature or Joint Finance Committee, or perform certain activities before funding is made available to the agencies. I vetoed the most burdensome of these new reporting requirements because most state agencies have seen their funding reduced in this budget, on top of the reductions in the last budget. Adding new workload demands at a time when budgets are further constrained interferes with the ability of agencies to provide basic services to citizens. I believe there are far too many legislative directives in the budget since the day to day management of state agencies is the responsibility of the executive branch of government.

I did not feel it was appropriate to use my veto power to eliminate any of the various budget reductions that the Legislature proposed for District Attorney offices, but the reductions are too severe and will harm prosecution efforts in all counties of the state. Instead, I will seek to have separate legislation introduced to restore the cuts made to the budget for District Attorney offices to ensure that DA offices around the state can operate effectively.

The partial vetoes I am executing will improve the general fund's ending balance by \$20.5 million. The savings from vetoes are important to maintain adequate budget reserves for the management of state government.

The highlights of this budget include the following:

**Tax Relief**

- Reduces individual income tax rates by 1% in tax year 1998 and indexes the standard deduction and income tax brackets for changes in inflation beginning in tax year 1999.
- Creates a credit designed to eliminate any remaining tax liability for working families with incomes below \$9,000 for a single filer or \$18,000 for married filers.
- Increases the married couple credit over a four-year period beginning in tax year 1998, with the maximum credit increasing from the current level of \$300 to \$420 by 2001.
- Restores the lottery credit as a credit to all parcels of real and personal property. Under this proposal, the average credit is expected to be \$84 on the December 1997 tax bills.
- Funds an increase in the school levy credit of \$150 million beginning in FY98 as the final component in achieving two-thirds state funding of school costs beginning in the 1996-97 school year.
- Continues the state's commitment to property tax relief. When the state first achieved two-thirds state funding of school costs, the owner of a median value home saw a \$121 reduction in his or her property taxes on the December 1996 tax bill. Under this bill, this same homeowner will receive an additional \$25 reduction on the December 1997 tax bill.
- Specifies that any increase above \$20 million in the general fund's expected balances be used to eliminate delays in school aid payments.
- Provides the Department of Revenue with additional funding and positions to improve service to taxpayers and enhance the fairness of our tax collection system.

**Economic Development and Transportation**

- Improves highway safety and enhances economic development by increasing state and federal support for highway construction projects and local transportation aids by over \$120 million annually.
- Establishes a new \$5 million county road improvement program and increases existing local road improvement funding by over 42% to focus transportation resources on critical infrastructure projects.
- Increases local transportation aids by over 11% to meet maintenance and rehabilitation costs and to limit growth in property taxes.
- Establishes a three-tier transit aid distribution structure and increases state assistance to local systems by over 9%.
- Supports the installation of mobile data computers in State Patrol vehicles and the initial development of an improved radio and data communications system for state and local law enforcement efforts.
- Provides \$10 million in grants and \$22.5 million in loan guarantees for redevelopment of contaminated and under-utilized land.
- Provides additional funds for rural and agricultural economic development through the Department of Commerce.

**Education**

- Requires school districts to adopt rigorous academic standards in core subject areas (reading and writing, mathematics, science, history and geography) by the fall of 1998.
- Requires school districts to implement a high school graduation test by the 2000-2001 school year and requires students graduating in the class of 2003 to pass the test in order to receive a high school diploma.

- Provides \$200 million in grants and borrowing authority to implement the Technology for Educational Achievement (TEACH) initiative. TEACH will put technology into every school in the state, as well as provide support for technology initiatives in the University of Wisconsin and Wisconsin Technical College systems, private colleges and public libraries.
- Creates the Youth Options program which will allow high school juniors and seniors to attend technical college campuses full-time to earn their high school diplomas as well as credits toward a degree or certificate.
- Consolidates the School-to-Work program in the Department of Workforce Development and increases financial support for career counseling centers and the youth apprenticeship program.
- Expands the charter school program to allow UW-Milwaukee, the Milwaukee Area Technical College and the city of Milwaukee to create charter schools.
- Creates a public school choice program that increases educational options for parents and students by giving them the choice of which public school district to attend, beginning in the fall of 1998.
- Maintains the state's commitment to fund two-thirds of school costs by providing increases in state school aid of \$239 million for the 1997-98 school year and an additional \$212 million for the 1998-99 school year.
- Provides \$12.8 million over the biennium to expand the number of grade levels and add an estimated 37 school districts to the Student Achievement Guarantee in Education (SAGE) program, which reduces class sizes for schools that serve low-income neighborhoods.
- Provides \$2.5 million to increase aid for public library systems by 21.5% over the biennium.
- Increases the low-spending revenue limit exemption for school districts from the 1996-97 level of \$5,600 per pupil to \$5,900 in 1997-98 and \$6,100 in 1998-99.
- Beginning in 1998-99, allows school districts to increase their revenue limits to recognize 20% of their summer school enrollment.
- Provides \$666,000 to expand the P-5 program (which provides additional resources for districts with large numbers of low-income students) in Milwaukee, Kenosha, Racine and Beloit.
- Provides an adjustment to the allowable increase in revenue limits from \$206 per pupil in the 1997-98 school year to an estimated \$211 in the 1998-99 school year.
- Holds school districts harmless from declining enrollment which exceeds 2% in the 1997-98 school year, and modifies the provision to authorize a 75% hold harmless in 1998-99.
- Provides the Board of Regents of the University of Wisconsin System with the authority and fiscal flexibility necessary to increase faculty compensation by the amount necessary to recruit and retain high quality faculty.
- Provides \$5.2 million over the biennium to increase Wisconsin higher education grants (WHEG) to students attending the University of Wisconsin System by an average of 20%.
- Provides \$4.8 million over the biennium to increase financial aid to students attending the Wisconsin Technical College System and Wisconsin's private colleges.

#### **Environmental Protection and Resource Management**

- Increases the redevelopment potential and environmental quality of contaminated property by expanding liability exemptions for sites that are cleaned up to Department of Natural Resources standards.
- Creates a new Wisconsin Land Council to recommend state land use goals, coordinate state programs that impact land development, develop a technology infrastructure to support information dissemination and decision-making,

and seek cooperation between state, local, federal and tribal governments regarding land use policy and planning issues.

- Creates a Safe Drinking Water Fund to provide subsidized loans and loan guarantees for improvements to municipal and private drinking water systems.
- Increases municipal recycling grants by \$31 million over current law through calendar year 2000.
- Enhances the competitiveness and environmental responsibility of Wisconsin businesses by authorizing environmental performance agreements that emphasize continuous improvements in production processes and associated waste generation.
- Streamlines environmental permit issuance and implements time limits on permit processing.
- Increases funding for water quality protection efforts by \$15 million related to the priority watershed program, new nonpoint source performance standards and the soil and water resources management program.
- Seeks to improve service to the public through automating campground reservations, hunting and fishing license issuance and recreational vehicle registration.
- Enhances recreation and winter tourism opportunities by increasing local snowmobile aids by 57% over the biennium through a new GPR appropriation, a new \$10 sticker for non-resident snowmobiles and growth in existing revenue sources.
- Reduces agrichemical licensing fees and surcharges due to a surplus in the agrichemical cleanup fund.

#### **Human Services**

- Provides \$9.2 million GPR to fund an additional 1,192 Community Options Program (COP) slots over the biennium.
- Provides an increase of \$146 million over the biennium to meet the increased needs for child care that will result from the statewide implementation of W-2.
- Provides a 21% increase in the grant payments for Community Service Jobs and Transition placements under W-2 to recognize that people in these two categories have additional barriers to work.
- Provides \$34.4 million GPR over the biennium to fund the state assumption of responsibility for the operation of child welfare services in Milwaukee.
- Provides \$3.6 million GPR over the biennium to support a women's health initiative, to assure that the particular health needs of women are met.
- Provides for an increase in the cigarette tax of 15 cents per pack. The anticipated revenue from this increase, \$82 million over the biennium, will help to fund the health initiatives in the budget.
- Provides \$2.0 million GPR over the biennium for grants to school districts and local communities for tobacco education.
- Provides \$2.6 million GPR over the biennium to increase services to the victims of domestic abuse.
- Adds dental sealants for children as a new Medical Assistance benefit. By the end of the biennium the costs of this new benefit will be outweighed by the savings in other dental costs for children.
- Provides \$15.7 million GPR in FY99 to institute the new Badgercare health insurance program for children and their parents. This program will cost \$67.1 million all funds annually and will make health insurance available for all low-income children and their parents who are not covered by Medical Assistance.

- Provides \$3.0 million GPR over the biennium in increases for benefit specialists and elder abuse services, two programs of importance to senior citizens.

### **Justice**

- Provides the resources necessary to enforce Wisconsin's sex predator law to ensure continued public safety.
- Provides additional state funding and staff for critical drug enforcement programs in the Department of Justice.
- Increases funding for programs that assist victims of crime.
- Provides additional support to local law enforcement by adding state crime lab resources, including full funding of the state's DNA analysis program and funding for critical surveillance equipment and additional crime lab analysts.
- Provides funding for 2,157 new prison beds and 1,830 contract beds to help relieve prison overcrowding.
- Authorizes the Department of Corrections to contract with private providers for prison beds in other states.
- Provides capital funding to construct a 600-bed probation and parole and AODA facility in Milwaukee.
- Provides capital funding to construct another 1,000 prison beds at a site or sites to be determined in the future.
- Provides funding for the VINE System (Victim Information and Notification Everyday) to inform victims of offender location, parole eligibility date, mandatory release date and offender's date of release from prison.
- Increases from three to six the number of private business partnerships authorized to provide prison employment opportunities in Wisconsin prisons.
- Increases funding for youth aids by providing an additional \$8.5 million to counties.
- Doubles funding for youth diversion programs designed to divert youth from gang activities in Milwaukee, Racine, Kenosha and Brown Counties and in the City of Racine.
- Provides the resources for the next phase in developing Wisconsin's integrated justice information system to enhance the information sharing capabilities of local law enforcement, the courts, the public defender, district attorneys and the correctional system. The budget also provides nearly \$7 million to further improve the information technology infrastructure of the public defender and the district attorneys.
- Ensures the continued success and stability of the Circuit Court Automation Program (CCAP) by providing 23 positions and additional funding to the courts to continue to provide circuit courts with information technology targeted at improving the efficiency of court operations throughout the state.

### **State Government Operations and Efficiency**

- Eliminates nearly 50 attached boards, councils and commissions that the Lieutenant Governor's study recommended be sunset.
- Funds all state obligations related to implementation of the Special Investment Performance Dividend court order and also funds benefit supplements to ensure there will be no discontinuity in the receipt of existing pension benefits by pre-1974 retirees.
- Provides improvements in programs and benefits for Wisconsin's veterans, including extending eligibility to include peacetime veterans, creating a new personal loan program which increases maximum loan limits and expanding the purposes for which loans can be made, restructuring and strengthening the primary home loan and home improvement programs, and expanding the tuition fee reimbursement program.
- Provides funds to reimburse 100% of costs in the National Guard Tuition Grant Program.

- Provides funds for the State Elections Board to convert and implement a system for electronically reporting and accessing election campaign finances, as recommended by a Governor's blue ribbon commission on campaign reform.
- Creates a small section within the Department of Administration to conduct performance audits and increase financial auditing of state agencies.

The budget I am signing today covers the last full biennium of the twentieth century. It builds on our past successes and points us toward a promising future.

Respectfully submitted,

TOMMY G. THOMPSON

Governor

V. VETOED ITEMS

A. EDUCATION AND TRAINING

ARTS BOARD

Item A-1. Percent-for-Art Program

Governor's written objections

Sections 9hm, 233rb, 233re, 1346sf, 1346sj, 1346wg and 9105 (1g)

These provisions delete the Percent-For-Art program. This program provides funding from the State Building Commission to include works of art in state buildings.

I am vetoing these provisions in order to retain the Percent-for-Art program. While I agree with concerns that the program's scope should be limited to exclude projects in prisons, warehouses, sidewalks and similar facilities, the basic program has merit and should be retained. While this veto retains the program, I am requesting the Building Commission to develop policies which reflect the Legislature's support for restricting the types of projects funded.

Cited segments of 1997 Assembly Bill 100:

Vetoed In Part SECTION 9hm. 13.48 (10) (a) of the statutes is amended to read: 13.48 (10) (a) No state board, agency, officer, department, commission or body corporate may enter into a contract for the construction, reconstruction, remodeling of or addition to any building, structure, or facility, which involves a cost in excess of \$100,000, without completion of final plans and arrangement for supervision of construction and prior approval by the building commission. The building commission may not approve a contract for the construction, reconstruction, renovation or remodeling of or an addition to a state building as defined in s. 44.51 (2) unless it determines that s. 44.57 has been complied with or does not apply. This section applies to the department of transportation only in respect to buildings, structures and facilities to be used for administra-

tive or operating functions, including buildings, land and equipment to be used for the motor vehicle emission inspection and maintenance program under s. 110.20. SECTION 233rb. 20.215 (1) (k) of the statutes is repealed. SECTION 233re. 20.215 (1) (ka) of the statutes is repealed. SECTION 1346sf. 44.51 (2) of the statutes is repealed. SECTION 1346sj. 44.51 (3) of the statutes is repealed. SECTION 1346wg. 44.57 of the statutes is repealed. SECTION 9105. Nonstatutory provisions; arts board. (1g) PERCENT-FOR-ARTS PROGRAM. The authorized FTE positions for the arts board are decreased by 1.0 PR position to reflect elimination of the percent-for-arts program.

Vetoed In Part Vetoed In Part Vetoed In Part Vetoed In Part Vetoed In Part

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## HIGHER EDUCATIONAL AIDS BOARD

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### Item A-2. Academic Excellence Scholarship Program

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#### Governor's written objections

*Section 1277d*

This provision requires the Higher Educational Aids Board (HEAB) and the Department of Public Instruction (DPI) to jointly develop tiebreaker guidelines for the academic excellence scholarship program.

I am vetoing this section in its entirety. The effect of this veto will be to retain local school district responsibility for the development of tiebreaker guidelines. The rules for determining class rank, which determine eligibility for an Academic Excellence Scholarship, are most appropriately the responsibility of local school boards.

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#### Cited segments of 1997 Assembly Bill 100:

**Vetoed In Part** SECTION 1277d. 39.41 (1m) (r) of the statutes is created to read:  
39.41 (1m) (r) The board, in consultation with the department of public instruction, shall develop guidelines

that may be used by the faculty of a high school to fulfill its requirements under par. (d) or (e). The guidelines shall include a method of weighting courses differently for purposes of the calculation of grade point averages.

**Vetoed In Part**

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## PUBLIC INSTRUCTION

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### Item A-3. Maximum Allowable Revenue Increase

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#### Governor's written objections

*Sections 169 [as it relates to s. 20.255 (2) (ac)], 253k and 2898m*

Section 2898m limits school district revenue increases in the 1997-98 school year. It provides that, in 1997-98, school district revenues may not grow by more than \$206 per full-time equivalent pupil plus the annual percentage increase, in dollar terms, of the consumer price index for urban consumers between March 1996 and March 1997.

I am vetoing this section to maintain the allowable increase per pupil in 1997-98 at \$206. School districts should have already developed 1997-98 budgets based on the \$206 increase. This veto will permit districts to increase their revenues by \$206 per pupil in fiscal year 1997-98 and by approximately \$211 per pupil in fiscal year 1998-99. These amounts will provide the vast majority of school districts with an annual per pupil adjustment that will exceed inflation throughout the 1997-99 biennium.

Section 169 [as it relates to s. 20.255 (2) (ac)] provides \$2,800,000 GPR in fiscal year 1997-98 to pay for the additional revenue increase per pupil. Although there is no language in the budget bill that authorizes this increase, the purpose of this funding was included in a Senate amendment to the bill. By lining out the Department of Public Instruction's s. 20.255 (2) (ac) appropriation and writing in a smaller amount that deletes the \$2,800,000 GPR provided for this purpose in fiscal year 1997-98, I am vetoing the part of the bill which funds this provision in fiscal year 1997-98. The effect of this veto will be to reduce expenditures in the appropriation under s. 20.255 (2) (ac) by \$2,800,000 in fiscal year 1997-98. In addition, this veto will also reduce estimated expenditures in the appropriation under s. 20.255 (2) (ac) in fiscal year 1998-99 by \$3,400,000. Therefore, I am requesting the Department of Administration Secretary to reestimate fiscal year 1998-99 expenditures by \$3,400,000.

Cited segments of 1997 Assembly Bill 100:

SECTION 169. 20.005 (3) of the statutes is repealed and recreated to read:

STATUTE, AGENCY AND PURPOSE	SOURCE	TYPE	1997-98	1998-99	
<b>20.255 Public instruction, department of</b>					
(2) AIDS FOR LOCAL EDUCATIONAL PROGRAMMING					
(ac) General equalization aids	GPR	S	3,321,288,800 3,318,488,800	3,489,515,500 3,486,115,500	Vetoed In Part

SECTION 253k. 20.255 (2) (ac) of the statutes is amended to read:

20.255 (2) (ac) *General equalization aids.* A sum sufficient for the payment of educational aids under ss. 121.08, 121.09 and 121.105 and subch. VI of ch. 121 equal to ~~\$3,321,288,800~~ \$3,318,488,800 in the 1997-98 fiscal year and equal to the amount determined by the joint committee on finance under s. 121.15 (3m) (c) in

each fiscal year thereafter, less the amount appropriated under par. (bi).

**SECTION 2898m.** 121.91 (2m) (c) 2. of the statutes is repealed and recreated to read:

121.91 (2m) (c) 2. Multiply \$206 by the sum of 1.0 plus the allowable rate of increase under s. 73.0305 expressed as a decimal.

Vetoed  
In Part

Vetoed  
In Part

Item A-4. Student Achievement Guarantee in Education

Governor's written objections

Section 2842z

This provision authorizes the Department of Public Instruction to waive the current eligibility requirements for the Student Achievement Guarantee in Education (SAGE) program in fiscal year 1998-99 to allow more school districts to participate in the program if any eligible school districts choose not to participate.

I am vetoing this provision because I object to the potential expansion of the SAGE program to districts that do not meet the current eligibility requirements. The SAGE program should be dedicated to those districts that have an above average number of low-income pupils. The effect of this veto is to honor the Legislature's recommendation to provide \$5,700,000 in fiscal year 1998-99 to implement the SAGE program in kindergarten and first grade for districts that meet the current eligibility requirements.

Cited segments of 1997 Assembly Bill 100:

**SECTION 2842z.** 118.43 (8) of the statutes is created to read:  
118.43 (8) DEPARTMENTAL WAIVER OF LOW-INCOME PERCENTAGE REQUIREMENT. If a school district that is eli-

gible to contract with the department under sub. (2) (a) chooses not to do so, the department may waive the eligibility requirements under sub. (2) (a) to include additional school districts that would otherwise be ineligible.

Vetoed  
In Part

Vetoed  
In Part

**Item A-5. Revenue Limits--School Districts with Declining Enrollments**

**Governor's written objections**

*Section 2902v*

This section provides that, beginning in 1998-99 and thereafter, a school district with a decline in its three-year rolling enrollment average would receive a three-year revenue limit adjustment providing a dollar amount equal to: (1) 75% of the revenues lost in the most recent year; (2) 50% of the revenues lost in the second most recent year; and (3) 25% of the revenues lost in the third most recent year. No further adjustments would be provided after the third year. These adjustments would be non-recurring and calculated separately.

I am partially vetoing this section to eliminate the adjustment to district revenues in 1999-2000 and thereafter. This veto will not affect the declining enrollment provisions in this act for the 1997-99 biennium. However, while providing some immediate fiscal relief to districts with declining enrollments is reasonable, the fiscal impact of enrollment changes, both increasing and decreasing, needs a more comprehensive review. I will work with the Legislature to permanently resolve this issue in a way that will address both state and school district concerns.

**Cited segments of 1997 Assembly Bill 100:**

**SECTION 2902v.** 121.91 (4) (f) of the statutes is created to read:

**Vetoed In Part** 121.91 (4) (f) 1. For the 1998-99 school year or any school year thereafter, if the average of the number of pupils enrolled in the current and the 2 preceding school years, as calculated under sub. (2m) (d) 4., is less than the average of the number of pupils enrolled in the 3 previous school years, as calculated under sub. (2m) (d) 1., the limit otherwise applicable under sub. (2m) (d) is increased **Vetoed In Part** by the amount determined as follows:

a. In the current school year, an amount equal to the additional amount that would have been calculated had the decline in average enrollment been 25% of what it was.

**Vetoed In Part**

b. In the first succeeding school year, an amount equal to the additional amount that would have been calculated had the decline in average enrollment been 50% of what it was.

**Vetoed In Part**

c. In the 2nd succeeding school year, an amount equal to the additional amount that would have been calculated had the decline in average enrollment been 75% of what it was.

**Item A-6. Date Requirement for Full-Time and Part-Time Open Enrollment Policies**

**Governor's written objections**

*Sections 2843g and 2843r*

These sections provide that school boards must adopt guidelines and policies for full-time and part-time open enrollment by December 1, 1997.

Due to the late passage of the 1997-99 biennial budget bill, I am partially vetoing these sections by striking the digit "1", thereby providing school boards with the entire month of December to fulfill these requirements as they relate to these programs. Given the delayed passage of the budget, school boards should have additional time to adopt guidelines and policies for the open enrollment program.

**Cited segments of 1997 Assembly Bill 100:**

**SECTION 2843g.** 118.51 of the statutes is created to read:

**118.51 Full-time open enrollment.**

**Vetoed In Part** (4) ADOPTION OF POLICIES AND CRITERIA. (a) By December 1, 1997, each school board shall adopt a resolution specifying all of the following:

**SECTION 2843r.** 118.52 of the statutes is created to

read:

**118.52 Part-time open enrollment.**

(4) ADOPTION OF POLICIES AND CRITERIA. By December 1, 1997, each school board shall adopt a resolution specifying the criteria and policies described in subs. (5) and (6). If the school board wishes to revise the criteria or policies, it shall do so by resolution.

**Vetoed In Part**

**Item A-7. Wisconsin Educational Opportunity Program**

**Governor's written objections**

*Section 169 [as it relates to s. 20.255 (1) (a)]*

Section 169 [as it relates to s. 20.255 (1) (a)] provides \$68,900 GPR in fiscal year 1997-98 and \$137,800 in fiscal year 1998-99 for an additional 3.0 FTE positions for the Wisconsin Educational Opportunity Program (WEOP). Although there is no language in the budget bill that authorizes this increase, the purpose of this funding was included in a Senate amendment to the bill.

By lining out DPI's s. 20.255 (1) (a) appropriation and writing in a smaller amount that deletes the \$206,700 GPR provided for this purpose in fiscal years 1997-98 and 1998-99, I am vetoing the part of the bill which funds these 3.0 FTE positions. With the Senate's restoration of the proposed reduction to DPI's base budget, the Department will have additional resources beyond what was originally anticipated. If expanding WEOP services is a DPI priority, consideration should be given to the internal reallocation of resources. I am also requesting the Department of Administration Secretary not to allot these funds. Furthermore, I am requesting the Secretary not to authorize 3.0 GPR FTE positions.

**Cited segments of 1997 Assembly Bill 100:**

**SECTION 169.** 20.005 (3) of the statutes is repealed and recreated to read:

STATUTE, AGENCY AND PURPOSE	SOURCE	TYPE	1997-98	1998-99
<b>20.255 Public instruction, department of</b>				
(1) EDUCATIONAL LEADERSHIP				
(a) General program operations	GPR	A	10,836,400	10,899,100
			10,767,500	10,761,300

**Vetoed In Part**

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## STATE HISTORICAL SOCIETY

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### Item A-8. Nonresident Library Fee

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#### Governor's written objections

*Sections 1345ej, 1345em and 9424 (1x)*

These sections require the Historical Society to charge a fee for the use of the main library or for research services to any nonresident who is not a member of the Historical Society, a member of the faculty or academic staff of the University of Wisconsin or a student enrolled in a University of Wisconsin campus. Section 1345em also requires the society to submit a fee schedule to the Joint Committee on Finance (JCF) for approval under a passive review process.

I am partially vetoing section 1345em to remove JCF approval of the fee schedule because this adds an unnecessary level of review on an administrative matter that should be determined by the Historical Society's Board of Curators. I am partially vetoing sections 1345ej, 1345em and 9424 (1x) because I also object to the requirement that the Historical Society charge a fee for the use of the main library. While charging a fee for research services is reasonable considering the substantial level of staff resources that are involved in such activities, charging a fee for nonresidents' use of the publicly accessible resources of the main library would be administratively cumbersome and unlikely to generate sufficient revenue to cover costs. The Historical Society will still be required to charge a fee to nonresidents who are provided research services by the society.

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#### Cited segments of 1997 Assembly Bill 100:

**Vetoed In Part** **SECTION 1345ej.** 44.02 (5g) of the statutes is renumbered 44.02 (5g) (a) and amended to read:

**44.02 (5g) (a)** Not charge a fee for use of the main library by any member of the historical society, any member of the faculty or academic staff of the University of Wisconsin System, any student enrolled in the University of Wisconsin System or any other person who is a resident exempted by rule of the historical society. ~~The Except as provided in par. (b), the historical society may not charge a fee for use of the main library by any other person unless the historical society submits a fee schedule under this paragraph to the joint committee on finance that includes the specific fee to be charged to different categories of persons and an identification of any persons exempted by rule of the historical society. The fee schedule of the historical society under this paragraph shall be implemented if the committee approves the report, or does not schedule a meeting for the purpose of reviewing the report within 14 working days after receipt of the report.~~

**SECTION 1345em.** 44.02 (5g) (b) of the statutes is created to read:

**44.02 (5g) (b)** Charge a fee for use of the main library by, or for research services provided by the historical society to, any nonresident who is not specifically exempted under par. (a). ~~The historical society shall submit a fee schedule to the joint committee on finance that specifies the fee to be charged to nonresidents for use of the main library and for research services provided by the historical society. The fee schedule of the historical society under this paragraph shall be implemented if the committee approves the report, or does not schedule a meeting for the purpose of reviewing the report within 14 working days after receipt of the report.~~

**SECTION 9424. Effective dates; historical society.**

(1x) NONRESIDENT FEES. The treatment of sections 27.01 (2) (d), 44.02 (5), 44.12 (3) and 44.13 (3) of the statutes, the renumbering and amendment of section 44.02 (5g) of the statutes and the creation of section 44.02 (5g) (b) of the statutes take effect on January 1, 1998.

**Vetoed In Part**  
**Vetoed In Part**

**Vetoed In Part**

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**TECHNOLOGY FOR EDUCATIONAL ACHIEVEMENT IN WISCONSIN BOARD (TEACH)**

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**Item A-9. TEACH Membership**

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**Governor’s written objections**

*Section 52*

This provision authorizes the chairperson of the Educational Communications Board (ECB) to appoint a member of the ECB to the TEACH Board.

I am partially vetoing this section to remove the ECB chairperson’s responsibility for appointing a member of the ECB to the TEACH Wisconsin Board. The effect of this veto will be to retain ECB membership on the TEACH Board while giving appointing authority for this position to the Governor. Since the Governor is ultimately accountable for the success of the TEACH program, he or she should have primary responsibility for appointing members of the TEACH Board.

.....

**Cited segments of 1997 Assembly Bill 100:**

**SECTION 52.** 15.105 (25) of the statutes is created to read:

15.105 (25) TECHNOLOGY FOR EDUCATIONAL ACHIEVEMENT IN WISCONSIN BOARD.

(bm) A member of the educational communications board appointed by the chairperson of the educational communications board.

**Vetoed  
In Part**

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**Item A-10. Emergency Rulemaking**

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**Governor’s written objections**

*Sections 1347 [as it relates to s. 44.72 (1) (d) and (4) (a)], 3150, 9101 (9m), (9s) and (13p) and 9141 (1)*

These provisions require the TEACH Board to do the following:

- Promulgate rules establishing procedures and criteria for awarding educational technology training and technical assistance grants.
- Promulgate rules for making subsidized educational technology infrastructure loans.
- Promulgate emergency rules related to educational technology and software purchases by school districts, cooperative educational service agencies, technical college districts and the University of Wisconsin System Board of Regents.
- Submit all proposed rules to the Joint Committee on Finance for a 14 day passive review.

Furthermore, these provisions require the PSC to do the following:

I am partially vetoing all of these provisions because I object to having the Legislature manage agency programs and to creating additional demands on agencies at a time when budgets are constrained. Furthermore, the TEACH Board and PSC need the flexibility to respond to the rapidly changing distance education and educational technology environments.

**Cited segments of 1997 Assembly Bill 100:**

**SECTION 1347.** Subchapter IV of chapter 44 [precedes 44.70] of the statutes is created to read:

**CHAPTER 44**

**SUBCHAPTER IV**

**TECHNOLOGY FOR EDUCATIONAL ACHIEVEMENT IN WISCONSIN BOARD**

**44.72 Educational technology training programs, grants, aids and loans. (1)**

**Vetoed In Part** (d) Promulgate rules establishing administrative procedures, eligibility and application requirements and criteria for awarding grants under this subsection.

**Vetoed In Part** (4) **SUBSIDIZED EDUCATIONAL TECHNOLOGY INFRASTRUCTURE LOANS.** (a) *Subsidized loans authorized.* The board may make subsidized loans under this subsection to school districts from the proceeds of public debt contracted under s. 20.866 (2) (zc) and to public library boards from the proceeds of public debt contracted under s. 20.866 (2) (zcm). Subsidized loans under this subsection may be used only for the purpose of upgrading the electrical wiring of school and library buildings in existence on the effective date of this paragraph .... [revisor inserts date], and installing and upgrading computer network wiring in accordance with rules promulgated by the board.

**SECTION 3150.** 196.218 (4r) of the statutes is created to read:

196.218 (4r) **EDUCATIONAL TELECOMMUNICATIONS ACCESS PROGRAM.**

(c)

**Vetoed In Part** 5. Include the protections specified in s. 196.209 (4) (a) and (b). Before promulgating the rules required under this subdivision, the commission shall consult with the telecommunications privacy council appointed under s. 196.209 (5) (a).

**SECTION 9101. Nonstatutory provisions; administration.**

**Vetoed In Part** (9m) **RULES RELATING TO EDUCATIONAL TECHNOLOGY TRAINING GRANTS.**

(a) Subject to paragraph (b), the technology for educational achievement in Wisconsin board shall use the procedure under section 227.24 of the statutes to promulgate the rules required under section 44.72 (1) (d) of the statutes, as created by this act, for a period but not to exceed the period authorized under section 227.24 (1) (c) and (2) of the statutes. Notwithstanding section 227.24 (1) (a) and (2) (b) of the statutes, the board need not provide evidence of the necessity of preserving the public peace, health, safety or welfare in promulgating the rules under this paragraph.

(b) The board shall submit the proposed rules under paragraph (a) to the cochairpersons of the joint committee on information policy. If the cochairpersons of the committee do not notify the board that the committee has scheduled a meeting for the purpose of reviewing the proposed rules, the board shall not promulgate the rules until the committee approves the rules.

tee on information policy. If the cochairpersons of the committee do not notify the board that the committee has scheduled a meeting for the purpose of reviewing the proposed rules within 14 working days after the date of the board's submittal, the board may proceed to promulgate the rules. If, within 14 working days after the date of the board's submittal, the cochairpersons of the committee notify the board that the committee has scheduled a meeting for the purpose of reviewing the proposed rules, the board shall not promulgate the rules until the committee approves the rules.

(9s) **RULES RELATING TO EDUCATIONAL TECHNOLOGY INFRASTRUCTURE LOANS.**

(a) Subject to paragraph (b), the technology for educational achievement in Wisconsin board shall use the procedure under section 227.24 of the statutes to promulgate the rules required under section 44.72 (4) (a) of the statutes, as created by this act, for the period before permanent rules take effect, but not to exceed the period authorized under section 227.24 (1) (c) and (2) of the statutes. Notwithstanding section 227.24 (1) (a) and (2) (b) of the statutes, the board need not provide evidence of the necessity of preserving the public peace, health, safety or welfare in promulgating the rules under this paragraph.

(b) The board shall submit the proposed rules under paragraph (a) to the cochairpersons of the joint committee on information policy. If the cochairpersons of the committee do not notify the board that the committee has scheduled a meeting for the purpose of reviewing the proposed rules within 14 business days after the date of the board's submittal, the board may proceed to promulgate the rules. If, within 14 business days after the date of the board's submittal, the cochairpersons of the committee notify the board that the committee has scheduled a meeting for the purpose of reviewing the proposed rules, the board shall not promulgate the rules until the committee approves the rules.

(13p) **EDUCATIONAL TECHNOLOGY HARDWARE AND SOFTWARE PURCHASES.** The technology for educational achievement in Wisconsin board shall use the procedure under section 227.24 of the statutes to propose emergency rules establishing standards and specifications for purchases of educational technology hardware and software by school districts, cooperative educational service agencies, technical college districts and the board of regents of the University of Wisconsin System under section 44.71 (2) (g) of the statutes, as created by this act. Prior to promulgation of emergency rules under this subsection, the board shall submit the proposed emergency rules to the cochairpersons of the joint committee on finance. If the cochairpersons of the committee do not notify the board that the committee has scheduled a meeting for the

**Vetoed In Part**

**Vetoed In Part**

**Vetoed In Part** purpose of reviewing the proposed emergency rules within 14 working days after the date of the board's submittal, the board shall promulgate the emergency rules as proposed by the board. If, within 14 working days after the date of the board's submittal, the cochairpersons of the committee notify the board that the committee has scheduled a meeting for the purpose of reviewing the proposed emergency rules, the board shall promulgate the emergency rules only upon approval of the committee. Notwithstanding section 227.24 (1) (a) and (2) (b) of the statutes, the board need not provide evidence of the necessity of preserving the public peace, health, safety or welfare in promulgating rules under this subsection. Notwithstanding section 227.24 (3) of the statutes, no statement is required to be filed with such emergency rules.

**SECTION 9141. Nonstatutory provisions; public service commission.**

(1) EDUCATIONAL TELECOMMUNICATIONS ACCESS.

**Vetoed In Part** (a) Subject to paragraph (b), using the procedure under section 227.24 of the statutes, the public service commission shall promulgate the rules required under section 196.218 (4r) (b) of the statutes, as created by this act, for the period before the effective date of permanent rules promulgated under section 196.218 (4r) (b) of the stat-

utes, as created by this act, but not to exceed the period authorized under section 227.24 (1) (c) and (2) of the statutes. Notwithstanding section 227.24 of the statutes, the commission need not provide evidence of the necessity of preservation of the public peace, health, safety or welfare in promulgating rules under this paragraph.

(b) The public service commission shall submit the proposed rules under paragraph (a) to the cochairpersons of the joint committee on information policy and to the cochairpersons of the joint committee on finance. If the cochairpersons of the committees do not notify the commission that one or both of the committees has scheduled a meeting for the purpose of reviewing the proposed rules within 14 working days after the date of the commission's submittal, the commission may proceed to promulgate the rules. If, within 14 working days after the date of the commission's submittal, the cochairpersons of either committee notify the commission that the committee has scheduled a meeting for the purpose of reviewing the proposed rules, the commission shall not promulgate the rules until that committee approves the rules. The public service commission shall submit the proposed rules to the committees under this paragraph no later than the 60th day after the effective date of this paragraph.

**Vetoed In Part**

**Item A-11. Technology Grants for Public Libraries**

**Governor's written objections**

*Sections 169 [as it relates to s. 20.275 (1) (fL)], 270 [as it relates to s. 20.275 (1) (fL)], and 1347 [as it relates to s. 44.72 (3)]*

This provision creates a competitive technology grant program for public libraries and provides funding of \$450,000 GPR annually.

I am partially vetoing this provision to delete the separate technology grant program for public libraries. Public libraries will receive a substantial increase in support through an additional \$2.6 million provided in the budget for Public Library Systems Aids. In addition, the TEACH program will provide public libraries with subsidized loans for technology wiring projects, subsidized rates for Internet access and an opportunity to receive state funding for technical assistance and technology training.

**Cited segments of 1997 Assembly Bill 100:**

**SECTION 169.** 20.005 (3) of the statutes is repealed and recreated to read:

STATUTE, AGENCY AND PURPOSE	SOURCE	TYPE	1997-98	1998-99
<b>20.275 Technology for educational achievement in Wisconsin board</b>				
(1) EDUCATIONAL TECHNOLOGY				
(fL) Grants to public library boards	GPR	A	450,000	450,000

**Vetoed In Part**

SECTION 270. 20.275 of the statutes is created to read:  
**20.275 Technology for educational achievement in Wisconsin board.**

(1) EDUCATIONAL TECHNOLOGY.

**Vetoed In Part** (fL) *Grants to public library boards.* The amounts in the schedule for grants to public library boards under s. 44.72 (3).

SECTION 1347. Subchapter IV of chapter 44 [precedes 44.70] of the statutes is created to read:

**CHAPTER 44**

**SUBCHAPTER IV**

**TECHNOLOGY FOR EDUCATIONAL ACHIEVEMENT IN WISCONSIN BOARD**

**44.72 Educational technology training programs, grants, aids and loans.**

(3) GRANTS TO PUBLIC LIBRARY BOARDS. From the appropriation under s. 20.275 (1) (fL), the board shall award grants to public library boards for technology used in the administration of a public library and related telecommunications services. The board shall use a competitive, request-for-proposals process in awarding the grants.

**Vetoed In Part**

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**Item A-12. Common School Fund Income Block Grants**

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**Governor's written objections**

*Section 270 [as it relates to s. 20.275 (1) (u)] and Section 1347 [as it relates to s. 44.72 (2) (a)]*

Section 270 stipulates that Common School Fund Income (CSFI) monies cannot be used to fund educational technology block grants to school districts after June 30, 1998.

I am partially vetoing these sections to delete the June 30, 1998 sunset date on these block grants. Providing technology block grants to school districts is a central feature of the TEACH program. As Wisconsin moves into the 21st century, a concerted effort must be made to help school districts adapt to the technological demands of public instruction in the future. Retaining CSFI funding of school district technology needs will provide the resources necessary to assist school districts to integrate the latest technological innovations into the classroom, while preserving the CSFI's traditional role of providing financial support to school libraries.

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**Cited segments of 1997 Assembly Bill 100:**

SECTION 270. 20.275 of the statutes is created to read:  
**20.275 Technology for educational achievement in Wisconsin board.**

(1) EDUCATIONAL TECHNOLOGY.

**Vetoed In Part** (u) *Educational technology aid.* From the common school fund income, the amounts in the schedule to make payments to school districts under s. 44.72 (2) (a). **No** moneys may be encumbered from this appropriation after June 30, 1999.

SECTION 1347. Subchapter IV of chapter 44 [precedes 44.70] of the statutes is created to read:

**CHAPTER 44**

**SUBCHAPTER IV**

**TECHNOLOGY FOR EDUCATIONAL ACHIEVEMENT IN WISCONSIN BOARD**

**44.72 Educational technology training programs, grants, aids and loans.**

(2) EDUCATIONAL TECHNOLOGY BLOCK GRANTS. (a) In the 1997-98 and 1998-99 school years, the board shall distribute the amount appropriated under s. 20.275 (1) (u) to eligible school districts in proportion to the number of persons who reside in each school district, as reported under s. 43.70 (1). The funds shall be distributed after the funds under s. 43.70 (3) are distributed and according to the schedule in s. 43.70 (3). If, after distributing the funds under s. 43.70, the balance of the common school fund income is less than the amount appropriated under s. 20.275 (1) (u), the board shall distribute the balance of the common school fund income instead of the amount appropriated under s. 20.275 (1) (u) under this paragraph.

**Vetoed In Part**

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**UNIVERSITY OF WISCONSIN SYSTEM**

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**Item A-13. Sunset of Tuition Revenue Expenditure Authority**

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**Governor’s written objections**

*Sections 280 and 281*

These provisions authorize the Board of Regents of the University of Wisconsin System to expend up to four percent more than the amount appropriated in the appropriation under s. 20.285(1) (im) in FY98 and seven percent more than the amount appropriated in the appropriation under s. 20.285(1) (im) in FY99, provided that sufficient revenues are available. These provisions also include sunset dates for this additional expenditure authority, so that this authority does not apply after the 1997-99 fiscal biennium.

I am partially vetoing these provisions to eliminate the sunset dates because this authority provides the Board of Regents with the continuing flexibility it will require to meet rapidly changing student needs, including distance education, libraries, advising, faculty recruitment and retention and other emerging priorities.

.....

**Cited segments of 1997 Assembly Bill 100:**

**SECTION 280.** 20.285 (2) (i) 1. b. of the statutes is created to read:

20.285 (2) (i) 1. b. For the first fiscal year of a fiscal biennium, an amount equal to 4% of the amount in the schedule for the appropriation under sub. (1) (im), to the extent that sufficient revenues are available in the appropriation account under sub. (1) (im) to finance this ap-  
propriation. This subdivision 1. b. does not apply after

**Vetoed  
In Part**

June 30, 1998.

**SECTION 281.** 20.285 (2) (i) 1. c. of the statutes is created to read:

20.285 (2) (i) 1. c. For the 2nd fiscal year of a fiscal biennium, an amount equal to 7% of the amount in the schedule for the appropriation under sub. (1) (im), to the extent that sufficient revenues are available in the ap-  
propriation account under sub. (1) (im) to finance this ap-  
propriation. This subdivision 1. c. does not apply after

**Vetoed  
In Part**

June 30, 1999.

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**Item A-14. Executive Salaries**

.....

**Governor’s written objections**

*Sections 756c and 758*

These provisions establish new maximum salaries for the following executive positions within the University of Wisconsin System: president, vice presidents, chancellors of each campus and certain vice chancellors.

I am vetoing these provisions because there is insufficient documentation that the current salary maximums create recruitment and retention problems for all the administrators listed in section 756c. Under current law, the maximum salaries for executive positions within the University of Wisconsin System are already at the highest level of any executive position in state government. However, I recognize that in selected cases, especially with respect to the recruitment of chancellors, the salary maximums may hamper the ability of the Board of Regents to attract the most highly qualified candidates. Therefore, I am requesting the Secretary of the Department of Employment Relations to conduct an analysis of the competitiveness of the salary structure for the University of Wisconsin’s top administrators, especially chancellors, compared to public universities in other states. Furthermore, I request that the study be completed by January 31, 1998.

**Cited segments of 1997 Assembly Bill 100:**

**Vetoed In Part** SECTION 756c. 20.923 (4m) of the statutes is repealed and recreated to read:

20.923 (4m) UNIVERSITY OF WISCONSIN SYSTEM EXECUTIVE POSITIONS. (a) The board of regents of the University of Wisconsin System may set the salary of the president of the University of Wisconsin System at any point up to 30% above the maximum dollar value of the salary range for executive salary group 10, based on the competitive market for comparable positions at comparable institutions of higher education.

(b) Notwithstanding the maximum of the salary range established under sub. (4) (j), the board of regents of the University of Wisconsin System may set the salaries of the chancellor of the University of Wisconsin-Madison and the chancellor of the University of Wisconsin-Milwaukee at any point up to 20% above the maximum dollar value of the salary range for executive salary group 10.

(c) The board of regents of the University of Wisconsin System may set the salaries of the vice presidents of the University of Wisconsin System, the chancellors of the University of Wisconsin System campuses at Eau Claire, Green Bay, LaCrosse, Oshkosh, Parkside, Platteville, River Falls, Stevens Point, Stout, Superior and Whitewater, the chancellors of the University of Wisconsin-Center System and the University of Wisconsin-Extension, the vice chancellor for health sciences of the University of Wisconsin-Madison and the vice chancellor who is serving as a deputy at the University of Wisconsin-Madison and the University of Wisconsin-Milwaukee at any point between the minimum dollar value of the salary range for executive salary group 7 and 10% above the maximum dollar value of the salary range for executive salary group 10, to reflect the hierarchical structure of the system, to recognize merit, to permit orderly salary progression and to recognize competitive factors.

(d) The board of regents of the University of Wisconsin System may set the salaries of the vice chancellors who are serving as deputies at the University of Wisconsin-Center System and the University of Wisconsin-Extension and at any University of Wisconsin System campus, other than the University of Wisconsin-Madison and the University of Wisconsin-Milwaukee, at any point between the minimum dollar value of the salary range for executive salary group 7 and the maximum dollar value of the salary range for executive salary group 10, to reflect the hierarchical structure of the system, to recognize merit, to permit orderly salary progression and to recognize competitive factors.

**Vetoed In Part**

SECTION 758. 20.923 (15) of the statutes is amended to read:

20.923 (15) SALARY ADJUSTMENT LIMITATIONS. (a) ~~An~~ Except as provided in sub. (4m) and except as authorized under s. 36.09 (1) (j) for a position identified in sub. (4) (j), an incumbent of a position that has been assigned to an executive salary group of the compensation plan under this section, whose current salary exceeds the maximum of the salary range to which his or her position's group is assigned, shall remain at his or her current rate of pay while he or she remains employed in that position until the maximum of the salary range to which his or her executive salary group is assigned equals or exceeds his or her current rate of pay.

**Vetoed In Part**

(b) Except for the positions identified in subs. (4) (j) and (4m), the pay of any incumbent whose salary is subject to a limitation under this section may not equal or exceed that amount paid the governor. ~~The pay of any incumbent in the position of president of the university of Wisconsin system, chancellor of the university of Wisconsin-Madison or chancellor of the university of Wisconsin-Milwaukee may not exceed the maximum dollar value of the salary range for the group to which the incumbent's position is assigned.~~

**Item A-15. Auxiliary Enterprises**

**Governor's written objections**

*Sections 273, 277 and 1173s*

These provisions require the Board of Regents of the University of Wisconsin System to promulgate rules regarding the definition of "one-time, fixed duration costs" and "student-related activity," as well as the criteria which the Board would use in approving campus uses of auxiliary reserve funds. Further, these provisions require that any request to transfer auxiliary reserve funds for the purpose of funding non-auxiliary activities be subject to approval by the Joint Committee on Finance under a 14-day passive review process.

I am partially vetoing these provisions to eliminate the requirement that the Board promulgate rules, including the definition of "one-time, fixed duration costs" and "student-related activity," as well as the criteria which the Board would use in approving campus uses of auxiliary reserve funds. This partial veto will also eliminate the requirement that any request to transfer auxiliary reserve funds for the purpose of funding non-auxiliary activities be subject to approval by the Joint Committee on Finance. It is unnecessary to promulgate rules for this initiative. The Board should have the flexibility to independently determine the uses of auxiliary reserve funds.

**Cited segments of 1997 Assembly Bill 100:**

**SECTION 273.** 20.285 (1) (h) of the statutes is amended to read:

20.285 (1) (h) *Auxiliary enterprises.* Except as provided under par. (gm) and subs. (5) (i) and (6) (g), all moneys received by the university of Wisconsin system for or on account of any housing facility, commons, dining halls, cafeteria, student union, athletic activities, stationery stand or bookstore, parking facilities or car fleet, or such other auxiliary enterprise activities as the board designates and including such fee revenues as allocated by the board and including such moneys received under leases entered into previously with nonprofit building corporations as the board designates to be receipts under this paragraph, to be used for the operation, maintenance and capital expenditures of activities specified in this paragraph, including the transfer of funds to pars. (kd) and (ke) and to nonprofit building corporations to be used by the corporations for the retirement of existing indebtedness and such other payments as may be required under existing loan agreements, and for optional rental payments in addition to the mandatory rental payments under the leases and subleases in connection with the providing of facilities for such activities. A separate account shall be maintained for each campus, the center system

**Vetoed In Part** and extension. Subject to s. 36.46 (2) (b), upon the request of the extension or any institution or center within the system, the board of regents may transfer surplus moneys appropriated under this paragraph to the appropriation account under par. (kp).

**SECTION 277.** 20.285 (1) (kp) of the statutes is created to read:

20.285 (1) (kp) *Student - related activities.* All moneys transferred from par. (h) for the one-time, fixed-  
**Vetoed In Part** duration costs of any student-related activity, as those terms are defined by the board under s. 36.46 (2) (a) 1.

**SECTION 1173s.** 36.46 (2) of the statutes is created to read:

36.46 (2) (a) The board shall promulgate rules that do all of the following:

1. Define "one-time, fixed-duration costs" and "student-related activity" for the purpose of s. 20.285 (1) (kp).

2. Establish criteria for the board to use in determining whether to approve requests to transfer moneys under s. 20.285 (1) (h).

(b) The board may not transfer moneys from the appropriation account under s. 20.285 (1) (h) to the appropriation account under s. 20.285 (1) (kp) unless the transfer is approved by the joint committee on finance under this paragraph. The board shall submit a request for such approval to the cochairpersons of the joint committee on finance. If the cochairpersons of the committee do not notify the board that the committee has scheduled a meeting for the purpose of reviewing the proposed transfer within 14 working days after the date of the board's request, the board may transfer the moneys. If, within 14 working days after the date of the board's request, the cochairpersons of the committee notify the board that the committee has scheduled a meeting for the purpose of reviewing the proposed transfer, the board may not transfer the moneys until the committee approves the transfer.

(c) By September 1, 1998, and annually by September 1 thereafter, the board shall submit to the joint committee on finance a report on the requests to transfer moneys from the appropriation account under s. 20.285 (1) (h) to the appropriation account under s. 20.285 (1) (kp) that were received by the board in the previous fiscal year. For each request, the report shall identify the campus that submitted the request, the amount of the request, the revenue source of the moneys requested, the purpose for which the moneys were to be used and whether the board approved the request.

**Vetoed In Part**

**Vetoed In Part**

**Vetoed In Part**

**Item A-16. Study of University of Wisconsin Faculty Salaries**

**Governor's written objections**

*Section 9153 (4g)*

This provision requires the Robert M. La Follette Institute of Public Affairs of the University of Wisconsin-Madison to study the method that the Board of Regents uses to compare the salaries of faculty at the University of Wisconsin System to the salaries of faculty at other institutions of higher education.

I am vetoing this provision because a study of the methodology used to compare salaries should be done by a third party. While I do not oppose a study of salary comparisons, the study should not be done by the University of Wisconsin System.

**Cited segments of 1997 Assembly Bill 100:**

**SECTION 9153. Nonstatutory provisions; University of Wisconsin System.**

institutions of higher education in this country. In particular, the Institute shall review the institutions selected as peer institutions for the purpose of such comparisons. In conducting the study, the Institute shall take into account differences in fringe benefits provided by different institutions and the cost of living applicable to faculty at different institutions. The Institute shall report the results of its study to the joint committee on finance by December 1, 1998.

**Vetoed  
In Part**

**Vetoed  
In Part** (4g) STUDY OF FACULTY SALARIES. The Robert M. La Follette Institute of Public Affairs at the University of Wisconsin-Madison shall study the method that the board of regents of the University of Wisconsin System uses to compare the salaries of faculty at the University of Wisconsin System to the salaries of faculty at other

**Item A-17. Institute for Excellence in Urban Education**

**Governor's written objections**

*Section 94mm*

This provision creates a council to oversee the Institute for Excellence in Urban Education at the University of Wisconsin-Milwaukee, as created by this act.

I am vetoing this provision because there is no need to have a statutory council to oversee the operation of this program. If an advisory body is determined to be necessary, the Board of Regents has sufficient authority to create one without a statutory mandate.

**Cited segments of 1997 Assembly Bill 100:**

**Vetoed  
In Part** **SECTION 94mm.** 15.917 of the statutes is created to read:  
**15.917 Same; councils. (1) COUNCIL ON THE INSTITUTE FOR EXCELLENCE IN URBAN EDUCATION.** There is created in the University of Wisconsin System a council on the Institute for Excellence in Urban Education. The

council shall consist of all of the following, appointed for 2-year terms:  
(a) Two senators, at least one of whom is a resident of Milwaukee County, appointed as are members of standing committees in the senate.

**Vetoed  
In Part**

**Vetoed In Part** (b) Two representatives to the assembly, at least one of whom is a resident of Milwaukee County, appointed as are members of standing committees in the assembly.  
 (c) One member of the faculty of the University of Wisconsin-Milwaukee School of Education, appointed

by the chancellor of the University of Wisconsin-Milwaukee.  
 (d) One resident of Milwaukee County, appointed by the chancellor of the University of Wisconsin-Milwaukee.

**Vetoed In Part**

**Item A-18. Advising Initiative**

**Governor's written objections**

*Section 169 [as it relates to s. 20.285 (1) (a) and s. 20.285 (1) (im)]*

Section 169 [as it relates to ss. 20.285 (1) (a) and 20.285 (1) (im)] provides \$65,000 GPR, \$35,000 PR and 2.5 GPR FTE positions in fiscal year 1997-98, and \$195,000 GPR, \$105,000 PR and 3.5 GPR FTE positions in fiscal year 1998-99 for a pilot program at two campuses to improve academic and career advising efforts. Although there is no language in the budget bill that authorizes this increase, the purpose of the funding was included in a Senate amendment to the bill.

I object to the size of this increase because it is excessive. While this project may have merit, it is more appropriate to initiate this project on one four-year comprehensive campus. Therefore, by lining out the University of Wisconsin System's s. 20.285 (1) (a) appropriation and the s. 20.285 (1) (im) appropriation and writing in smaller amounts that delete \$13,000 GPR and \$7,000 PR in fiscal year 1997-98, which provides funding for 0.5 GPR FTE positions, and \$143,000 GPR and \$77,000 PR in fiscal year 1998-99, which provides funding for 3.5 GPR FTE positions, I am partially vetoing the part of the bill which funds this program. The effect of this veto will be to authorize funding for 2.0 FTE positions. I am also requesting the Department of Administration Secretary not to allot these funds, and not to authorize the 4.0 GPR FTE positions. I am also requesting the Board of Regents to ensure that this initiative is initially implemented on a comprehensive campus. If the Board of Regents determines that more positions are necessary to accommodate this project, internal reallocations may be made. (Note: Appropriation s. 20.285(1)(a) is also affected by veto #19, page 8 [page 26 of this brief].)

**Cited segments of 1997 Assembly Bill 100:**

**SECTION 169.** 20.005 (3) of the statutes is repealed and recreated to read:

STATUTE, AGENCY AND PURPOSE	SOURCE	TYPE	1997-98	1998-99
<b>20.285 University of Wisconsin system</b>				
(1) UNIVERSITY EDUCATION, RESEARCH AND PUBLIC SERVICE				
(a) General program operations	GPR	A	696,423,400 696,355,100	702,140,300 701,985,300

**Vetoed In Part**

**Item A-19. University of Wisconsin-Extension**

**Governor's written objections**

*Section 169 [as it relates to s. 20.285 (1) (a)]*

Section 169 [as it relates to s. 20.285 (1) (a)] provides \$25,000 GPR in fiscal year 1997-98 and \$25,000 GPR in fiscal year 1998-99 for the Division of Continuing Education. Although there is no language in the budget bill that authorizes this increase, the purpose of this funding was included in a Joint Committee on Finance budget motion.

I object to this increase because the University of Wisconsin-Extension has had \$2,000,000 GPR restored to its budget for the next biennium. If UW-Extension believes that additional funding is needed in this area, it has authority to transfer resources to the Division of Continuing Education. By lining out the University of Wisconsin System's s. 20.285 (1) (a) appropriation and writing in a smaller amount that deletes the \$25,000 GPR provided annually for this purpose in fiscal years 1997-98 and 1998-99, I am vetoing the part of the bill which funds this provision. Furthermore, I am requesting the Department of Administration Secretary not to allot these funds. (Note: Appropriation s. 20.285(1)(a) is also affected by veto #18, page 7 [page 25 of this brief].)

**Cited segments of 1997 Assembly Bill 100:**

**SECTION 169.** 20.005 (3) of the statutes is repealed and recreated to read:

STATUTE, AGENCY AND PURPOSE	SOURCE	TYPE	1997-98	1998-99	
<b>20.285 University of Wisconsin system</b>					
(1) UNIVERSITY EDUCATION, RESEARCH AND PUBLIC SERVICE					
(a) General program operations	GPR	A	696,423,400	702,140,300	<b>Vetoed In Part</b>
			696,355,100	701,985,300	

**Item A-20. University of Wisconsin Medical School**

**Governor's written objections**

*Section 9153 (2zgg)*

Section 9153 (2zgg) provides \$90,900 GPR in fiscal year 1997-98 and \$181,900 GPR in fiscal year 1998-99 to the University of Wisconsin Medical School Department of Family Medicine and Practice for the purpose of expanding family practice residency programs in medically underserved areas in Milwaukee.

I am vetoing this provision because family practice residency programs in Milwaukee have been traditionally and effectively administered by the Medical College of Wisconsin (MCW). While I do not object to expanding family practice residencies in Milwaukee, this expansion should be administered by MCW. Therefore, I am requesting the Department of Administration Secretary not to allot these funds. I would support separate legislation that provides MCW with equivalent resources to expand family practice residency programs in medically underserved areas within Milwaukee's inner city.

**Cited segments of 1997 Assembly Bill 100:**

**SECTION 9153. Nonstatutory provisions; University of Wisconsin System.**

**Vetoed In Part** (2zgg) FAMILY PRACTICE RESIDENCY PROGRAM. Of the moneys appropriated to the board of regents of the University of Wisconsin System, under section 20.285

(1) (fc) of the statutes, \$90,900 in fiscal year 1997-98 and \$181,900 in fiscal year 1998-99 may be expended only to expand family practice residency programs that provide services in medically underserved areas within the central portion of the city of Milwaukee.

**Vetoed In Part**

**WISCONSIN TECHNICAL COLLEGE SYSTEM**

**Item A-21. Incentive Grants Appropriation**

**Governor's written objections**

*Sections 169 [as it relates to s. 20.292 (1) (dc)] and 282m*

These sections alter the Technical College System incentive grants appropriation to an annual appropriation. I am vetoing these sections because the Wisconsin Technical College System Board needs to have the flexibility to administer these limited grants in the best interest of the Technical College System.

**Cited segments of 1997 Assembly Bill 100:**

**SECTION 169.** 20.005 (3) of the statutes is repealed and recreated to read:

STATUTE, AGENCY AND PURPOSE	SOURCE	TYPE	1997-98	1998-99	
<b>20.292 Technical college system, board of</b>					
(1) TECHNICAL COLLEGE SYSTEM					
(dc) Incentive grants	GPR	A	7,888,100	7,888,100	<b>Vetoed In Part</b>

**Vetoed In Part** **SECTION 282m.** 20.292 (1) (dc) of the statutes is amended to read: ~~As a continuing ap-~~ ~~propriation, the~~ The amounts in the schedule for incentive grants to district boards under s. 38.27. **Vetoed In Part**

**Item A-22. Youth Options--Attendance at Technical Colleges**

**Governor's written objections**

*Section 2844 [as it relates to a space available exception to technical college requirement to admit youth option pupils]*

This section defines the pupil eligibility criteria, school district and technical college district requirements and payment mechanisms for the technical college portion of the Youth Options program. This section allows a technical college district board to reject a pupil's application to the technical college under the program if the district board determines that there is no space available for the pupil.

I am partially vetoing this section to remove the space available exception to the requirement that a technical college shall admit otherwise eligible pupils. This program provides technical colleges with a level of funding for educating Youth Options pupils that is adequate to cover the full cost of instruction. I am concerned that this provision would limit high school pupils' access to the educational opportunities made available through the Youth Options program.

**Cited segments of 1997 Assembly Bill 100:**

**SECTION 2844.** 118.55 (7r) of the statutes is created to read:

118.55 (7r) ATTENDANCE AT TECHNICAL COLLEGE.

(b) The technical college district board shall admit the pupil if he or she meets the requirements and prerequisites of the course or courses for which he or she ap-

plied, except that the district board may reject an application from a pupil who has a record of disciplinary problems, as determined by the district board, or if the district board determines that there is no space available for the pupil.

**Vetoed  
In Part**

**Item A-23. Youth Options--Payment Negotiation**

**Governor's written objections**

*Sections 2844 [as it relates to proposing an alternative payment mechanism] and 9140 (6sr)*

Section 2844 defines the pupil eligibility criteria, school district and technical college district requirements and payment mechanisms for the technical college portion of the Youth Options program. This section and section 9140 (6sr) also provide a mechanism by which the technical college system board, the Wisconsin Association of School Boards and the School Administrators Alliance can propose an alternate method for determining the amount that a school board must pay a technical college for each pupil attending a technical college under the Youth Options program. If the Department of Public Instruction approves the alternate payment determination method, and if it is approved by the Joint Committee on Finance under a 14-day passive review process, the alternate payment method shall be implemented.

I am partially vetoing these sections because the payment method was established based on discussions involving representatives of the technical colleges, school boards and school administrators. Furthermore, I am satisfied that the provisions contained in this section establish a fair and equitable payment mechanism and no alternative method is necessary.

**Cited segments of 1997 Assembly Bill 100:**

**SECTION 2844.** 118.55 (7r) of the statutes is created to read:

118.55 (7r) ATTENDANCE AT TECHNICAL COLLEGE.

**Vetoed  
In Part** (d) 1. Except as provided in par. (dg), for each pupil attending a technical college under this subsection, the school board shall pay to the technical college district board, in 2 instalments payable upon initial enrollment and at the end of the semester, the following amount:

**Vetoed  
In Part** (dg) 1. If, by September 15, 1997, or within 30 days after the effective date of this subdivision .... [revisor inserts date], whichever is later, the technical college system board, the Wisconsin Association of School Boards and the School Administrators Alliance agree on a different method than the method under par. (d) for determining the amount that a school board must pay a technical college district board for each pupil attending a technical college under this subsection, they shall submit it to the department by September 15, 1997, or within 30 days after the effective date of this subdivision .... [revisor inserts date], whichever is later.

2. Within 30 days after receiving the recommended method under subd. 1., the department shall approve or reject it. If the department approves the method it shall immediately submit the method to the cochairpersons of the joint committee on finance. If the cochairpersons of the joint committee on finance do not notify the department that the committee has scheduled a meeting for the purpose of reviewing the method within 14 working days after the date that the method was submitted, the method is approved. If, within 14 working days after the date that the method was submitted, the cochairpersons of the committee notify the department that the committee has scheduled a meeting for the purpose of reviewing the method, the method is not approved until the committee approves it.

**Vetoed  
In Part**

3. If the method is approved by the department and by the joint committee on finance under subd. 2., the department shall promulgate rules implementing the method beginning with pupils attending a technical college in the 1998 spring semester.

**SECTION 9140. Nonstatutory provisions; public instruction.**

**Vetoed In Part** (6sr) YOUTH OPTIONS PROGRAM.  
 (a) Using the procedure under section 227.24 of the statutes, the department of public instruction shall promulgate the rules required under section 118.55 (7r) (dg) 3. of the statutes, as created by this act, for the period before the effective date of the permanent rules promulgated under that section, but not to exceed the period authorized under section 227.24 (1) (c) and (2) of the stat-

utes. Notwithstanding section 227.24 (1) and (3) of the statutes, the department is not required to make a finding of emergency.

**Vetoed In Part**

(b) Notwithstanding section 118.37 (5) (b), 1995 stats., and SECTION 9340 (5x) of this act, the rules promulgated under section 118.55 (7r) (dg) 3. of the statutes, as created by this act, apply to pupils attending a technical college under section 118.37, 1995 stats., in the 1998 spring semester.

**B. ENVIRONMENTAL AND COMMERCIAL RESOURCES**

**AGRICULTURE, TRADE AND CONSUMER PROTECTION**

**Item B-1. Stray Voltage**

**Governor's written objections**

*Sections 169 [as it relates to s. 20.115 (3) (je)], 170v, 2498v and 3160m*

These sections provide \$100,000 PR annually for research into the incidence, levels and effects of stray voltage on the state's agricultural industry. Revenues would be generated through assessments on private utilities.

I am vetoing this provision because it is unnecessary. Stray voltage research has been conducted for several years through the significant financial contributions of state and federal agencies and private utilities. Another program would simply duplicate these efforts and would not be cost effective. I request that the Department of Agriculture, Trade and Consumer Protection continue to work with the Public Service Commission, utilities, and the agricultural sector in coordinating research and assistance efforts in addressing this important issue.

**Cited segments of 1997 Assembly Bill 100:**

**SECTION 169.** 20.005 (3) of the statutes is repealed and recreated to read:

STATUTE, AGENCY AND PURPOSE	SOURCE	TYPE	1997-98	1998-99
<b>20.115 Agriculture, trade and consumer protection, department of</b>				
(3) MARKETING SERVICES				
(je) Stray voltage research	PR	B	100,000	100,000

**Vetoed In Part**

**Vetoed In Part** **SECTION 170v.** 20.115 (3) (je) of the statutes is created to read:

20.115 (3) (je) *Stray voltage research.* Biennially, the amounts in the schedule for research on stray voltage under s. 93.41 (2m). All moneys received under s. 196.857 (1m) (c) shall be credited to this appropriation.

**SECTION 2498v.** 93.41 (2m) of the statutes is created to read:

93.41 (2m) The department shall conduct research on the incidence, levels and effects of stray voltage on agriculture in this state, including the prevalence and

**Vetoed In Part**

**Vetoed In Part** economic effects of stray voltage on milk production in this state.

196.857 (1m) (c) The amount appropriated under s. 20.115 (3) (je). The amounts received under this paragraph shall be credited to the appropriation under s. 20.115 (3) (je).

**Vetoed In Part**

**SECTION 3160m.** 196.857 (1m) (c) of the statutes is created to read:

**Item B-2. Agrichemical Cleanup Fund Fees**

**Governor's written objections**

*Section 2543*

This provision requires the Department of Agriculture, Trade and Consumer Protection to submit rules regarding the adjustment of surcharge fees deposited into the agrichemical cleanup fund to the Joint Committee on Finance for a 14-day passive review.

I am vetoing this provision because it undermines the authority of the department to manage the agrichemical cleanup fund. The Legislature set parameters on the size of the balance in the agrichemical fund and therefore no additional limits on the department's administrative flexibility are necessary.

**Cited segments of 1997 Assembly Bill 100:**

**SECTION 2543.** 94.73 (15) of the statutes is created to read:

**Vetoed In Part** 94.73 (15) SURCHARGE ADJUSTMENTS. (a) The department may, by rule, reduce any of the surcharges in ss. 94.64 (3r) (b) and (4) (a) 5., 94.681 (3), 94.685 (3) (a) 2., 94.703 (3) (a) 2. and 94.704 (3) (a) 2. below the amounts specified in those provisions. The department shall adjust surcharge amounts as necessary to maintain a balance in the agricultural chemical cleanup fund at the end of each fiscal year of at least \$2,000,000 but not more than \$5,000,000, but may not increase a surcharge amount over the amount specified in s. 94.64 (3r) (b) and (4) (a) 5., 94.681 (3), 94.685 (3) (a) 2., 94.703 (3) (a) 2. or 94.704 (3) (a) 2.

(b) If the department proposes to promulgate a rule under par. (a) using the procedures under s. 227.24, the department shall notify the cochairpersons of the joint committee on finance before beginning those procedures. If the cochairpersons of the committee do not notify the secretary that the committee has scheduled a meeting for the purpose of reviewing the proposed rule, the department may begin the procedures under s. 227.24. If, within 14 working days after the date of the department's notification, the cochairpersons of the committee notify the secretary that the committee has scheduled a meeting for the purpose of reviewing the proposed rule, the department may not begin the procedures under s. 227.24 until the committee approves the proposed rule.

**Vetoed In Part**

**COMMERCE**

**Item B-3. Reimbursement of Financing Fees under PECFA**

**Governor's written objections**

*Sections 2598f and 9310 (5m)*

This provision establishes reimbursement limits on annual loan renewal fees incurred by applicants under the PECFA program.

I am vetoing this provision because it would increase the reimbursement of loan renewal fees above the level currently set under administrative rule. With limited PECFA funds available to reimburse applicants for financial service fees,

eligibility of these fees for reimbursement must be limited. I request the Department of Commerce to continue to seek ways to focus scarce PECFA resources on the primary goal of cleanup of petroleum contamination.

**Cited segments of 1997 Assembly Bill 100:**

**Vetoed In Part** SECTION 2598f. 101.143 (4) (c) 10. of the statutes is created to read:  
101.143 (4) (c) 10. Loan renewal fees incurred by an applicant that exceed 1% of the principal amount of the loan.

SECTION 9310. Initial applicability; commerce.  
(5m) PETROLEUM DISCHARGES; INTEREST REIMBURSEMENT. The treatment of section 101.143 (4) (c) 8., 9. and 10. of the statutes first applies to loans secured on the effective date of this subsection.

**Vetoed In Part**

**Item B-4. Pedestrian Bridge**

**Governor's written objections**

*Sections 187, 197, and 9110 (7f)*

These sections authorize the Department of Commerce to make a grant or loan of up to \$1,200,000 from the Wisconsin Development Fund for a project that includes a pedestrian bridge. The project must be located in the City of Madison and be bounded by Regent Street, North Murray Street, West Dayton Street, North Frances Street, Frances Court and West Washington Avenue.

I am partially vetoing these sections to delete the confinement of the project to the City of Madison because an award of this nature should be made on a competitive basis. I am also vetoing the department's authority to make a grant for this project because it is inconsistent with the goals of the Wisconsin Development Fund. The major economic development component of the Wisconsin Development Fund is a program structured to provide loans to large economic development projects which will, in turn, fund future projects when repaid.

**Cited segments of 1997 Assembly Bill 100:**

SECTION 187. 20.143 (1) (c) of the statutes is amended to read:

20.143 (1) (c) (title) *Wisconsin development fund; grants and loans and reimbursements and assistance.* Biennially, the amounts in the schedule for grants under s. 560.615; for grants and loans under ss. 560.62, 560.625, 560.63 and 560.66; for loans grants under s. 560.16; for reimbursements under s. 560.167; for providing assistance under s. 560.06; for the grant or loan under 1997 Wisconsin Act .... (this act), section 9110 (7f); and for the grants under 1995 Wisconsin Act 27, section 9116 (7gg), and 1995 Wisconsin Act 119, section 2 (1), and 1997 Wisconsin Act .... (this act), section 9110 (6g). Of the amounts in the schedule, \$50,000 shall be allocated in each of fiscal years 1997-98, 1998-99 and 1999-2000 for providing the assistance under s. 560.06. Notwithstanding s. 560.62 (4), of the amounts in the schedule, \$125,000 shall be allocated in each of 4 consecutive fiscal years, beginning with fiscal year 1998-99, for grants and loans under s. 560.62 (1) (a).

**Vetoed In Part**

SECTION 197. 20.143 (1) (ie) of the statutes, as affected by 1995 Wisconsin Act 27, section 512bc, is amended to read:

20.143 (1) (ie) *Wisconsin development fund, repayments.* All moneys received in repayment of grants or loans under s. 560.085 (4) (b), 1985 stats., s. 560.16, 1995 stats., s. 560.165, 1993 stats., subch. V of ch. 560 except s. 560.65, 1989 Wisconsin Act 336, section 3015 (1m), 1989 Wisconsin Act 336, section 3015 (2m) and 1989 Wisconsin Act 336, section 3015 (3gx), and 1997 Wisconsin Act .... (this act), section 9110 (7f), to be used for grants and loans under subch. V of ch. 560 except s. 560.65, for loans grants under s. 560.16, for the grant or loan under 1997 Wisconsin Act .... (this act), section 9110 (7f), and for reimbursements under s. 560.167.

**Vetoed In Part**

SECTION 9110. Nonstatutory provisions; commerce.

(7f) GRANT OR LOAN FOR PEDESTRIAN BRIDGE PROJECT.

**Vetoed In Part**

**Vetoed In Part** (a) The department of commerce may make a grant or loan of not more than \$1,200,000 from the appropriations under section 20.143 (1) (c) and (ie) of the statutes, as affected by this act, to a person for a project that includes a pedestrian bridge, if all of the following apply:

**Vetoed In Part** 1. The project is located in the city of Madison and bounded by Regent Street, North Murray Street, West Dayton Street, North Frances Street, Frances Court and West Washington Avenue.

**Vetoed In Part** 2. The person submits a plan to the department of commerce detailing the proposed use of the grant or loan and the secretary of commerce approves the plan.

**Vetoed In Part** 3. The person enters into a written agreement with the department of commerce that specifies the grant or

loan terms and the conditions for use of the grant or loan proceeds, including reporting and auditing requirements.

4. The person agrees in writing to submit to the department of commerce, within 6 months after spending the full amount of the grant or loan, a report detailing how the grant or loan proceeds were used.

(b) If the department of commerce makes a loan under this subsection, the department of commerce shall deposit in the appropriation account under section 20.143 (1) (ie) of the statutes, as affected by this act, any moneys received in repayment of the loan.

(c) The department of commerce may not pay grant or loan proceeds under this subsection after January 1, 1999.

**Vetoed In Part**

**Vetoed In Part**

**Vetoed In Part**

**Vetoed In Part**

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**Item B-5. Wisconsin Development Finance Board Membership and Award Notification**

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**Governor's written objections**

*Sections 59c and 4499e*

These sections modify the membership of the board and require notification of legislators of any award presentations. Section 59c requires that the board include a majority party and a minority party legislator from each house of the legislature. Section 4499e requires that at least ten days before an award from the Wisconsin Development Fund is presented, the Department of Commerce notify the state representative and state senator of the district in which the award recipient is located.

I am vetoing the requirement of additional board members because this expansion is unnecessary. The board presently has nine members representing a diverse group of industry and government leaders. Expanded membership could lead to a longer award process and ultimately limit critical economic development projects.

I am vetoing the specific requirement regarding notice being given in advance of award presentations because it is impractical. The Wisconsin Development Finance Board makes all decisions concerning awards from the Wisconsin Development Fund. The department does not know in advance whether an award will be made. The department does notify affected legislators of awards and presentations in a timely manner and should continue this practice.

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**Cited segments of 1997 Assembly Bill 100:**

**Vetoed In Part** **SECTION 59c.** 15.155 (1) (a) 7. and 8. of the statutes are created to read:

15.155 (1) (a) 7. One majority and one minority party senator, appointed as are members of standing committees in the senate.

8. One majority and one minority party representative to the assembly, appointed as are members of standing committees in the assembly.

**SECTION 4499e.** 560.68 (8) of the statutes is created to read:

560.68 (8) At least 10 days before a grant or loan awarded under this subchapter is presented to the eligible recipient of the grant or loan, the department shall notify the senator for the senate district, and the representative to the assembly for the assembly district, in which the eligible recipient is located of the date, time and location of the presentation of the grant or loan.

**Vetoed In Part**

**Item B-6. Farm Enterprise Grants**

**Governor's written objections**

*Sections 4383n and 4393*

These sections set a maximum grant amount and specify the funding source for the farm enterprise element of the Rural Economic Development program. Section 4393 establishes a maximum grant allowable under the program of \$15,000. Section 4383n requires farm enterprise grants to be funded from the appropriation under s. 20.143 (1) (g), for gifts and grants.

I am vetoing the maximum grant level because it would not provide recipients with sufficient means to successfully start, expand or modernize farming operations. While this veto would remove a statutory grant maximum, the Rural Economic Development Board has the authority to establish a more reasonable maximum grant for the program through administrative rules.

I am vetoing the requirement that farm enterprise grants be funded from the gifts and grants appropriation because it limits the Department of Commerce's flexibility to fund this activity. The Rural Economic Development program continues to grow and flexible allocation strategies will be critical to its continued success.

**Cited segments of 1997 Assembly Bill 100:**

**Vetoed In Part** SECTION 4383n. 560.17 (2) (b) of the statutes is amended to read:  
560.17 (2) (b) The department shall make the grant or loan, except for a grant under sub. (5c), from the appropriation under s. 20.143 (1) (er) or (ir). The department shall make a grant under sub. (5c) from the appropriation under s. 20.143 (1) (g).

SECTION 4393. 560.17 (5c) of the statutes is created to read:  
560.17 (5c) (a)  
2. The amount of the grant does not exceed \$15,000.

**Vetoed In Part**

**Item B-7. Downtown Wisconsin Fund Study**

**Governor's written objections**

*Section 9110 (6n)*

This provision directs the Department of Commerce to study the feasibility of creating a fund to provide financial assistance to small and medium-sized municipalities to assist in revitalizing downtown commercial districts, preserving farmland and preventing urban sprawl. The department would be required to submit a report to the Joint Committee on Finance at the second quarterly meeting of the committee for fiscal year 1997-1998 under section 13.10 of the statutes.

I am vetoing this provision because this study is unnecessary. The department currently has a number of programs that address downtown revitalization, including the Main Street and Community Based Economic Development programs. Furthermore, the Wisconsin Land Council, as established in this bill, will be reviewing state programs that impact critical land use issues, including farmland preservation and urban sprawl, seeking ways of reducing conflicts, and fostering state and local cooperation.

**Cited segments of 1997 Assembly Bill 100:**

SECTION 9110. Nonstatutory provisions; commerce.

(6n) STUDY ON DOWNTOWN WISCONSIN FUND. The department of commerce shall study the possibility and

**Vetoed In Part**

**Vetoed In Part** feasibility of creating a fund to provide financial assistance to small-sized and medium-sized municipalities to assist in revitalizing and promoting the economic health of downtown commercial districts, preserving farmland and preventing urban sprawl. As part of the study, the department shall explore the potential for coordinating assistance through the state main street program under section 560.081 of the statutes and with the department of

tourism through its heritage tourism program under section 41.19 of the statutes, as affected by this act. The department of commerce shall submit a report of its findings, conclusions and recommendations to the joint committee on finance at the 2nd quarterly meeting of the committee for the 1997-98 fiscal year under section 13.10 of the statutes.

**Vetoed In Part**

**Item B-8. Minority Business Development Grants**

**Governor's written objections**

*Sections 4532g and 4532m*

Sections 4532g and 4532m repeal the exclusion of entertainment or other pre-approval expenses from eligible project costs under the Minority Business Development Finance program.

I am vetoing this provision because it could increase costs and reduce funding available for grants. Repealing this exclusion would increase the department's administrative costs by requiring audits of these expenses for appropriateness. Limiting the extent of reimbursable costs helps ensure that eligible applicants are committed to project success.

**Cited segments of 1997 Assembly Bill 100:**

**Vetoed In Part** SECTION 4532g. 560.80 (4) (a) of the statutes is renumbered 560.80 (4).

SECTION 4532m. 560.80 (4) (b) of the statutes is repealed.

**Vetoed In Part**

**Item B-9. City of Ladysmith Grant**

**Governor's written objections**

*Section 9143 (2n)*

This section requires that the Investment and Local Impact Fund Board provide a \$480,000 grant to the City of Ladysmith from the Investment and Local Impact Fund to compensate for costs associated with mining.

I am vetoing this section because any grant from the Investment and Local Impact Fund (ILIF) should be awarded through the current, competitive process. The ILIF Board will make awards based on an objective review of grant applications. Given the City of Ladysmith's success in receiving past grant awards from the fund, future applications should be able to compete well under the current process. The state has supported the City of Ladysmith's efforts in the area of economic diversification and development, and can be expected to continue that support in the future.

Cited segments of 1997 Assembly Bill 100:

**Vetoed** SECTION 9143. Nonstatutory provisions; revenue.  
**In Part** (2n) GRANT FROM INVESTMENT AND LOCAL IMPACT FUND. The investment and local impact fund board shall

grant \$480,000 to the city of Ladysmith from the fund under section 70.395 (2) (b) of the statutes.

**Vetoed**  
**In Part**

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**NATURAL RESOURCES**

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**Item B-10. Dry Cleaner Response Fund**

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**Governor's written objections**

*Sections 344m, 873r, 906e, 2410ts and 3721e*

These sections require the Department of Natural Resources to reimburse owners and operators of dry cleaning operations for expenses related to assessment and remediation of environmental contamination caused by dry cleaning solvents that occurred after January 1, 1991. Reimbursable expenses also include financing charges and compensation for bodily injury and property damage suffered by third parties. The Office of the Commissioner of Insurance would be required to define by rule the meaning of liabilities excluded from coverage in liability insurance policies for bodily injury and property damage for this program. The maximum award under the program would be \$600,000 with progressive deductible payments by award recipients.

Under the dry cleaner response fund, 46 percent of the annually appropriated funds would be set aside for the reimbursement of costs associated with interim actions. The next highest funding priority would be immediate action awards. If insufficient funds are available in the dry cleaner awards appropriation (s. 20.370 (6) (eq)), the department would be required to make immediate action awards from the spills appropriation (s. 20.370 (2) (dv)). Furthermore, the Department of Natural Resources would be required to make immediate action awards within two days after submittal.

I am vetoing sections 344m and 873r, and partially vetoing sections 906e, 2410ts, and 3721e to remove the requirement that the Department of Natural Resources make awards from the spills appropriation for immediate actions because it would undermine the department's flexibility to meet all environmental cleanup needs. The spills appropriation funds a variety of critical cleanup activities, including the remediation of hazardous substance spills and the cleanup of abandoned containers and contaminated wells. The department must have the authority to meet multiple situations that threaten the environment, including contamination from dry cleaning activities.

I am partially vetoing section 3721e to delete the requirement that the department make immediate action awards within two days after submittal because it is unreasonable. The department needs sufficient time to review claims to ensure that funds are being used appropriately and cleanups are achieving environmental goals. While a two day turnaround is problematic, I request that the department process claims in a timely manner within the financial limits of the fund.

I am partially vetoing section 3721e to eliminate compensation for third party damages and associated Office of the Commissioner of Insurance rule development requirements, restrict reimbursement of claimant financial charges, and reduce the maximum grant award from \$600,000 to \$500,000 because these provisions are excessive. The expected annual revenue of \$1,900,000 is minimal compared to the potential claims against the fund. By eliminating reimbursement for non-cleanup related expenses and limiting maximum awards, more owners and operators will be reimbursed.

I am also requesting the Department of Natural Resources to address in rule development the provisions that were removed through the veto of the maximum grant award level related to financial assistance limits for multiple facilities. These include limits of up to \$250,000 in one program year to an owner or operator of ten or fewer dry cleaning facilities and not more than \$500,000 in a program year to an owner or operator of ten or more dry cleaning facilities. Action by the department on this matter will ensure that limited resources in the fund reach the maximum number of eligible claimants.

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Cited segments of 1997 Assembly Bill 100:

**Vetoed In Part** SECTION 344m. 20.370 (2) (dv) of the statutes is amended to read:

20.370 (2) (dv) *Solid waste management — environmental repair; spills; abandoned containers.* As a continuing appropriation, from the environmental fund, the amounts in the schedule for payments under s. 292.65 (3) (cm) 1.; the administration of the environmental repair program under s. 292.31; for the hazardous substance spills program under s. 292.11; for the abandoned container program under s. 292.41; consistent with a court order under s. 283.87, to remove, terminate or remedy the adverse effects of a discharge or deposit of pollutants into the waters of the state, to restore or develop the water environment for public use or to provide grants under s. 66.365; and for the payment of this state’s share of environmental repair which is funded under 42 USC 9601, et seq., and any additional costs which this state is required to incur under 42 USC 9601, et seq.

**Vetoed In Part** SECTION 873r. 25.46 (1s) of the statutes is created to read:

25.46 (1s) The moneys required under s. 77.9964 (3) (b) to be deposited in the fund for environmental management.

SECTION 906e. 25.48 of the statutes is created to read:  
**25.48 Dry cleaner environmental response fund.**

There is established a separate nonlapsible trust fund designated as the dry cleaner environmental response fund, to consist of the moneys required under s. 77.9964 (3) (a) to be deposited in the fund.

**Vetoed In Part** to be deposited in the fund.

SECTION 2410ts. Subchapter XII of chapter 77 [precedes 77.996] of the statutes is created to read:

**CHAPTER 77**

**SUBCHAPTER XII**

**DRY CLEANING FEES**

**77.9964 Administration.**

**Vetoed In Part** (3) (a) The department shall deposit all of the revenue that it collects under this subchapter in the fund under s. 25.48, except for revenue that is required under par. (b) to be deposited in the fund under s. 25.46.

**Vetoed In Part** (b) Whenever the department of revenue receives a notice from the department of natural resources under s. 292.65 (3) (cm) 2., the department of revenue shall deposit 50% of the revenue that it collects under this subchapter in the fund under s. 25.46 until the total amount deposited in the fund under s. 25.46 equals the total amount stated in all notices under s. 292.65 (3) (cm) 2.

SECTION 3721e. 292.65 of the statutes is created to read:

**292.65 Dry cleaner environmental response program. (1) DEFINITIONS.**

**Vetoed In Part** (a) “Bodily injury” does not include those liabilities that are excluded from coverage in liability insurance policies for bodily injury other than liabilities excluded because they are caused by a dry cleaning solvent discharge from a dry cleaning facility.

(k) “Property damage” does not include those liabilities that are excluded from coverage in liability insurance policies for property damage, other than liability for remedial action associated with dry cleaning solvent discharges from affected dry cleaning facilities. “Property damage” does not include the loss of fair market value resulting from a discharge.

**Vetoed In Part**

(2) RULES CONCERNING 3RD-PARTY COMPENSATION. The commissioner of insurance shall promulgate rules defining “liabilities that are excluded from coverage in liability insurance policies for bodily injury” and “liabilities that are excluded from coverage in liability insurance policies for property damage” for the purposes of sub. (1) (a) and (k). The definitions shall be consistent with standard insurance industry practices.

(3) (am)

2. The department shall pay an award for immediate action activities within 2 working days of receipt of the application. For the purposes of this subdivision, removal of contaminated soils and recovery of free dry cleaning solvent are not considered immediate action activities.

**Vetoed In Part**

(cm) 1. If the department determines that immediate action is necessary in response to a discharge of dry cleaning solvent, the owner or operator of the dry cleaning facility conducts the immediate action and is eligible for an award under this section and the amounts appropriated under s. 20.370 (6) (eq) are not sufficient to pay the award, the department shall pay the award using funds under s. 20.370 (2) (dv). Awards under this subdivision have priority over other payments under s. 20.370 (2) (dv) except for payments under s. 292.31 (4) and (5).

**Vetoed In Part**

2. Whenever the department of natural resources pays an award under subd. 1., it shall provide a notice to the department of revenue stating the amount of the award.

(7) ELIGIBLE COSTS. (a)

15. Compensation to 3rd parties for bodily injury and property damage caused by a dry cleaning solvent discharge from a dry cleaning facility.

**Vetoed In Part**

(b) *Financing costs.* 1. Except as provided in subd. 2., eligible costs for an award under this section include the following costs of financing activities eligible for reimbursement under par. (a):

**Vetoed In Part**

a. Loan origination fees of up to 1% of the loan principal.

**Vetoed In Part**

b. Interest on a loan at no more than the prime rate as determined under rules promulgated by the department.

2. Costs of financing activities that are undertaken after the effective date of this subdivision ... [revisor inserts date], and that are undertaken without the department’s advance written approval are not eligible costs.

**Vetoed In Part**

(c)

4. Costs, other than costs for compensating 3rd parties for bodily injury and property damage, that the department determines to be unreasonable or unnecessary

**Vetoed In Part**

to carry out the remedial action activities as specified in the remedial action plan.

(8) (e) *Deductible*. 1.

**Vetoed In Part** c. If eligible costs exceed \$400,000, \$26,000 plus 10% of the amount by which eligible costs exceed \$400,000, but the maximum deductible is \$46,000.

**Vetoed In Part** (f) *Maximum awards*. 1. The department may not issue financial assistance under this section that exceeds \$600,000 for reimbursement for costs incurred at a single dry cleaning facility.

**Vetoed In Part** 2. The department may not issue financial assistance under this section to an owner or operator in one program year that totals more than the following:

a. For an owner or operator of 10 or fewer dry cleaning facilities, \$250,000.

b. For an owner or operator of more than 10 dry cleaning facilities, \$500,000.

(11) INTERVENTION IN 3RD-PARTY ACTIONS. An owner or operator of a dry cleaning facility shall notify the department of any action by a 3rd party against the owner or operator for compensation for bodily injury or property damage caused by a dry cleaning solvent discharge from the dry cleaning facility if the owner or operator may be eligible for an award under this section. The department may intervene in any action by a 3rd party against an owner or operator for compensation for bodily injury or property damage caused by a dry cleaning solvent discharge from a dry cleaning facility if the owner or operator may be eligible for an award under this section for compensation awarded in the action.

**Vetoed In Part Vetoed In Part**

**Item B-11. Certified Remediation Professionals**

**Governor's written objections**

*Sections 169 [as it relates to 20.370 (2) (fg)], 346s, 3727g, 9137 (7n) and 9437 (2m)*

These sections require persons who perform certain remediation activities to be certified by the Department of Natural Resources, and provide resources for the implementation of the program.

I am vetoing this program because it requires further review and discussion. The program was designed to control the cost of state funded cleanup programs by requiring additional certification requirements for individuals overseeing cleanups. I am supportive of examining ways to reduce the costs of state-funded cleanup programs, but believe this approach does not fully address concerns regarding installation of various remediation plans and practices. Since the need for cost control mechanisms is most pressing in the PECFA program, I request the Department of Commerce to convene a group of interested parties and experts to examine the subject and propose possible options for inclusion in future legislation.

**Cited segments of 1997 Assembly Bill 100:**

SECTION 169. 20.005 (3) of the statutes is repealed and recreated to read:

STATUTE, AGENCY AND PURPOSE	SOURCE	TYPE	1997-98	1998-99
<b>20.370 Natural resources, department of</b>				
(2) AIR AND WASTE				
(fg) Remediation professional certification	PR	C	74,500	95,100

**Vetoed In Part**

**Vetoed In Part** SECTION 346s. 20.370 (2) (fg) of the statutes is created to read:

20.370 (2) (fg) *Remediation professional certification*. All moneys received under s. 292.85 to be used for activities related to certified remediation professionals under s. 292.85.

SECTION 3727g. 292.85 of the statutes is created to read:

**292.85 Certified remediation professionals.** (1) DEFINITIONS. In this section:  
(a) "Certificate" means a remediation professional certificate issued under this section.

**Vetoed In Part**

**Vetoed  
In Part**

(b) "Covered activity" means corrective action under s. 94.73, petroleum storage tank remedial action under s. 101.143 or 101.144, hazardous waste facility closure under s. 291.29, corrective action under s. 291.37, a response to a discharge of a hazardous substance under s. 292.11, remedial action under s. 292.15 (2), an environmental assessment under s. 292.21 (1) (c) 2., environmental repair under s. 292.31 (3), an abandoned container response under s. 292.41 or any other environmental remedial action specified by the department by rule, except that "covered activity" does not include an emergency response under s. 292.11, 292.31 (3) or 292.41.

(c) "Report" means a report of a site investigation, a report of interim actions prior to remedial action, a report of the design of a proposed remedial action plan, a report of a site closure or any other report designated by the department of natural resources, the department of commerce or the department of agriculture, trade and consumer protection by rule.

(2) RULES. The department shall promulgate rules necessary to implement this section. The department shall develop the rules in consultation with all state agencies that have oversight responsibility for programs related to environmental remediation and with other interested persons. The rules shall include requirements for education, continuing education, training, experience and standards of professional conduct for certified remediation professionals. The requirements and standards shall be sufficiently stringent so that covered activities conducted by or under the direction or supervision of a certified remediation professional and all reports related to covered activities that are prepared by or under the direction or supervision of certified remediation professionals are rendered in a manner that protects public health, safety, welfare and the environment and that is consistent with applicable statutes and rules.

(3) CERTIFICATE REQUIRED FOR CERTAIN ACTIVITIES.

(a) Beginning on the effective date of this paragraph ... [revisor inserts date], a person may not submit a report to the department of natural resources, the department of commerce or the department of agriculture, trade and consumer protection with respect to a covered activity unless the report is prepared by, or under the direction or supervision of, a certified remediation professional, except as provided in sub. (6).

(b) Beginning on the effective date of this paragraph ... [revisor inserts date], a person may not conduct a covered activity unless the person is, or is under the direction or supervision of, a certified remediation professional, except as provided in sub. (6).

(4) DEPARTMENT MAY CERTIFY. (a) An individual may apply for a remediation professional certificate. Each application for an initial or renewal certificate shall be accompanied by a fee in an amount established by the department by rule that is sufficient to cover all costs of administering and enforcing this section.

**Vetoed  
In Part**

(b) The department may issue a certificate under this section only to an individual. A certificate issued under this section may not be transferred.

(c) The department shall periodically publish notice of each application for a certificate, approval or denial of a certificate, revocation of a certificate and termination of a certificate. The department may not approve an application for an initial certificate or a renewal certificate until at least 30 days after the notice of application for the initial certificate or renewal certificate has been published. The department shall promulgate rules for the periodic publication of notice under this paragraph.

(d) The department of natural resources may grant an initial certificate or renew a certificate only if the department of natural resources determines that the applicant or the holder of the certificate is in compliance with all requirements under this section and under rules promulgated by the department of natural resources, the department of commerce and the department of agriculture, trade and consumer protection. The department of natural resources shall suspend or revoke a certificate if it determines, or the department of commerce or the department of agriculture, trade or consumer protection determines, that the individual holding the certificate fails to comply with all requirements under this section and under rules promulgated by the department of natural resources, the department of commerce and the department of agriculture, trade and consumer protection.

(e) The department may bar an individual whose application for an initial certificate or a renewal certificate is denied, or whose certificate is revoked, from applying for a certificate for a period determined by the department. If the department revokes a certificate, it may permanently bar the individual from applying for a certificate.

(f) A certified remediation professional shall obtain and maintain insurance against loss, expense and liability, including loss, expense and liability caused by pollution, resulting from errors, omissions or neglect in the performance of any professional service in an amount of at least \$1,000,000 per claim and \$1,000,000 in annual aggregate claims, with a deductible of no more than \$100,000 per claim.

(5) PROHIBITION. No person may advertise or otherwise hold himself or herself out to be a certified remediation professional unless that person possesses a valid certificate issued by the department.

(6) EXEMPTION. Subsection (3) does not apply to a report prepared, or an activity performed, by an employe of this state acting within the scope of his or her employment.

(7) DEPARTMENTS MAY INVESTIGATE. (a) Employes or agents of the department of natural resources, the department of commerce or the department of agriculture, trade and consumer protection may at any reasonable time enter any site or building for the purpose of investigating,

**Vetoed In Part** sampling or inspecting any condition, equipment, practice or property relating to a covered activity conducted, supervised or directed by a certified remediation professional.

(b) Employees or agents of the department of natural resources, the department of commerce or the department of agriculture, trade and consumer protection may seek a special inspection warrant under s. 66.122 authorizing entry to a site or building under par. (a) if permission to enter is denied or if one of those departments determines that entry without prior notice is necessary to enforce this section.

(c) A certified remediation professional shall provide any information requested by the department of natural resources, the department of commerce or the department of agriculture, trade and consumer protection relating to his or her activities as a certified remediation professional. If one of those departments has reason to suspect that a violation of any statute or rule related to a covered activity has occurred or may occur, it may issue to a certified remediation professional an order requiring the production or analysis of samples, requiring the production of records or requiring any action by the certified remediation professional that may be necessary to prevent or eliminate the violation.

(8) MEMORANDUM OF UNDERSTANDING. The department of natural resources, the department of commerce and the department of agriculture, trade and consumer protection shall enter into a memorandum of understanding with respect to common areas of responsibility that relate to this section. A memorandum of understanding under this subsection does not take effect until it is approved by the secretary of administration.

(9) APPEALS. Any person aggrieved by a determination or order of the department under this section may request a contested case hearing under ch. 227.

**SECTION 9137. Nonstatutory provisions; natural resources.**

(7n) EMERGENCY RULES; CERTIFIED REMEDIATION PROFESSIONALS. By February 1, 1998, the department of natural resources shall promulgate emergency rules under section 227.24 of the statutes implementing section 292.85 of the statutes, as created by this act. The emergency rules shall authorize a person to become a certified remediation professional by certifying to the department that the person possesses the minimum education and experience required under the rule for certified remediation professionals. Notwithstanding section 292.85 (4) (c) of the statutes, as created by this act, the department is not required to publish notice of applications for certificates under the emergency rule. A certificate issued under the emergency rule is valid until such time, as determined by the department, that a person may become certified under permanent rules promulgated by the department or until the certificate is revoked. Notwithstanding section 227.24 (1) (c) and (2) of the statutes, the emergency rules may remain in effect for a period not to exceed 2 years. Notwithstanding section 227.24 (1) (a) and (2) (b) of the statutes, the department need not provide evidence of the necessity of preservation of the public peace, health, safety or welfare in promulgating the rules under this subsection.

**SECTION 9437. Effective dates; natural resources.**

(2m) CERTIFIED REMEDIATION PROFESSIONALS. The treatment of section 292.85 (3) of the statutes takes effect on April 1, 1998.

**Vetoed In Part**

**Vetoed In Part**

**Vetoed In Part**

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**Item B-12. Voluntary Party Liability Limitation**

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**Governor's written objections**

*Sections 3663, 3664, 3665, 3666, 3668 and 9137 (6g) (c)*

These provisions create a contradictory definition of voluntary parties that are eligible for exemptions from liability under various state environmental protection laws. In addition, these provisions require the Department of Natural Resources to complete a brownfields study by March 1, 1998.

I am partially vetoing the voluntary party provisions to avoid a contradiction in the definition of responsible party that will become effective on July 1, 1998. Since my veto leaves no definition of voluntary party in the statutes between the effective date of the budget and July 1, 1998, I request the Department of Natural Resources to provide assurance letters to potential voluntary parties on a case-by-case basis during this interim period. The combination of assurance letters and new definition of voluntary party best represents the compromise reached by the Senate and the Assembly during budget deliberations. I believe that the broader definition of voluntary party created in this budget will greatly assist in the redevelopment of a large number of brownfields sites and bring economic development and jobs to all areas of the state.

I am vetoing the March 1, 1998 deadline for the submittal of a brownfields study because the timeframe is too short to complete a study of this magnitude. I believe that this study will play an important role in further developing the state's land recycling program. Therefore, the Departments of Natural Resources, Commerce, Administration, Transportation, and Agriculture, Trade and Consumer Protection should work together in developing a comprehensive study that fully addresses the required elements by January 1, 1999.

**Cited segments of 1997 Assembly Bill 100:**

**Vetoed In Part** SECTION 3663. 292.15 (1) (c) (intro.) of the statutes is repealed.

**Vetoed In Part** SECTION 3664. 292.15 (1) (c) 1. of the statutes is re-numbered 292.15 (1) (f) 3.

SECTION 3665. 292.15 (1) (c) 2. of the statutes is repealed.

SECTION 3666. 292.15 (1) (c) 3. of the statutes is re-numbered 292.15 (1) (f) 1. and amended to read:

292.15 (1) (f) 1. The person did not otherwise cause the release discharge of a hazardous substance on the property.

**Vetoed In Part** SECTION 3668. 292.15 (1) (f) 2. of the statutes is created to read:

292.15 (1) (f) 2. The person did not control, prior to its discharge, a hazardous substance that was discharged on the property.

**Vetoed In Part**

SECTION 9137. Nonstatutory provisions; natural resources.

(6g) BROWNFIELDS STUDY.

(c) The department of natural resources shall submit a report of the results of paragraph (b) and any recommendations to the joint committee on finance and to the legislative standing committees with jurisdiction over environmental matters no later than March 1, 1998.

**Vetoed In Part**

**Item B-13. Land Recycling Loans**

**Governor's written objections**

*Section 3569*

This provision expands eligibility for land recycling loans under the clean water fund to individuals, corporations, partnerships, associations and commissions.

I am partially vetoing this section to maintain the financial integrity of the clean water fund. Clean water fund bonds currently have a very high rating and associated low interest costs to the state in part because shared revenue payments to local governments are used as collateral against repayment of clean water loans. An expansion in eligibility beyond local governments to entities with different financial structures and security features could reduce confidence in the fund and ultimately lead to higher interest costs to the state. Operationally, significant administrative costs would be incurred related to the amount of underwriting and financial analyses necessary to review the creditworthiness of these entities. While this approach is not cost-effective, this bill authorizes other financial resources to non-governmental entities for redevelopment, including a low-interest loan guarantee program in the Wisconsin Housing and Economic Development Authority and grants from the Department of Commerce.

**Cited segments of 1997 Assembly Bill 100:**

SECTION 3569. 281.60 of the statutes is created to read:

**281.60 Land recycling loan program. (1) DEFINITIONS.**

(a) "Eligible applicant" means an individual, corporation, partnership, association, commission or political subdivision.

**Vetoed In Part**

**Item B-14. Clean Water Fund Modifications**

**Governor's written objections**

*Sections 3497e, 3528m, 3537e, 3553, 3561 and 3570*

These sections make changes to the clean water fund program and the newly created safe drinking water program. Sections 3537e, 3553, 3561, and 3570 create a safe drinking water hardship program for projects serving small municipalities. Grants of up to 80 percent of project costs could be awarded, with the remaining costs eligible for a loan with interest subsidized at 33 percent of market rate.

Under sections 3497e and 3528m, DNR would be required to accept household income figures calculated by a third party in place of U.S. Bureau of Census data for sanitary districts with populations of less than 2,500.

I am vetoing the safe drinking water hardship grant program because it will deplete the state and federally funded drinking water revolving loan fund and sharply curtail the number of communities that will be able to receive financial assistance. Since funds used for grants are not available for lending to other communities, state costs will increase to underwrite the program. I recognize the goal of addressing the financial needs of communities with lower than average incomes, and the increased loan interest subsidy for qualifying communities is meant to meet those critical needs.

I am also vetoing the option of submitting third party household income data because these special requirements undermine the ability of the Departments of Natural Resources and Administration to fund hardship projects based on objective and generally accepted criteria. Allowing the use of third party data in place of objective census data would require significant amounts of staff time for review and make it impossible to equitably compare and rank districts based on income.

**Cited segments of 1997 Assembly Bill 100:**

**Vetoed In Part** SECTION 3497e. 281.58 (1) (cm) of the statutes is repealed.

**Vetoed In Part** SECTION 3528m. 281.58 (13) (g) of the statutes is created to read:

281.58 (13) (g) 1. Except as provided in subd. 2., the department shall determine median household income by adjusting median household income as determined by the U.S. bureau of the census to reflect changes in household income since the most recent federal census.

2. If a town sanitary district that has a population, as indicated on the application for assistance under this section, of 2,500 or less and that has boundaries that are not contiguous with a town submits data concerning household income obtained from a 3rd party, the department may not use information from the federal census to determine median household income. For such a town sanitary district, the department shall determine median household income based on the data obtained from the 3rd party.

**Vetoed In Part** SECTION 3537e. 281.59 (1) (d) 3. of the statutes is created to read:

281.59 (1) (d) 3. For the safe drinking water loan program only, to provide grants under s. 281.61 (8e).

SECTION 3553. 281.59 (3) (a) 6m. of the statutes is created to read:

281.59 (3) (a) 6m. An amount equal to the estimated present value of subsidies for all loans and grants under the safe drinking water loan program to be made during the biennium for which the biennial finance plan is prepared, discounted at a rate of 7% per year to the first day of that biennium.

SECTION 3561. 281.59 (3s) of the statutes is created to read:

281.59 (3s) SAFE DRINKING WATER LOAN PROGRAM EXPENDITURES.

(d) Using the amount approved under par. (b) as a base, the department of administration shall calculate the present value of the actual subsidy of each safe drinking water loan or grant made for those projects in each biennium that are approved for financial assistance. The present value shall be discounted as provided under sub. (3) (a) 6m.

SECTION 3570. 281.61 of the statutes is created to read:

**281.61 Safe drinking water loan program.**

(2r) METHODS OF PROVIDING FINANCIAL ASSISTANCE.

(e) Making grants as provided in sub. (8e).

(8e) GRANTS FOR CERTAIN PROJECTS. When the department of administration allocates funding to a project under sub. (8), it shall allocate a portion of the funding as

**Vetoed In Part**

**Vetoed In Part**

**Vetoed In Part**

**Vetoed In Part** a grant for the project equal to up to 20% of the project costs if all of the following apply.

(a) The project is for a public water system that regularly serves fewer than 10,000 persons.

(b) The local governmental unit applying for financial assistance meets the financial eligibility criteria es-

ablished by the department of natural resources by rule for the purpose of sub. (11) (a).

(c) The department of administration has not allocated more than 5% of the available funds in the fiscal year in which it allocates funds to the project for grants under this subsection.

**Vetoed In Part**

### Item U-15. Remediation of Waste Tire Manufacturing Dumps

#### Governor's written objections

*Section 9137 (4eq) (b)*

This provision establishes a limit of \$400,000 in the waste tire removal and cleanup appropriation under s. 20.370 (2) (da) for the elimination of tire dumps that contain solid waste resulting from manufacturing tires.

I am vetoing this provision to eliminate the \$400,000 limit because this level of funding may be insufficient to clean up all affected sites. Since cleanup of these tire dumps is a high priority, the Department of Natural Resources should have the flexibility to use the funds as needed within the overall appropriation level after waste tire reimbursement grants are paid. The department should proceed with clean up of identified sites in a timely manner and limit the cost to no more than \$500,000.

#### Cited segments of 1997 Assembly Bill 100:

**SECTION 9137. Nonstatutory provisions; natural resources.**

(4eq) TIRE WASTE.

(b) If funds are available for expenditure during the 1997-99 fiscal biennium from the appropriation under section 20.370 (2) (da) of the statutes, as created by this act, after making the payments under paragraph (a), the

department shall expend funds from that appropriation for nuisance abatement under section 289.55 of the statutes at tire dumps, as defined in section 289.55 (1) (b) of the statutes, as affected by this act, that contain solid waste resulting from manufacturing tires. The department may not expend more than \$400,000 for this purpose.

**Vetoed In Part**

### Item U-16. Recycling Financial Assistance Study

#### Governor's written objections

*Section 3614mg*

This provision requires the Department of Natural Resources to submit a study to the Legislature outlining funding mechanisms to continue municipal recycling grants through at least the year 2004.

I am partially vetoing this provision to remove the September 1, 1998 due date of the study because the time frame is too short to develop a comprehensive set of options. I recognize the need to consider options for meeting the financial needs of local recycling programs. The department will need sufficient time to gather information and develop appropriate strategies. Therefore, I request that the department complete its efforts by January 1, 1999.

**Cited segments of 1997 Assembly Bill 100:**

**SECTION 3614mg.** 287.23 (1m) of the statutes is created to read:

287.23 (1m) FINANCIAL ASSISTANCE AFTER THE YEAR

**Vetoed In Part** 2000. No later than September 1, 1998, the department shall submit a proposal to the legislature that if enacted will carry out the intent of the legislature that this state

continue at least through the year 2004 its practice of providing state financial assistance to municipalities, counties, other units of government, including federally recognized Indian tribes and bands in this state, and solid waste management systems for expenses relating to programs for the recycling of postconsumer waste.

**Item U-17. Water Quality Performance Standards**

**Governor's written objections**

*Sections 3273r and 3487p*

These sections require the Department of Natural Resources (DNR) to set performance standards and prohibitions for non-agricultural nonpoint water pollution sources. The department is also required to develop technical standards to implement these performance standards.

In addition, these sections require DNR and the Department of Agriculture, Trade and Consumer Protection, in consultation with each other, to set performance standards and prohibitions for agricultural nonpoint water pollution sources and develop best management practices and technical standards to implement the standards and prohibitions. Until cost-sharing funds are available to assist existing agricultural facilities with compliance, DNR or municipalities may not enforce these performance standards and prohibitions.

I am partially vetoing these provisions to limit the scope of the non-agricultural requirements because they could conflict with existing regulation of these activities. The Departments of Commerce and Transportation have authority under current law to regulate erosion on certain construction sites. I request that DNR work with the Departments of Commerce and Transportation to create a process for the development and dissemination of technical standards to implement the performance standards for non-agricultural nonpoint water pollution sources. These changes maintain DNR's authority under the bill but avoid duplicating existing rules and regulations.

**Cited segments of 1997 Assembly Bill 100:**

**SECTION 3273r.** 227.01 (13) (ys) of the statutes is created to read:

227.01 (13) (ys) Establishes a technical standard for abating nonpoint source water pollution under s. 281.16

**Vetoed In Part** (2) (c) or (3) (c).

**SECTION 3487p.** 281.16 of the statutes is created to read:

**281.16 Water quality protection; nonpoint sources.**

(2) NONPOINT SOURCES THAT ARE NOT AGRICULTURAL.

(a) The department shall, by rule, prescribe performance standards and prohibitions for facilities and practices that

**Vetoed In Part** are nonpoint sources and that are not agricultural facili-

ties or agricultural practices. The performance standards and prohibitions shall be designed to achieve water quality standards by limiting nonpoint source water pollution.

**Vetoed In Part**

(b) The department shall, by rule, specify a process for the development and dissemination of technical standards to implement the performance standards and prohibitions under par. (a).

**Vetoed In Part**

(c) Using the process specified under par. (b), the department shall develop and disseminate technical standards to implement the performance standards and prohibitions under par. (a). The department shall develop and disseminate alternative technical standards for situa-

**Vetoed In Part**

**Vetoed In Part** tions in which more than one method exists to implement the performance standards and prohibitions.

**Item U-18. Watershed Stewardship Grant Program**

**Governor’s written objections**

*Sections 169 [as it relates to s. 20.370 (6) (au)], 400g and 3599v*

This section creates a program to provide grants to assist in the formation and development of local watershed groups. The section also requires the Department of Natural Resources to fund a nonprofit organization that will administer the grants and establish a center to encourage, facilitate the development of, and educate local watershed groups.

I am vetoing these provisions because the program is not a cost-effective use of state funds. The state already has a number of grant programs that seek to increase local and community involvement in water quality protection activities. The Land and Water Conservation Board also provides significant public involvement in watershed financing and policy development. I remain committed to local watershed efforts as evidenced through the significant increase in funding for the Priority Watershed and Land and Water Resource Management Programs. This bill appropriates approximately \$48 million for local assistance and cost-sharing grants to improve water quality across the state. To ensure that these funds are used in the most effective means possible, I suggest that the Land and Water Conservation Board consider alternatives that promote local involvement in and responsibility for water quality activities.

**Cited segments of 1997 Assembly Bill 100:**

**SECTION 169.** 20.005 (3) of the statutes is repealed and recreated to read:

STATUTE, AGENCY AND PURPOSE	SOURCE	TYPE	1997-98	1998-99
<b>20.370 Natural resources, department of</b>				
(6) ENVIRONMENTAL AIDS				
(au) Environmental aids – watershed activities and grants	SEG	A	50,000	50,000

**Vetoed In Part**

**Vetoed In Part** **SECTION 400g.** 20.370 (6) (au) of the statutes is created to read:

20.370 (6) (au) *Environmental aids — watershed activities and grants.* From the conservation fund, the amounts in the schedule for the activities and grants authorized to benefit local watershed groups under s. 281.70. No moneys may be encumbered under this paragraph after June 30, 2001.

**Vetoed In Part** **SECTION 3599v.** 281.70 of the statutes is created to read:

**281.70 Assistance to watershed groups. (1) DEFINITIONS.** In this section:

(a) “Local watershed group” means a group that is formed for the purpose of protecting or improving the water quality of a specific watershed.

(b) “Nonprofit organization” means a nonprofit corporation, a charitable trust or other nonprofit association whose purposes include protecting or improving water

quality in watersheds and that is described in section 501 (c) (3) of the Internal Revenue Code and is exempt from federal income tax under section 501 (a) of the Internal Revenue Code.

**Vetoed In Part**

(2) EDUCATION AND INFORMATION. From the appropriation under s. 20.370 (6) (au), the department shall provide funding to a nonprofit organization to do all of the following:

(a) Establish a center to encourage and facilitate the formation and development of local watershed groups.

(b) Serve as an educational and informational clearinghouse regarding information on protecting and improving water quality in watersheds.

(c) Provide technical assistance to local watershed groups.

(d) Administer the grant program under sub. (3).

(3) GRANT PROGRAM. (a) The nonprofit organization receiving funding under sub. (2) shall award grants from

**Vetoed In Part** this funding to local watershed groups to assist them in their formation and development.

(b) A grant awarded under this subsection may not exceed \$5,000.

(c) For purposes of determining which local watershed groups will receive the grants under this program, the nonprofit organization shall establish a committee to award the grants. The committee shall have members that represent any local-level and state-level groups, in-

cluding state agencies, that have an interest in protecting or improving watersheds.

(4) RULES. The department shall promulgate rules to administer and implement this section, including eligibility requirements for the grants under sub. (3) and membership requirements for the committee established under sub. (3) (c).

(5) APPLICABILITY. This section does not apply after June 30, 2001.

**Vetoed In Part**

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**Item U-19. Willow Flowage**

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**Governor's written objections**

*Section 3487d*

This section designates the Willow Flowage as an outstanding resource water.

I am vetoing this section because it is unnecessary and infringes on the Natural Resources Board's authority to designate waters and waterways as outstanding resource waters. The board is currently reviewing the appropriateness of assigning this designation to the Willow Flowage.

.....

**Cited segments of 1997 Assembly Bill 100:**

**Vetoed In Part** SECTION 3487d. 281.15 (6) of the statutes is created to read:

281.15 (6) Notwithstanding sub. (1), the department shall classify the Willow flowage as an outstanding resource water under s. NR 102.10, Wis. Adm. Code.

**Vetoed In Part**

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**Item U-20. Water Pollution Credit Trading Pilot**

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**Governor's written objections**

*Sections 3606 and 9137 (1hm)*

These sections require the Department of Natural Resources to administer at least one pilot project to evaluate a water pollution credit trading program and to select the Hay River watershed as one of the pilot projects. Also, these sections prohibit the department from beginning any new pilot projects after June 30, 1999.

I am partially vetoing section 3606 and vetoing section 9137 (1hm) to remove the June 30, 1999 date and the Hay River project designation because they unnecessarily limit the department's ability to successfully administer and evaluate a pilot of this new program. Since water pollution credit trading is an innovative approach to improving water quality, the department will need time to work with potential participants. In addition, I am concerned that legislative designations of projects undermine the department's ability to select projects based on merit. Pilot projects should evaluate a variety of situations in a deliberate fashion that includes significant local input and support.

**Cited segments of 1997 Assembly Bill 100:**

**SECTION 3606.** 283.84 of the statutes is created to read:

**283.84 Trading of water pollution credits.**

**Vetoed In Part** (4m) The department may not begin to administer a pilot project under this section after June 30, 1999.

**SECTION 9137. Nonstatutory provisions; natural resources.**

(1hm) WATER POLLUTION CREDIT TRADING PILOT PROJECT. During the 1997-99 fiscal biennium, the department shall select an area within the Hay River Watershed that includes the city of Cumberland as the project area for the program under section 283.84 of the statutes, as created by this act.

**Vetoed In Part**

**Item U-21. Southeastern Wisconsin Fox River Commission Funding**

**Governor's written objections**

*Sections 378m, 378no and 1148t*

These sections create the Southeastern Wisconsin Fox River Commission to conduct studies, liaison with agencies, and implement plans related to water quality and navigation in the Illinois Fox River basin. The commission will consist of local representatives and non-voting members from the Department of Natural Resources and the Southeastern Wisconsin Regional Planning Commission. These sections also allocate \$300,000 from recreational boating facilities aids to the commission, which may also receive funds through local government appropriations and gifts and grants.

I am partially vetoing these sections to remove the allocation of \$300,000 from recreational boating facilities aids because it is excessive. The commission may receive funds for its activities from local governments, gifts and grants. In addition, the commission may compete with other organizations for funding from state aid programs.

**Cited segments of 1997 Assembly Bill 100:**

**SECTION 378m.** 20.370 (5) (cq) of the statutes is amended to read:

20.370 (5) (cq) (title) *Recreation aids — recreational boating and other projects; Portage levee system; Milwaukee river study.* As a continuing appropriation, the amounts in the schedule for recreational boating aids under s. 30.92, for the grant for Black Point Estate under s. 23.0962, for the projects, plans and responsibilities of the Southeastern Wisconsin Fox River commission under s. 33.54 (2), for financial assistance to the Wisconsin Lake Schooner Education Association under 1997 Wisconsin Act .... (this act), section 9137 (12f), for the Portage levee system under s. 31.309 and for the engineering and environmental study under s. 31.307.

**Vetoed In Part** 23.0962, for the projects, plans and responsibilities of the Southeastern Wisconsin Fox River commission under s. 33.54 (2), for financial assistance to the Wisconsin Lake Schooner Education Association under 1997 Wisconsin Act .... (this act), section 9137 (12f), for the Portage levee system under s. 31.309 and for the engineering and environmental study under s. 31.307.

**SECTION 378no.** 20.370 (5) (cq) of the statutes, as affected by 1997 Wisconsin Act .... (this act), is repealed and recreated to read:

20.370 (5) (cq) *Recreation aids — recreational boating and other projects.* As a continuing appropriation, the amounts in the schedule for recreational boating aids

**Vetoed In Part** under s. 30.92, for the grant for Black Point Estate under s. 23.0962, for the projects, plans and responsibilities of

the Southeastern Wisconsin Fox River commission under s. 33.54 (2), for the Portage levee system under s. 31.309 and for the engineering and environmental study under s. 31.307.

**Vetoed In Part**

**SECTION 1148t.** Subchapter VI of chapter 33 [precedes 33.53] of the statutes is created to read:

**CHAPTER 33**

**SUBCHAPTER VI**

**SOUTHEASTERN WISCONSIN  
FOX RIVER COMMISSION**

**33.53 Definitions.**

(2) "Commission" means the Southeastern Wisconsin Fox River commission created under s. 33.54 (1).

**Vetoed In Part**

**33.54 Creation, funding.** (1) There is created a Southeastern Wisconsin Fox River commission for the Illinois Fox River basin. For the purposes of this subchapter, the Illinois Fox River basin extends from the northern boundary of the city of Waukesha downstream to the point immediately below the Waterford Dam. The board of commissioners shall govern the commission. A county or river municipality may appropriate money to

**Vetoed In Part**

the commission. The commission, a county or a river municipality may solicit gifts, grants and other aid for the commission to enable the commission to perform the functions in this subchapter.

(2) The department shall set aside in fiscal year 1997-98, from the appropriation under s. 20.370 (5) (cq), \$300,000 to enable the commission to carry out its projects, plans and responsibilities under this subchapter.

**Vetoed  
In Part**

**Item U-22. Commercial Harvest of Smelt and Alewife**

**Governor's written objections**

*Sections 1105s and 1105t*

These sections allow commercial smelt fishing on Lake Michigan during any month except May.

I am vetoing this provision because it would have resulted in a substantial incidental catch and loss of alewife and chubs that would be detrimental to the overall Lake Michigan fishery.

I recognize that Wisconsin's Lake Michigan commercial fishers play an important role in the economy of our state. The expansion in the season length was sought by these businesses in order to increase their smelt harvest and thereby improve their economic viability. I also recognize that Wisconsin citizens greatly value the importance of the salmon and trout fishery in Lake Michigan. Not only is it vitally important to Wisconsin's anglers, it is also important to many other small businesses such as charter fishing operations, motels, bait shops and restaurants.

I have retained the addition of four hours to the commercial fishing day as proposed by the Legislature in order to give Lake Michigan commercial fishers more scheduling flexibility. I am aware that unless additional regulations are adopted by the Department of Natural Resources (DNR), these additional hours of smelt fishing will lead to additional incidental catch of alewives which are a major forage base for our vitally important salmon and trout fishery. I am therefore requesting that DNR immediately implement the additional authority granted to them in this bill to establish by rule a harvest limit for alewife. I am requesting that the department bring an alewife harvest rule to the Natural Resources Board so that it is effective prior to the Green Bay commercial smelt season. The rule should be designed to prevent additional loss of the important alewife forage base.

**Cited segments of 1997 Assembly Bill 100:**

**Vetoed  
In Part** SECTION 1105s. 29.33 (4m) (c) 2. of the statutes is amended to read:

29.33 (4m) (c) 2. The fishing occurs in the areas and during the seasons established by the department for the fishing of smelt on Green Bay.

SECTION 1105t. 29.33 (4m) (d) of the statutes is created to read:

29.33 (4m) (d) A commercial fisher licensed under sub. (1) may fish by trawl for the total allowable commer-

cial harvest of smelt, as set by rule by the department, on Lake Michigan during any month except May if all of the following apply:

1. The smelt will be used or sold for human consumption.

2. The fishing occurs in the areas and during the hours established by the department for the fishing of smelt on Lake Michigan.

**Vetoed  
In Part**

**Item U-23. New Stewardship Categories and Badger Trail Development**

**Governor's written objections**

*Sections 762g, 762h, 762k, 762L, 766b, 766c, 766d, 766e, 766f, 766h, 766i, 766m, 766n, 766p, 766q, 766r, 766s, 766ur, 766w, 766x, 766y and 767*

These sections modify the Warren Knowles-Gaylord Nelson Stewardship Program to create open space and bluff protection categories and allow the Department of Natural Resources (DNR) to expend up to \$1,750,000 of existing funds to develop a state trail. Funded through reallocation of funding from existing Stewardship Program categories, the open space and bluff protection programs would provide grants to local governments and nonprofit conservation organizations to acquire easements and land. These sections also allow development of a state trail along a portion of an abandoned railroad corridor located in Dane and Green counties on land that is not owned by or under the jurisdiction of the department.

I am vetoing the new Stewardship categories because creating new categories to serve these purposes is premature. The current Stewardship Program ends on June 30, 2000. I am committed to the overall resource protection goals of the Stewardship Program and have created a blue ribbon task force through executive order to evaluate the current program and propose alternatives for a new Stewardship Program. The open space and bluff protection categories should be considered by the task force as it develops its recommendations.

I am also vetoing the authority to develop an abandoned rail corridor because it is unnecessary. Under current law, DNR and the Natural Resources Board have the authority to decide which projects, and associated funding, will provide the best and most cost-effective recreational opportunities for Wisconsin's residents and visitors. Before approving this proposed trail, DNR and the Natural Resources Board need the flexibility to consider several issues, including ownership of the land, scheduling of other trail development projects, responsibility for development and maintenance, and possible funding sources.

**Cited segments of 1997 Assembly Bill 100:**

**Vetoed In Part** SECTION 762g. 23.09 (2q) (intro.) and (b) of the statutes are consolidated, renumbered 23.09 (2q) and amended to read:

23.09 (2q) WARREN KNOWLES-GAYLORD NELSON STEWARDSHIP PROGRAM; LOWER WISCONSIN STATE RIVERWAY; ICE AGE TRAIL. Except as provided in s. 23.0915 (2), the department in each fiscal year may not expend from the appropriation under s. 20.866 (2) (tz): ~~(b) More more~~ than \$2,000,000 under sub. (2) (d) 11.

SECTION 762h. 23.09 (2q) (c) of the statutes is repealed.

SECTION 762k. 23.09 (2r) (intro.) of the statutes is amended to read:

23.09 (2r) WARREN KNOWLES-GAYLORD NELSON STEWARDSHIP PROGRAM; LAND ACQUISITION. (intro.) Except as provided in s. 23.0915 (2), the department in each fiscal year may not expend from the appropriation under s. 20.866 (2) (tz) more than a total of \$8,600,000 under this subsection the amount designated under s. 23.0915 (1) (a) or (am) for that fiscal year. The purposes for which these moneys may be expended are the following:

SECTION 762L. 23.09 (2s) of the statutes is created to read:

23.09 (2s) WARREN KNOWLES-GAYLORD NELSON STEWARDSHIP PROGRAM; ICE AGE TRAIL. Except as provided in s. 23.0915 (2), the department in each fiscal year may expend from the appropriation under s. 20.866 (2) (tz) not more than \$500,000 for all of the following purposes:

- (a) The Ice Age Trail under ss. 23.17 and 23.293.
- (b) Grants for the Ice Age Trail under s. 23.096.

SECTION 766b. 23.0915 (1) (intro.) of the statutes is amended to read:

23.0915 (1) DESIGNATED AMOUNTS. (intro.) The legislature intends that the department will expend the following designated amounts under the stewardship program from the appropriation under s. 20.866 (2) (tz) for the following purposes in each fiscal year, the expenditures beginning with fiscal year 1990-91 and ending in fiscal year 1999-2000, except as provided in pars. ~~(am), (bn), (kg), (kr), (L) and (Lg), (Lr), (m) and (n):~~

SECTION 766c. 23.0915 (1) (a) of the statutes is amended to read:

23.0915 (1) (a) General land acquisition, urban river grants and the Frank Lloyd Wright Monona terrace project, \$8,600,000, except as provided in par. (am).

SECTION 766d. 23.0915 (1) (am) of the statutes is created to read:

23.0915 (1) (am) General land acquisition, urban river grants and the Frank Lloyd Wright Monona terrace project, \$7,100,000 beginning in fiscal year 1997-98 and ending in fiscal year 1999-2000.

SECTION 766e. 23.0915 (1) (b) of the statutes is amended to read:

23.0915 (1) (b) General property development, \$3,500,000, except as provided in par. (bn).

SECTION 766f. 23.0915 (1) (bn) of the statutes is created to read:

23.0915 (1) (bn) General property development, \$2,500,000 beginning in fiscal year 1997-98 and ending in fiscal year 1999-2000.

SECTION 766h. 23.0915 (1) (kg) of the statutes is created to read:

23.0915 (1) (kg) Open space protection, \$2,000,000 beginning in fiscal year 1997-98 and ending in fiscal year 1999-2000.

**Vetoed In Part Vetoed In Part**

**Vetoed In Part** **SECTION 766i.** 23.0915 (1) (kr) of the statutes is created to read:

23.0915 (1) (kr) Bluff protection, \$500,000 beginning in fiscal year 1997-98 and ending in fiscal year 1999-2000.

**Vetoed In Part** **SECTION 766m.** 23.0915 (2) (a) of the statutes is renumbered 23.0915 (2) (a) 1. and amended to read:

23.0915 (2) (a) 1. Beginning with fiscal year 1990-91, if the department expends in a given fiscal year an amount from the moneys appropriated under s. 20.866 (2) (tz) for a purpose under sub. (1) (a) or (c) to (k) that is less than the amount designated for that purpose for that given fiscal year under sub. (1) (a) or (c) to (k), the department may adjust the expenditure limit under the stewardship program for that purpose by raising the expenditure limit, as it may have been previously adjusted under this paragraph and par. (b) 1., for the next fiscal year by the amount that equals the difference between the amount designated for that purpose and the amount expended for that purpose in that given fiscal year.

**SECTION 766n.** 23.0915 (2) (a) 2. of the statutes is created to read:

23.0915 (2) (a) 2. Beginning with fiscal year 1997-98, if the department expends in a given fiscal year an amount from the moneys appropriated under s. 20.866 (2) (tz) for a purpose under sub. (1) (kg) or (kr) that is less than the amount designated for that purpose for that given fiscal year under sub. (1) (kg) or (kr), the department may adjust the expenditure limit under the stewardship program for that purpose by raising the expenditure limit, as it may have been previously adjusted under this paragraph and par. (b) 2., for the next fiscal year by the amount that equals the difference between the amount designated for that purpose and the amount expended for that purpose in that given fiscal year.

**SECTION 766p.** 23.0915 (2) (b) of the statutes is renumbered 23.0915 (2) (b) 1. and amended to read:

23.0915 (2) (b) 1. Beginning with fiscal year 1990-91, if the department expends in a given fiscal year an amount from the moneys appropriated under s. 20.866 (2) (tz) for a purpose under sub. (1) (a) or (c) to (k) that is more than the amount designated for that purpose for that given fiscal year under sub. (1) (a) or (c) to (k), the department shall adjust the expenditure limit under the stewardship program for that purpose by lowering the expenditure limit, as it may have been previously adjusted under this paragraph and par. (a) 1., for the next fiscal year by an amount equal to the remainder calculated by subtracting the amount designated for that purpose from the amount expended, as it may be affected under par. (c) or (d), for that purpose in that given fiscal year.

**SECTION 766q.** 23.0915 (2) (b) 2. of the statutes is created to read:

23.0915 (2) (b) 2. Beginning with fiscal year 1997-98, if the department expends in a given fiscal year an amount from the moneys appropriated under s. 20.866

(2) (tz) for a purpose under sub. (1) (kg) or (kr) that is more than the amount designated for that purpose for that given fiscal year under sub. (1) (kg) or (kr), the department shall adjust the expenditure limit under the stewardship program for that purpose by lowering the expenditure limit, as it may have been previously adjusted under this paragraph and par. (a) 2., for the next fiscal year by an amount equal to the remainder calculated by subtracting the amount designated for that purpose from the amount expended, as it may be affected under par. (c) or (d), for that purpose in that given fiscal year.

**SECTION 766r.** 23.0915 (2) (c) of the statutes is amended to read:

23.0915 (2) (c) The department may not expend in a fiscal year an amount from the moneys appropriated under s. 20.866 (2) (tz) for a purpose under sub. (1) (a) or (c) to ~~(k)~~ (kr) that exceeds the amount equal to the expenditure limit for that purpose as it may have been previously adjusted under pars. (a) and (b), except as provided in par. (d).

**SECTION 766s.** 23.0915 (2) (d) (intro.) of the statutes is amended to read:

23.0915 (2) (d) (intro.) In a given fiscal year, in addition to expending the amount designated for a purpose under sub. (1) (a) or (c) to ~~(k)~~ (kr), or the amount equal to the expenditure limit for that purpose, as adjusted under pars. (a) and (b), whichever amount is applicable, the department may also expend for that purpose up to 50% of the designated amount for that purpose for the given fiscal year for a project or activity if the natural resources board determines all of the following:

**SECTION 766ur.** 23.0915 (2s) of the statutes is created to read:

23.0915 (2s) **DEVELOPMENT OF ABANDONED RAIL CORRIDOR.** (a) From the appropriation under s. 20.866 (2) (tz), the department may expend up to \$1,750,000 to develop a state trail, to be designated the Badger Trail, that is located on the portion of an abandoned railroad corridor running between Madison and Freeport, Illinois, that is located in Dane and Green counties.

(b) For purposes of sub. (1), moneys expended under par. (a) may be treated as moneys expended for any of the purposes specified under sub. (1) (a) to (k) or any combination of those purposes. Notwithstanding s. 23.175 (3) (a), the abandoned railroad corridor need not be under the ownership or jurisdiction of the department. Notwithstanding s. 23.175 (3) (b) 1. and 2., no matching gift, grant, bequest or land need be donated for the trail.

**SECTION 766w.** 23.0925 of the statutes is created to read:

**23.0925 Open space protection program.** (1) **DEFINITION.** In this section, "local governmental unit" means a city, village, town or county.

(2) **GRANTS.** (a) The department shall establish a program, beginning in fiscal year 1997-98, to expend from the appropriation under s. 20.866 (2) (tz) moneys for

**Vetoed In Part**

**Vetoed In Part**

**Vetoed In Part** grants to local governmental units and to nonprofit conservation organizations under s. 23.096 to acquire conservation easements for the protection of open space.

(b) A conservation easement acquired with an open space protection grant awarded under this section or under s. 23.096 shall run with the land and shall bind all subsequent purchasers and any other successors to an interest in the land. An open space protection grant awarded under this section or s. 23.096 may be used to acquire a conservation easement in agricultural or forest land.

(4) AMOUNT OF GRANT. An open space protection grant awarded under this section or under s. 23.096 may not exceed 75% of the cost of acquiring the conservation easement.

(5) LIMIT ON SPENDING. Except as provided in s. 23.0915 (2), the department in each fiscal year may not expend from the appropriation under s. 20.866 (2) (tz) more than \$2,000,000 for open space protection grants awarded under this section or under s. 23.096.

**Vetoed In Part** SECTION 766x. 23.0945 of the statutes is created to read:

**23.0945 Bluff protection program. (1) DEFINITION.** In this section, "local governmental unit" means a city, village, town or county.

(2) GRANTS. The department shall establish a program, beginning in fiscal year 1997-98, to expend from the appropriation under s. 20.866 (2) (tz) moneys for grants to local governmental units and to nonprofit conservation organizations under s. 23.096 to acquire bluff land for the purposes of environmental protection and environmental management.

(3) AMOUNT OF GRANT. A bluff protection grant awarded under this section or s. 23.096 may not exceed 50% of the cost of acquiring the bluff land.

(4) LIMIT ON SPENDING. Except as provided in s. 23.0915 (2), the department in each fiscal year may not expend from the appropriation under s. 20.866 (2) (tz) more than \$500,000 for bluff protection grants awarded under this section or under s. 23.096.

(5) RULES. The department shall promulgate rules to administer and implement this section, including standards for awarding bluff land protection grants under this section and under s. 23.096. The department by rule shall define "bluff land" for purposes of this section.

SECTION 766y. 23.0955 (3) of the statutes is created to read:

23.0955 (3) From the appropriation under s. 20.866 (2) (tz), the department may expend \$100,000 to provide one grant to a nonprofit corporation that is organized in this state, that is described under section 501 (c) (3) or (4) of the Internal Revenue Code and that is exempt from taxation under section 501 (a) of the the Internal Revenue Code to provide training and technical assistance to local governmental units to assist them in the establishment of projects for the acquisition of conservation easements to protect open space. For purposes of s. 23.0915 (1) and this section, the moneys expended under this subsection shall be treated as moneys for open space protection.

SECTION 767. 23.096 (2) of the statutes is amended to read:

23.096 (2) The department may award grants to nonprofit conservation organizations to acquire property for the purposes described in ss. 23.09 (19) and (20), 23.092, 23.094, 23.0945, 23.17, 23.175, 23.27, 23.29, 23.293 and 30.277 (2) (a). The department may award grants to nonprofit conservation organizations to acquire conservation easements under s. 23.0925.

**Vetoed In Part**

**Vetoed In Part**

**Vetoed In Part**

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## Item U-24. Mountain Bay State Trail

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### Governor's written objections

*Section 953m*

This section requires the Department of Natural Resources to expend up to \$333,000 of existing funds to complete the Mountain Bay State Trail in Shawano County and to maintain trail crossings in Brown, Oconto, Shawano and Marathon Counties.

I am vetoing this section because it increases the department's workload and diverts funding from existing projects. I am concerned that state funding of the remaining construction and ongoing maintenance of this trail will discourage counties from participating in cooperative trail agreements. These agreements are critical to maintaining the number and quality of trails available to Wisconsin's residents and visitors.

Cited segments of 1997 Assembly Bill 100:

Vetoed SECTION 953m. 27.012 of the statutes is created to In Part read: 27.012 Mountain Bay State Trail. The department shall expend up to \$333,000 from the appropriations under s. 20.370 (1) (ea), (eq), (mu) and (my) for the completion of the Mountain Bay State Trail in Shawano County

and for the maintenance of trail crossings for the Mountain Bay State Trail in Brown, Oconto, Shawano and Marathon counties. The department shall determine how the moneys to be expended under this section shall be allocated from one or more of these appropriations.

Vetoed In Part

Item U-25. Group Deer Hunting

Governor's written objections

Sections 1119b, 1119c, 1119d, 1119e, 1119f and 1119g

These sections allow bow hunters to group hunt for deer and extend the time during which a killed deer must be tagged to one hour after the deer has been killed. Also, these sections prohibit the use of any electronic means to communicate the kill to another member of the hunting party.

I am vetoing these sections because the extension of group deer hunting privileges to bow hunters is unnecessary and the one-hour time limit is excessive. Bow hunting for deer is traditionally a solitary pursuit. To improve chances of harvesting a deer, bow hunters reduce the number of factors that may alert a deer to their presence, including wearing camouflaged clothing and hunting individually. These factors make group bow hunting for deer unnecessary and a safety concern. While I also recognize the need for sufficient time to contact other members of a hunting party after a kill, a one-hour limit is excessive and could lead to enforcement and safety problems. I request that the Department of Natural Resources work with interested legislators to develop separate legislation to address this issue.

Cited segments of 1997 Assembly Bill 100:

Vetoed SECTION 1119b. 29.405 (1) (intro.) and (b) of the statutes are consolidated, renumbered 29.405 (1) and In Part amended to read: 29.405 (1) In this section: (b) "Group," "group deer hunting party" means 2 or more hunters hunting in a group all using firearms or all using bows and arrows, each of whom holds an individual license to hunt deer. SECTION 1119c. 29.405 (1) (a) of the statutes is repealed. SECTION 1119d. 29.405 (2) (intro.) and (b) of the statutes are consolidated, renumbered 29.405 (2) and amended to read: 29.405 (2) Any member of a group deer hunting party who are all using firearms may kill a deer for another member of the group deer hunting party if both of the following conditions exist: (b) The the person for whom the deer is killed possesses a current unused deer carcass tag which is authorized for use on the deer killed. SECTION 1119e. 29.405 (2) (a) of the statutes is repealed.

SECTION 1119f. 29.405 (2m) of the statutes is created to read: 29.405 (2m) Any member of a group deer hunting party who are all using bows and arrows may kill an antlerless deer for another member of the group deer hunting party if the person for whom the antlerless deer is killed possesses a current unused deer carcass tag which is authorized for use on the antlerless deer killed. SECTION 1119g. 29.405 (3) of the statutes is amended to read: 29.405 (3) A person who kills a deer under sub. (2) or (2m) shall ensure that inform a member of his or her group deer hunting party without delay of the kill and shall ensure that the member attaches a his or her current validated deer carcass tag to the deer in the manner specified under s. 29.40 (2). The person who kills the deer may not leave the deer unattended until after it is tagged within one hour after the deer is killed. The person who killed the deer may not use a telephone, cellular mobile telecommunications device, radio or other means of

Vetoed In Part

**Vetoed In Part** electronic communication to inform any member of the group deer hunting party of the kill.

**Item U-26. First Right of Refusal**

**Governor’s written objections**

*Sections 767r, 767t, 767v and 960g*

These sections require the Department of Natural Resources to offer the first right of purchase of any land the department decides to sell to all previous owners. If the previous owners do not make an offer to purchase the land, the department must offer the right of purchase to immediate family members of the previous owners.

I am vetoing these sections because the requirements are burdensome and administratively unworkable. These sections do not address important issues such as multiple owners, application of the immediate family member provision for land not acquired from an individual, and the process for locating previous owners and immediate family. However, I do recognize the goals of this provision and request the department to review these options and work with interested legislators to develop separate legislation on this issue.

**Cited segments of 1997 Assembly Bill 100:**

**Vetoed In Part** **SECTION 767r.** 23.15 (1) of the statutes is amended to read:

23.15 (1) The natural resources board may sell, at public or private sale or as provided in sub. (2r), lands and structures owned by the state under the jurisdiction of the department of natural resources when the natural resources board determines that said lands are no longer necessary for the state’s use for conservation purposes and, if real property, the real property is not the subject of a petition under s. 16.375 (2).

**SECTION 767t.** 23.15 (2m) (a) (intro.) of the statutes is amended to read:

23.15 (2m) (a) (intro.) Notwithstanding sub. (1), the natural resources board shall sell, at fair market value or as provided in sub. (2r), land in the lower Wisconsin state riverway, as defined in s. 30.40 (15), that is not exempt under s. 30.48 (2) and that is acquired by the department after August 9, 1989, if all of the following conditions are met:

**SECTION 767v.** 23.15 (2r) of the statutes is created to read:

23.15 (2r) (a) In this subsection:  
1. “Immediate family member” means a spouse, brother, sister, parent or child.

2. “Land” includes any structures on the land.  
(b) If the department offers land for sale, the department shall offer the first right to purchase the land to all of the owners from whom the department acquired the land. In order to exercise this right, an owner shall make a bona fide offer to purchase the land. If no owner exercises this right, the department shall next offer the right to purchase to the immediate family members of all of the owners. This paragraph applies without regard to when the land was acquired.

**SECTION 960g.** 28.02 (4) (bm) of the statutes is created to read:

28.02 (4) (bm) Paragraph (b) does not apply to sales under s. 23.15 (2r).

**Vetoed In Part**

**Vetoed In Part**

**Item U-27. Required Studies and Approvals**

**Governor’s written objections**

*Sections 322m, 381r, 381t, 381v, 779, 783v, 948m, 1041, 1042, 1139rv, 4194, 9137 (3g), 9137 (11t) and 9437 (9xoj)*

These provisions require the Department of Natural Resources to do the following:

- Receive Joint Committee on Finance approval before expending funds under the wildlife damage control and claims program.

- Receive Joint Committee on Finance approval before entering into tribal licensing and registration reciprocity agreements with any American Indian tribe or band.
- Receive Joint Committee on Finance passive approval before entering into a contract to operate an automated campground reservation system.
- Study the feasibility of paving state bicycle trails and submit the study to the Legislature by July 1, 1998.
- Prepare statutory language concerning access to the department’s databases that contain information regarding persons holding hunting or fishing licenses and recreational vehicle registrations and submit the language to the Joint Committee on Finance and the Joint Committee on Information Policy by January 1, 1998.

I am vetoing all of these provisions because I object to having the Legislature manage agency programs and creating additional demands on the department at a time when budgets are constrained.

**Cited segments of 1997 Assembly Bill 100:**

**Vetoed In Part** SECTION 322m. 20.370 (1) (Ls) of the statutes is amended to read:

20.370 (1) (Ls) *Control of wild animals.* As a continuing appropriation, the amounts in the schedule from moneys received under s. 29.092 (14) (c) for removal activities by the department under s. 29.59. No moneys may be expended under this appropriation without the approval of the joint committee on finance under s. 29.598 (8c).

**Vetoed In Part** SECTION 381r. 20.370 (5) (fq) of the statutes is amended to read:

20.370 (5) (fq) *Wildlife damage claims and abatement.* All moneys received under par. (fr) and ss. 29.092 (14) and 29.1075 (3) and not appropriated under sub. (1) (Ls) to provide state aid under the wildlife damage abatement program under s. 29.598 (5) (c) and the wildlife damage claim program under s. 29.598 (7) (d) and for county administration costs under s. 29.598 (2) (d).

**Vetoed In Part** SECTION 381t. 20.370 (5) (fq) of the statutes, as affected by 1997 Wisconsin Act .... (this act), is repealed and recreated to read:

20.370 (5) (fq) *Wildlife damage claims and abatement.* All moneys received under ss. 29.092 (14) and 29.1075 (3) and not appropriated under par. (fr) and sub. (1) (Ls) to provide state aid under the wildlife damage abatement program under s. 29.598 (5) (c) and the wildlife damage claim program under s. 29.598 (7) (d) and for county administration costs under s. 29.598. No moneys

**Vetoed In Part** may be expended under this appropriation without the approval of the joint committee on finance under s. 29.598 (8c).

SECTION 381v. 20.370 (5) (fr) of the statutes is created to read:

20.370 (5) (fr) *Wildlife abatement and control grants.* Biennially, the amounts in the schedule from moneys received under s. 29.092 (14) (c) for wildlife abatement and control grants under s. 29.595. No moneys may be expended under this appropriation without the approval of the joint committee on finance under s. 29.598 (8c).

**Vetoed In Part**

SECTION 779. 23.33 (2g) of the statutes is created to read:

23.33 (2g) LAC DU FLAMBEAU BAND REGISTRATION PROGRAM.

(f) *Applicability.* This subsection does not apply unless the department and the Lac du Flambeau band have in effect a written agreement, approved by the joint committee on finance, under which the Lac du Flambeau band agrees to comply with pars. (a) to (e) and that contains all of the following terms:

**Vetoed In Part**

SECTION 783v. 23.36 of the statutes is created to read:

**23.36 Natural resources agreements with federally recognized American Indian tribes and bands.** (1) In this section, “tribe or band” means a federally recognized American Indian tribe or band.

**Vetoed In Part**

(2) Before the department and a tribe or band enter into any agreement that affects the regulation of the harvest of fish or game in the state, the department shall first obtain the approval of the proposed agreement by the joint committee on finance if the proposed agreement will authorize or recognize any of the following:

(a) The issuance by the tribe or band of hunting or fishing approvals under ch. 29 to persons who are not members of the tribe or band.

(b) The registration or certification by the tribe or band of all-terrain vehicles, boats or snowmobiles that are not owned by persons who are members of the tribe or band.

SECTION 948m. 27.01 (11) (cm) of the statutes is created to read:

27.01 (11) (cm) *Contracts.* 1. The department may enter into a contract with another party to operate the campground reservation system that the department establishes under par. (a). Before entering into such a contract, the department shall first notify the joint committee on finance in writing of the proposed contract. If the cochairpersons of the committee do not notify the department within 14 working days after the date of the department’s notification that the committee has scheduled a meeting to review the proposed contract, the department

**Vetoed In Part**

**Vetoed In Part** may enter into the proposed contract. If, within 14 working days after the date of the department's notification, the cochairpersons of the committee notify the department that the committee has scheduled a meeting to review the proposed contract, the department may enter into the proposed contract only upon approval of the committee.

**SECTION 1041.** 29.138 of the statutes is created to read:

**29.138 Fishing approvals issued by the Lac du Flambeau band.**

(6) **APPLICABILITY.** This section does not apply unless the department and the band have in effect a written

**Vetoed In Part** agreement, approved by the joint committee on finance, under which the band agrees to comply with subs. (2) to (4) and that contains all of the following terms:

**SECTION 1042.** 29.139 of the statutes is created to read:

**29.139 Department approvals issued on the Lac du Flambeau reservation.**

(5) **APPLICABILITY.** This section does not apply unless the department and the band have in effect a written

**Vetoed In Part** agreement, approved by the joint committee on finance, under which the band agrees to comply with subs. (2) and (3) and that contains all of the following terms:

**Vetoed In Part** **SECTION 1139rv.** 29.598 (8c) of the statutes is created to read:

**29.598 (8c) AMOUNT OF FUNDING.** In each fiscal year, the department shall submit to the joint committee on finance a proposal for the amount of funds to be expended under the wildlife damage claim and abatement program. The department may not expend any moneys in any fiscal year for the program until the joint committee on finance has approved the proposal for that fiscal year. The department may request the joint committee on finance to amend the amount of any expenditure approved under this subsection for a fiscal year and the committee may thereafter approve a revised amount for expenditure in that fiscal year.

**SECTION 4194.** 350.122 of the statutes is created to read:

(6) **APPLICABILITY.** This section does not apply unless the department and the band have in effect a written

**Vetoed In Part** agreement, approved by the joint committee on finance,

under which the band agrees to comply with subs. (2) to (5) and that contains all of the following terms:

**SECTION 9137. Nonstatutory provisions; natural resources.**

(3g) **REPORT ON PAVING BICYCLE TRAILS.** By July 1, 1998, the department of natural resources shall submit a report to the legislature for distribution to the appropriate standing committees in the manner provided in section 13.172 (3) of the statutes on the feasibility of paving state bicycle trails, including factors such as the effects of paving on trail maintenance and usage and the applicability to Wisconsin of similar efforts in other states.

**Vetoed In Part**

(11t) **LEGISLATION CONCERNING DATA BASES.**

**Vetoed In Part**

(a) In this subsection, "personally identifiable information" has the meaning given in section 19.62 (5) of the statutes.

(b) No later than January 1, 1998, the department of natural resources shall submit to the cochairpersons of the joint committee on finance and of the joint committee on information policy proposed legislation in proper form for introduction concerning providing access to records held by the department that contain personally identifiable information relating to persons holding approvals issued under chapter 29 of the statutes, as affected by this act, and to persons who have registered all-terrain vehicles or snowmobiles or who have been issued registration or certificate of number cards for boats. In preparing the legislation, the department shall consider issues concerning public access to records, issues concerning privacy, issues concerning assessment of access fees and the use of any access fees collected to fund the department's information technology activities.

**SECTION 9437. Effective dates; natural resources.**

(9xoj) **WILDLIFE DAMAGE PROGRAMS.** The treatment of sections 20.370 (1) (Ls), (5) (fa) and (fq), 29.092 (2) (em) and (kd) and (14) (a) and (b), 29.174 (title) and (4m) and 29.598 (2) (b) 1., 2., 3., 4. and 5., (4) (b) and (bn), (5) (b) (intro.), 1. and 2., (bm) and (c), (6) (b), (d), (dm) and (em), (7) (a), (b), (bm), (c) and (d), (7m), (8c), (8g), (8r), (9), (10) and (11) of the statutes, the renumbering and amendment of sections 29.24 and 29.598 (1) of the statutes, the creation of sections 29.24 (1) (b) and 29.598 (1) (a) to (e) of the statutes and SECTION 9337 (7xog) of this act take effect on January 1, 1998.

**Vetoed In Part**

**Vetoed In Part**

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**Item U-28. Vehicle Fleet Pool Expenditure Request and Revenue Lapse**

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**Governor's written objections**

*Sections 448, 9137 (7m) and 9237 (2q)*

These sections require the Department of Natural Resources to submit an expenditure plan to the Joint Committee on Finance (JCF) before expending funds under s. 20.370 (8) (mt) for information technology. Also the department is

required to lapse \$520,000 SEG-S in each fiscal year from the vehicle pool account under s. 20.370 (8) (mt) to the conservation fund.

I am partially vetoing section 448 and vetoing sections 9137 (7m) and 9237 (2q) to remove JCF oversight and the required lapse because they needlessly infringe on the department's authority. Implementation of information technology is central to achieving streamlined programs that reduce costs and improve service. A cumbersome approval process undercuts this goal. The required lapse would also limit the resources available for information technology investments. I recognize the goal of the lapse provision is to limit vehicle purchases and I request the department to review new vehicle acquisitions in light of reductions required of the Departments of Administration and Transportation and the University of Wisconsin System.

**Cited segments of 1997 Assembly Bill 100:**

**SECTION 448.** 20.370 (9) (mr) of the statutes is renumbered 20.370 (8) (mt) and amended to read:

20.370 (8) (mt) *Equipment pool operations.* All moneys received by the department from the department from car, truck, airplane, heavy equipment and information technology or radio pools for operation, maintenance, replacement and purchase of vehicles and equipment and information technology. No expenditures for information technology may be made from this appropriation except in accordance with a plan submitted and approved under 1997 Wisconsin Act .... (this act), section 9137 (7m).

**Vetoed  
In Part**

**SECTION 9137. Nonstatutory provisions; natural resources.**

**Vetoed  
In Part**

(7m) INFORMATION TECHNOLOGY EXPENDITURE REQUEST. No later than the joint committee on finances' 3rd quarterly meeting held under section 13.10 of the statutes for the 1997-98 fiscal year, the department of natural resources shall submit a plan to expend money from the appropriation under section 20.370 (8) (mt) of the statutes, as affected by this act, to conform the department of natural resources' information technology to any guidelines and standards established under section 16.971 (2) (j) of the statutes by the division of technology management in the department of administration. The expenditure plan shall include all of the following information:

(a) The unencumbered balance in the department of natural resources' appropriation account under section 20.370 (8) (mt) of the statutes, as affected by this act, broken down by the amounts allocated for car, truck, airplane, heavy equipment and radio pools.

(b) The department of natural resources' proposed expenditure of excess funds from the appropriation ac-

count under section 20.370 (8) (mt) of the statutes, as affected by this act, to conform to the information technology guidelines established under section 16.971 (2) (j) of the statutes.

**Vetoed  
In Part**

(c) The department of natural resources' assessment of how a one-time expenditure of funds from this appropriation would affect the following:

1. The rates charged for car, truck, airplane, heavy equipment and radio pools.

2. The sufficiency of revenues credited to the appropriation account under section 20.370 (8) (mt) of the statutes, as affected by this act, to fund the projected expenditures from that appropriation.

(d) A description of any proposed purchases of other equipment that would have to be foregone in order to make the proposed transfer from the appropriation account under section 20.370 (8) (mt) of the statutes, as affected by this act.

(e) The programs within the department of natural resources that provided the revenue proposed to be expended under the plan and the programs within the department of natural resources that are proposed to be benefited by the expenditures.

**SECTION 9237. Appropriation changes; natural resources.**

(2q) VEHICLE, EQUIPMENT AND INFORMATION TECHNOLOGY REVENUE LAPSE. Notwithstanding section 20.001(3) (c) of the statutes, there is lapsed to the conservation fund from the appropriation account of the department of natural resources under section 20.370 (8) (mt) of the statutes, as affected by this act, \$520,000 on the effective date of this subsection and \$520,000 on July 1, 1998.

**Vetoed  
In Part**

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**STATE FAIR PARK**

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**Item U-29. Racing Contract**

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**Governor’s written objections**

*Sections 9107 (14t) and 9132 (2t)*

These provisions require the Legislative Audit Bureau to review the State Fair Park Board’s racing contract prior to release of \$3,048,000 PR-supported bonding for racetrack improvements by the State Building Commission.

I am vetoing these provisions because the Legislative Audit Bureau’s review could delay the start date for improvements as approved by the Building Commission. In addition, the Legislative Audit Bureau reviewed the contract in 1996, and its provisions have not been significantly altered since that time.

**Cited segments of 1997 Assembly Bill 100:**

**SECTION 9107. Nonstatutory provisions; building commission.**

**SECTION 9132. Nonstatutory provisions; legislature.**

**Vetoed In Part** (14t) STATE FAIR PARK RACETRACK IMPROVEMENTS. Notwithstanding section 18.04 (2) of the statutes, the building commission may not authorize public debt to be contracted under section 20.866 (2) (zz) of the statutes for the building project identified under subsection (1) (g) 2. as “Racetrack improvements” until the legislative audit bureau has notified the building commission that the bureau has completed the review required under SECTION 9132 (2t) of this act.

(2t) REVIEW OF RACETRACK OPERATION CONTRACT COMPLIANCE. No later than July 1, 1998, the legislative audit bureau shall review any contract entered into by the state fair park board with respect to the operation of a racetrack on the grounds of the state fair park to determine whether the racetrack operator has complied with all of the terms of the contract. The legislative audit bureau shall notify the building commission when the bureau has completed its review under this subsection.

**Vetoed In Part**

**TOURISM**

**Item U-30. County Tourism Aids**

**Governor’s written objections**

*Sections 169 [as it relates to s. 20.380 (1) (c)], 458m, 458p, 9148 (3m) and 9448*

These sections provide \$30,000 GPR in fiscal year 1997-98 and \$45,000 GPR in fiscal year 1998-99 to the counties of Pierce, Polk, and Florence as compensation for distribution of tourism materials.

I am vetoing this provision because of the precedent it establishes for compensating any organization that distributes tourism materials. The Department of Tourism currently spends more than \$7,000,000 annually to market all areas of the state as tourism destinations. This includes spending related to the development of tourism publications and their dissemination to local governments, organizations, and other interested parties. Providing funds to distribute these materials undermines the general goal of tourism marketing for the entire state.

**Cited segments of 1997 Assembly Bill 100:**

SECTION 169. 20.005 (3) of the statutes is repealed and recreated to read:				
STATUTE, AGENCY AND PURPOSE	SOURCE	TYPE	1997-98	1998-99
<b>20.380 Tourism, department of</b>				
(1) TOURISM DEVELOPMENT PROMOTION				
(c) Tourism materials grants	GPR	A	30,000	45,000

**Vetoed In Part**

**Vetoed In Part** SECTION 458m. 20.380 (1) (c) of the statutes is created to read:  
 20.380 (1) (c) *Tourism materials grants.* The amounts in the schedule for the grants under 1997 Wisconsin Act .... (this act), section 9148 (3m).  
 SECTION 458p. 20.380 (1) (c) of the statutes, as created by 1997 Wisconsin Act .... (this act), is repealed.  
 SECTION 9148. **Nonstatutory provisions; tourism.** (3m) TOURISM MATERIALS GRANTS. From the ap-  
**Vetoed In Part** propriation under section 20.380 (1) (c) of the statutes, as created by this act, the department of tourism shall make a grant of \$10,000 in fiscal year 1997-98, and a grant of

\$15,000 in fiscal year 1998-99, to each of the following:  
 (a) Florence County, as compensation for distribu-  
 tion of state tourism materials by the Florence County  
 forestry and park department.  
 (b) Polk County Tourism Council, as compensation  
 for distribution of state tourism materials.  
 (c) Pierce County Partners in Tourism, as compensa-  
 tion for distribution of state tourism materials.  
 SECTION 9448. **Effective dates; tourism.**  
 (1m) TOURISM MATERIALS GRANTS. The repeal of sec-  
 tion 20.380 (1) (c) of the statutes takes effect on July 1,  
 1999.

**Vetoed In Part**  
**Vetoed In Part**  
**Vetoed In Part**

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**Item U-31. Sale of Surplus Property**

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**Governor's written objections**

*Sections 459 and 1327*

Section 459 authorizes the expenditure of proceeds from the sale of surplus state property for tourism promotion. Section 1327 authorizes the department to acquire and sell surplus state property, with 50 percent of the revenue deposited in the general fund and 50 percent deposited in a new tourism promotion--surplus property appropriation.

I am partially vetoing these sections to delete the requirement that 50 percent of the revenue be deposited in the general fund because these proceeds will be of greater benefit to tourism promotion. Estimated revenue from the sale of surplus property would have a negligible effect on the general fund. As a result of this veto, 100 percent of the revenue would be deposited in a new tourism promotion appropriation.

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**Cited segments of 1997 Assembly Bill 100:**

SECTION 459. 20.380 (1) (h) of the statutes is created to read:  
 20.380 (1) (h) *Tourism promotion; sale of surplus property receipts.* Fifty percent of all moneys received  
**Vetoed In Part** under s. 41.23 for the purpose of administering the program established under s. 41.23 and for tourism promotion.  
 SECTION 1327. 41.23 of the statutes is created to read:  
**41.23 Sale of excess or surplus property.** The department may acquire excess or surplus property from the

department of administration under ss. 16.72 (4) (b) and 16.98 (1) or from the department of transportation under s. 84.09 (5s) and sell the property to any person at a price determined by the department of tourism. Fifty percent  
**Vetoed In Part** of all proceeds received by the department of tourism from the sale of property under this section shall be credited to the appropriation account under s. 20.380 (1) (h) and 50% shall be deposited as general purpose revenue  
**Vetoed In Part** --earned.

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**TRANSPORTATION**

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**Item U-32. Transportation Studies**

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**Governor's written objections**

*Sections 2485m and 9149 (3g), (3gh) and (5g)*

These sections require the Department of Transportation to conduct studies of build-operate-lease or transfer agreements, value-based and horsepower-based vehicle registration fees, and major highway project passing lanes. In addition, the department is required to submit a major highway development finance plan, biennially, beginning October 1, 1998.

I am vetoing sections 2485m and 9149 (5g) to eliminate the major highway project development finance plan and the study of major highway project passing lanes because both of these matters are already the subject of comprehensive reviews and analysis. Transportation finance was recently studied in an audit by the Legislative Audit Bureau, in a review by the legislatively mandated Transportation Finance Study Committee and in a bonding study commissioned by the Departments of Transportation and Administration. In addition, the Department of Transportation is continuously evaluating the need for passing lanes on highways with safety and capacity concerns and will continue to do so in the future.

I am partially vetoing sections 9149 (3g) and 9149 (3gh) to eliminate the reporting dates for the studies of value-based and horsepower-based registration fees and build-operate-lease or transfer agreements because the department needs additional time to conduct these studies due to the delayed budget enactment and administrative reductions. Instead, I am requesting that the department complete both of these studies by June 1, 1999. This will correspond with the due date of the highway bypass study that the Legislature directed the department to conduct.

.....

**Cited segments of 1997 Assembly Bill 100:**

**Vetoed In Part** SECTION 2485m. 85.54 of the statutes is created to read:

**85.54 Major highway development finance plan.** Biennially, beginning on October 1, 1998, the secretary of transportation and the secretary of administration jointly shall submit a biennial major highway development finance plan to the state building commission and the joint committee on finance and to the chief clerk of each house of the legislature for distribution to the appropriate legislative standing committees under s. 13.172 (3). The plan shall contain estimates over the next 5 biennia of transportation fund revenues, funding for the major highway development program summarized by funding source, proceeds from the sale of transportation revenue obligation bonds, vehicle registration fees pledged against the repayment of revenue obligation bonds, debt service payments paid from transportation fund revenues for transportation revenue obligation bonds and general obligation bonds, total transportation fund revenues, and the assumptions used to arrive at those estimates. The plan shall include information on the impact of the level of bonding authorization included in the plan relative to a guideline that total transportation debt service expenditures should not exceed 10% of total transportation fund revenues, and to a guideline that transportation revenue obligation bond proceeds should be used to fund not more than 55% of the major highway development program.

**SECTION 9149. Nonstatutory provisions; transportation.**

(3g) BUILD-OPERATE-LEASE OR TRANSFER AGREEMENTS STUDY. The department of transportation shall conduct a study of the feasibility and desirability of build-operate-lease or transfer agreements under section 84.01 (30) of the statutes, as created by this act, including any cost savings to be realized by the department as a re-

sult of the use of build-operate-lease or transfer agreements. The department shall submit a report containing its findings, conclusions and recommendations, including any recommended statutory changes, no later than July 1, 1998, to the governor, and to the legislature for distribution to the appropriate standing committees in the manner provided under section 13.172 (3) of the statutes.

(3gh) VEHICLE REGISTRATION FEES STUDY. The department of transportation shall conduct a study of the feasibility and desirability of establishing vehicle registration fees to be based on the value of the vehicle or the horsepower motor of the vehicle in lieu of the current vehicle registration fees specified in chapter 341 of the statutes, as affected by this act. The department shall submit a report containing its findings, conclusions and recommendations, including any recommended statutory changes, no later than August 1, 1998, to the appropriate standing committees of the legislature in the manner provided under section 13.172 (3) of the statutes.

(5g) REPORT ON MAJOR HIGHWAY PROJECT PASSING LANES. On or before April 1, 1998, the secretary of transportation shall submit a report to the joint committee on finance summarizing the costs and benefits of adding passing lanes to the highways that are enumerated under section 84.013 (3) of the statutes, as affected by this act, but on which construction has not commenced. The report shall include recommendations as to which of those highways or portions of those highways, if any, should have passing lanes added before construction is commenced on the entire project enumerated under section 84.013 of the statutes, as affected by this act. The recommendations shall be based upon considerations of design and construction of such passing lanes that are least likely to increase the total cost to complete the major highway project.

**Vetoed In Part**

**Vetoed In Part**

**Vetoed In Part**

**Item U-33. Transportation Projects Commission**

**Governor's written objections**

*Sections 10q and 9149 (1h)*

Section 10q prohibits the Transportation Projects Commission from making recommendations concerning the enumeration of additional major highway projects before November 15, 2002 and the Department of Transportation from assisting the Transportation Projects Commission with any study or cost estimate on potential major highway projects before July 1, 1999. Section 9149 (1h) requires the Legislative Council to study the Transportation Projects Commission and the major highway project enumeration process.

I am vetoing section 10q because it restricts the Transportation Projects Commission from recommending for enumeration additional major highway projects that may be needed throughout the state. However, I understand the need for fiscal responsibility before enumerating new projects. For this reason, I did not veto the provision that prohibits the Transportation Projects Commission from recommending additional projects unless it is determined that construction on all major highway projects can be started within six years.

I am vetoing section 9149 (1h) because another study of this subject is unnecessary. Instead, I am requesting the Transportation Projects Commission to make recommendations on potential changes to improve the major highway project selection process.

**Cited segments of 1997 Assembly Bill 100:**

**Vetoed In Part** SECTION 10q. 13.489 (5) of the statutes is created to read:

13.489 (5) MORATORIA ON ACTIVITIES. (a) Notwithstanding sub. (2) and s. 84.013 (5) and (6), the department of transportation may not report its recommendations for adjustments in the major highway projects program under s. 84.013 before August 15, 2002.

(b) Notwithstanding sub. (3), the department of transportation may not assist the transportation projects commission with any study or cost estimate with respect to any project that is not enumerated under s. 84.013 (3), except that the department may complete any study or cost estimate concerning a proposed major highway project if the study or cost estimate was commenced before the effective date of this paragraph .... [revisor inserts date]. This paragraph does not apply after June 30, 1999.

(c) Notwithstanding sub. (4), the transportation projects commission may not review any report submitted by

the department of transportation under sub. (2) on or after the effective date of this paragraph .... [revisor inserts date], and before August 15, 2002, and shall not report its recommendations concerning major highway projects, nor the designation of a highway improvement project as a major highway project, before November 15, 2002.

**SECTION 9149. Nonstatutory provisions; transportation.**

(1h) STUDY OF TRANSPORTATION PROJECTS COMMISSION. The legislative council shall conduct a study of the transportation projects commission and the process of enumerating major highway projects under section 84.013 (3) of the statutes and shall report its findings, conclusions and recommendations, including recommendations regarding improving the process of enumerating major highway projects, to the legislature by May 1, 1999.

**Vetoed In Part**

**Vetoed In Part**

**Item U-34. Evaluation of Proposed Major Highway Projects**

**Governor's written objections**

*Sections 10g, 2476m and 9149 (2m)*

These sections require the Department of Transportation to promulgate rules establishing a scoring system, including a minimum score, to evaluate proposed major highway projects. The initial rules must be submitted by April 1, 1998.

I am vetoing this provision because the department already utilizes a scoring system to rank proposed major highway projects. Promulgating rules is therefore unnecessary and would result in additional workload at a time when administrative resources are being reduced.

**Cited segments of 1997 Assembly Bill 100:**

**Vetoed In Part** SECTION 10g. 13.489 (2) of the statutes is amended to read:  
13.489 (2) DEPARTMENT TO REPORT PROPOSED PROJECTS. The Subject to s. 85.05, the department of transportation shall report to the commission not later than September 15 of each even-numbered year and at such other times as required under s. 84.013 (6) concerning its recommendations for adjustments in the major highway projects program under s. 84.013.

**Vetoed In Part** SECTION 2476m. 85.05 of the statutes is created to read:  
**85.05 Evaluation of proposed major highway projects.** The department by rule shall establish a procedure for numerically evaluating projects considered for enumeration under s. 84.013 (3) as a major highway project.

The evaluation procedure may include any criteria that the department considers relevant. The rules shall establish a minimum score that a project shall meet or exceed when evaluated under the procedure established under this section before the department may recommend the project to the transportation projects commission for consideration under s. 13.489.

**SECTION 9149. Nonstatutory provisions; transportation.**

(2m) EVALUATION OF PROPOSED MAJOR HIGHWAY PROJECTS. The secretary of transportation shall submit in proposed form the rules required under section 85.05 of the statutes, as created by this act, to the legislative council staff under section 227.15 (1) of the statutes no later than April 1, 1998.

**Vetoed In Part**

**Vetoed In Part**

**Item U-35. Appropriation Adjustments for Federal Aid Changes**

**Governor's written objections**

*Section 2471d*

This section directs the Department of Transportation to submit plans for review and approval by the Joint Committee on Finance regarding appropriation adjustments necessary to address the actual levels of federal aid received by the department for fiscal year 1997-98 and thereafter. In the 1997-99 fiscal biennium, these plans must be submitted by December 1, 1997 and December 1, 1998, or 30 days after the applicable federal legislation for that fiscal year has been enacted, whichever is later.

I am vetoing this section because it unnecessarily limits the department's authority to allocate federal funding to address program needs. The department must be able to react quickly to federal legislative and administrative changes that affect appropriation levels and distribution formulas. This provision would reduce flexibility in those areas and could potentially reduce the state's ability to secure critical federal funding for transportation programs.

**Cited segments of 1997 Assembly Bill 100:**

**Vetoed In Part** SECTION 2471d. 84.03 (2) of the statutes is created to read:

84.03 (2) APPROPRIATION ADJUSTMENTS. (a) In the 1997-98 fiscal year and in each fiscal year thereafter, the department shall submit to the joint committee on finance for review and approval a plan identifying how the department proposes to adjust its appropriations for the applicable fiscal year to reflect the actual levels of federal aid for this state for that fiscal year under the federal Intermodal Surface Transportation Efficiency Act of 1991,

as amended, or a substantially similar subsequent federal legislative act establishing levels of federal aid for this state. The plan shall be submitted not later than December 1, or 30 days after the applicable federal legislation for that fiscal year has been enacted, whichever is later.

(b) The appropriation adjustments in a plan submitted under par. (a) may not be implemented as proposed without the approval of the joint committee on finance.

**Vetoed In Part**

**Item U-36. Marquette Interchange Design**

**Governor's written objections**

*Section 9149 (1gs)*

This section allocates funding from the state highway rehabilitation appropriation for design work associated with reconstructing the Marquette Interchange in Milwaukee. In addition, it requires the Department of Transportation to coordinate this with design work associated with replacing the Sixth Street viaduct in Milwaukee.

I am partially vetoing this section to remove the requirement that the department coordinate the design of the Marquette Interchange and the Sixth Street viaduct projects because I do not feel that either of these projects should be delayed if the design timetables for the projects cannot be coordinated. In addition, the department already coordinates engineering activities with affected communities and will continue to do so during the design and construction of these two facilities.

**Cited segments of 1997 Assembly Bill 100:**

SECTION 9149. Nonstatutory provisions; transportation.

(1gs) MARQUETTE INTERCHANGE DESIGN. Of the amounts appropriated to the department of transportation under section 20.395 (3) (cq) of the statutes, as affected by this act, the department shall allocate \$4,000,000 in fiscal year 1997-98 and \$6,500,000 in fiscal year

1998-99 to design the reconstruction of the I 794-I 43/90 interchange, known as the "Marquette Interchange", in the city of Milwaukee. The department of transportation shall coordinate its design for the interchange with the city of Milwaukee's design for the 6th Street viaduct project near the interchange.

**Vetoed In Part**

**Item U-37. Mobile Emissions Testing of Motor Vehicle Fleets**

**Governor's written objections**

*Sections 2691g, 2691m and 9149 (2mm)*

These sections require the Department of Transportation to promulgate rules that prescribe a procedure for emissions testing of private fleet vehicles utilizing mobile testing equipment.

I am vetoing this provision because the costs and funding source for this program were not addressed. However, I support improvements that achieve business compliance with environmental regulations in a cost-effective manner. For this

reason, I am requesting that the department study and make recommendations regarding options for implementing this proposal in the future.

**Cited segments of 1997 Assembly Bill 100:**

**Vetoed In Part** SECTION 2691g. 110.20 (1) (ar) of the statutes is created to read:

110.20 (1) (ar) "Fleet vehicle" means a common motor carrier, as defined in s. 194.01 (1), contract motor carrier, as defined in s. 194.01 (2), or private motor carrier, as defined in s. 194.01 (11), registered in the name of a person whose name 3 or more such vehicles are registered.

SECTION 2691m. 110.20 (9) (k) of the statutes is created to read:

110.20 (9) (k) Prescribe a procedure for the testing of stationary fleet vehicles, using equipment brought to the

fleet vehicles for testing purposes, to determine the vehicles' compliance with the emissions limitations promulgated under s. 285.30.

**Vetoed In Part**

SECTION 9149. Nonstatutory provisions; transportation.

(2mm) MOBILE TESTING OF MOTOR VEHICLE EMISSIONS. The secretary of transportation shall submit in proposed form the rules required under section 110.20 (9) (k) of the statutes, as created by this act, to the legislative council staff under section 227.15 (1) of the statutes no later than the first day of the 10th month beginning after the effective date of this subsection.

**Vetoed In Part**

**Item U-38. Coordination of Stormwater Management Plans**

**Governor's written objections**

*Sections 491 and 2481mm*

These sections require the Department of Transportation to consult with county land conservation committees when developing stormwater runoff plans, require the committees to approve these plans before a highway construction project commences and require the department to submit water drainage plans to the committees and pay for the review.

I am partially vetoing these sections to remove the provisions requiring approval of stormwater runoff plans, the review and funding of water drainage plans, and the requirement that the department determine the downstream impacts of stormwater runoff before and after highway construction. I am vetoing the required approval because it could slow down critical highway rehabilitation and development projects and result in higher costs. I am vetoing water drainage plan reviews because the reviews would create additional workload for county land conservation committees. In addition, the department should not be required to fund the review of these plans by another level of government. I am vetoing the requirement that the department determine the downstream impacts of stormwater runoff because it would create additional workload for the department.

The highway development process is already too long and costly. Adding another approval process would slow this development even further. However, I feel that county land conservation committees can provide valuable input on stormwater runoff and therefore I am maintaining the requirement that the department consult with county land conservation committees to determine the presence and extent of local practices to conserve soil and water resources within the county, including surface and subsurface drainage systems.

**Cited segments of 1997 Assembly Bill 100:**

SECTION 491. 20.395 (3) (cq) of the statutes is amended to read:

20.395 (3) (cq) *State highway rehabilitation, state funds.* As a continuing appropriation, the amounts in the schedule for improvement of existing state trunk and connecting highways; for improvement of bridges on state trunk or connecting highways and other bridges for

which improvement is a state responsibility, for necessary approach work for such bridges and for replacement of such bridges with at-grade crossing improvements; for the construction and rehabilitation of the national system of interstate and defense highways and bridges and related appurtenances; for special maintenance activities under s. 84.04 on roadside improvements; for bridges

**Vetoed In Part** under s. 84.10; for payment to a local unit of government for a jurisdictional transfer under s. 84.02 (8); for review of drainage plans under s. 85.195 (3); and, before October 1, 1997, for the disadvantaged business demonstration and training program under s. 84.076.

**SECTION 2481mm.** 85.195 of the statutes is created to read:

**85.195 Coordination with land conservation committees.**

**Vetoed In Part** (2) Before commencing construction on a highway construction project, the department shall consult with the local land conservation committee to determine all of the following:

**Vetoed In Part** (a) The presence and extent of local practices to conserve soil and water resources within the county, including surface and subsurface drainage systems.

(b) The downstream impacts of the increased rate and volume, if any, of storm water runoff resulting from a highway project. This determination shall include an analysis of storm water runoff before and after construction of the highway.

(3) Before commencing construction on a highway construction project, the department shall submit water drainage plans associated with the project to the local land conservation committee for review. The department shall reimburse the land conservation committee from the appropriation under s. 20.395 (3) (cq) for its review under this section.

(4) Decisions concerning the management of storm water runoff related to the construction of a highway shall be made jointly between the department and the local land conservation committee.

**Vetoed In Part**

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**Item U-39. Innovative Safety Measures Pilot Program**

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**Governor's written objections**

*Section 2481hi*

This section requires the Department of Transportation to allocate \$250,000 annually from the state highway rehabilitation program to develop and administer an innovative safety measures pilot program to improve the safety of highways.

I am vetoing this provision because the department already has a program to fund innovative safety measures on highways. In fiscal year 1997-98, the department expects to institute approximately \$10 million in highway safety improvements through the Hazardous Site Elimination program. In addition, the development of administrative rules and other associated requirements of the proposed program could cost more than the level of funding allocated toward safety measures. I am extremely cognizant of the need for safety measures along dangerous stretches of highway, including USH 10. For this reason, I am requesting that the department work with concerned legislators and citizens to develop and implement effective safety measures along all highways, particularly those with identified safety concerns.

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**Cited segments of 1997 Assembly Bill 100:**

**Vetoed In Part** **SECTION 2481hi.** 85.07 (8) of the statutes is created to read:

**85.07 (8) INNOVATIVE SAFETY MEASURES PILOT PROGRAM.** The department shall develop and administer an innovative safety measures pilot program to improve the safety of highways in this state, including USH 10. The department shall identify those highways eligible for funding for safety improvements under s. 20.395 (3) (cq) that have high motor vehicle accident rates. From the appropriation under s. 20.395 (3) (cq), the department shall

expend \$250,000 in each fiscal year for any innovative measures that improve safety on such highways, including safety lighting for underpasses, and entrance and exit ramps; warning lights on dangerous curves; speed detection signs; increasing the number of speed limit signs; rumble strips at intersections; measures to alert approaching motorists to an intersection; and increasing the patrolling of such highways by police. The department shall promulgate rules to implement this subsection.

**Vetoed In Part**

**Item U-40. Interstate 94 Wayside Moratorium**

**Governor's written objections**

*Section 2471dm*

This section prohibits the Department of Transportation from constructing new waysides along Interstate Highway 94. The provision would not prohibit the reconstruction of existing waysides in present locations.

I am vetoing this provision because it limits department flexibility in siting waysides along the state's interstate highway system. In addition, this provision may not be cost-effective because it would prohibit the consolidation of waysides at new locations.

**Cited segments of 1997 Assembly Bill 100:**

**Vetoed In Part** SECTION 2471dm. 84.04 (4) of the statutes is created to read:  
84.04 (4) Notwithstanding sub. (2), the department may not commence construction after the effective date

of this subsection ... [revisor inserts date], of any way-side along I 94. This section does not prohibit the recon-struction or maintenance of any wayside in its present location.

**Vetoed In Part**

**Item U-41. Amtrak Service Extension**

**Governor's written objections**

*Section 9149 (4g)*

This section requires the Department of Transportation to negotiate with Amtrak regarding the extension of service to Madison and to report the results of these negotiations to the Joint Committee on Finance by April 1, 1998.

I am vetoing this provision because it creates an additional reporting requirement that increases workload at a time when department staffing levels and administrative funding are being reduced. Expansion of passenger rail service is dependent on financial and operating commitments from Amtrak. These commitments are difficult to secure and will require continuous work with Congress and Amtrak regarding route development and financial support.

**Cited segments of 1997 Assembly Bill 100:**

**Vetoed In Part** SECTION 9149. Nonstatutory provisions; transportation.  
(4g) The department of transportation shall negoti-ate with Amtrak, as defined in section 85.061 (1) of the

statutes, with respect to the extension of rail passenger service to the city of Madison. No later than April 1, 1998, the department shall report the results of its negoti-ations with Amtrak to the joint committee on finance.

**Vetoed In Part**

**Item U-42. Transportation Aid Formula Changes**

**Governor's written objections**

*Sections 2486gy, 9149 (4h) and 9349 (3g)*

These sections require that, starting in calendar year 2000, infrastructure work by local governments that is funded through special assessments be excluded as a reimbursable cost under the general transportation aid formula. In its 1999-2001 biennial budget request, the Department of Transportation is required to reduce bond proceeds used for the major highway program by an amount equal to the expected savings realized from this provision.

I am vetoing these sections because the impact of this provision on local governments is unclear. However, I do feel that this issue should receive further study. For this reason, I am requesting that the department review this matter and other possible changes that could improve the general transportation aid formula.

**Cited segments of 1997 Assembly Bill 100:**

**Vetoed In Part** SECTION 2486gy. 86.303 (6) (e) of the statutes is amended to read:

86.303 (6) (e) Cost data shall not include state or federal contributions to the work, all other public agency fund contributions, and all private contributions other than local assessments or special assessments paid by governmental agencies.

SECTION 9149. Nonstatutory provisions; transportation.

**Vetoed In Part** (4h) AGENCY REQUEST. Notwithstanding section 16.42 (1) (e) of the statutes, in submitting information under section 16.42 of the statutes for purposes of the 1999-2001 biennial budget bill, the department of transportation shall include information concerning the ap-

propriation under section 20.395 (3) (bq) of the statutes, as affected by this act, that increases the amount of that appropriation, and the appropriation under section 20.395 (3) (br) of the statutes that decreases the amount of that appropriation, by an amount equal to the expected savings to be realized in the 1999-2001 fiscal biennium by the treatment of section 86.303 (6) (e) of the statutes by this act.

SECTION 9349. Initial applicability; transportation.

(3g) LOCAL TRANSPORTATION AIDS. The treatment of section 86.303 (6) (e) of the statutes first applies to multi-year average costs that are used to calculate local transportation aid payments for calendar year 2000.

**Vetoed In Part**

**Vetoed In Part**

**Item U-43. Contractor Liability Exemption**

**Governor's written objections**

*Section 3660g*

This section specifies that individuals handling petroleum contaminated soil as part of highway construction contracts and in compliance with Department of Transportation contract directives, are exempt from certain remediation and reimbursement requirements.

I am vetoing this provision because it does not fully address contractor concerns regarding liability exposure. Contractors that meet contract requirements associated with removing contaminated soil, and are not negligent in their actions, should be protected from financial liability. I am requesting the Departments of Transportation and Natural Resources to work with contractors to seek a solution that reasonably limits contractor liability, while protecting the environment.

**Cited segments of 1997 Assembly Bill 100:**

**Vetoed In Part** SECTION 3660g. 292.11 (9) (g) of the statutes is created to read:

292.11 (9) (g) 1. In this paragraph, "petroleum contaminated soil" means soil that is contaminated with materials derived from petroleum, natural gas or asphalt, including gasoline, diesel and heating fuels, liquified petroleum gases, lubricants, waxes, greases and petrochemicals.

2. A person is exempted from sub. (7) (b) and from the penalty requirements of this section if all of the following apply:

a. The person's act or omission was taken while performing services under contract with the department of transportation.

b. The act or omission involving the petroleum contaminated soil was consistent with the contract described in subd. 2. a. or was directed by the department of transportation.

3. Subd. 2. does not apply to any person:

a. Who brought petroleum contaminated soil onto the property or caused the soil to become petroleum contaminated soil.

b. Who is under a previous contract with a state agency other than the department of transportation to remove a hazardous substance from the property, or to treat a hazardous substance on the property.

c. Whose act or omission constitutes gross negligence or involves reckless, wanton or intentional misconduct.

**Vetoed In Part**

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### Item U-44. Lease of Assets

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#### Governor's written objections

*Section 2481L*

This section requires the Department of Transportation to establish request-for-proposal procedures for the lease of property acquired for transportation-related purposes that has an annual lease obligation in excess of \$50,000.

I am vetoing this provision because it limits the department's flexibility and establishes additional administrative procedures that could delay the leasing of property. In addition, it creates additional workload for the department at a time when department staffing levels and administrative funding are being reduced.

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#### Cited segments of 1997 Assembly Bill 100:

**Vetoed In Part** SECTION 2481L. 85.15 of the statutes is renumbered 85.15 (1) and amended to read:

**Vetoed In Part** 85.15 (1) The department may improve, use, maintain or lease any property acquired for highway, airport or any other transportation purpose until the property is actually needed for any such purpose and may permit use

of the property for purposes and upon such terms and conditions as the department deems in the public interest. The department shall establish request-for-proposal procedures for the lease of any property under this subsection that has an annual lease obligation in excess of \$50,000.

**Vetoed In Part**

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### Item U-45. Temporary License Plates

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#### Governor's written objections

*Sections 3961p, 3971g, 3971h, 3971hb, 3972jm, 4036g, 9349 (9sm) and 9449 (8nm)*

These provisions require local police departments to issue temporary license plates to state residents registering automobiles, station wagons, or motor trucks having a registered weight of 8,000 pounds or less that have not been purchased from automobile dealers. These state residents may also obtain temporary license plates from the Department of Transportation.

I am vetoing these provisions because they would cause an additional administrative burden for local police departments throughout the state. State government should be trying to reduce local mandates, not increase them. However, I under-

stand the concern that many individuals are not located near the department's motor vehicle service centers and therefore may have a difficult time obtaining temporary license plates. For this reason, I am requesting the department to review options for distributing temporary license plates to individuals who do not purchase vehicles from automobile dealers.

**Cited segments of 1997 Assembly Bill 100:**

**SECTION 3961p.** 341.04 (1) (intro.) of the statutes is amended to read:

341.04 (1) (intro.) It is unlawful for any person to operate or for an owner to consent to being operated on any highway of this state any motor vehicle, mobile home, trailer or semitrailer or any other vehicle for which a registration fee is specifically prescribed unless at the time of operation the vehicle in question either is registered in this state, or, except for registration under s. 341.30 or 341.305, a complete application for registration, including evidence of any inspection under s. 110.20 when required, accompanied by the required fee has been delivered to the department, submitted to a dealer or local police department under s. 341.09 (2m) or (2r) for transmittal to the department or deposited in the mail properly addressed with postage prepaid, ~~or~~ and, if the vehicle is an automobile, station wagon or motor truck having a registered weight of 8,000 pounds or less, the vehicle displays a temporary operation plate issued for the vehicle unless the operator or owner of the vehicle produces proof that operation of the vehicle is within 2 business days of the vehicle's sale or transfer, or the vehicle in question is exempt from registration.

**Vetoed  
In Part**

**SECTION 3971g.** 341.09 (1) of the statutes is renumbered 341.09 (1) (a) and amended to read:

341.09 (1) (a) The department shall issue temporary operation plates as provided under subs. (2), (2m), (2r) and (9) and may issue a temporary operation permit or plate for an unregistered vehicle ~~under any of the circumstances set forth in subs. (2) to (6).~~ Such as otherwise provided under this section. Except as provided in par. (b), the permits or plates shall contain the date of expiration and sufficient information to identify the vehicle for which and the person to whom it is issued. The department may place the information identifying the vehicle and the person to whom the permit or plate is issued on a separate form. Except as provided in subs. (3) to (5), a temporary operation plate issued under this section is valid for a period of 90 days or until the applicant receives the regular registration plates, whichever occurs first.

**Vetoed  
In Part**

**SECTION 3971h.** 341.09 (1) (b) of the statutes is created to read:

341.09 (1) (b) The department shall specify by rule the size, color, design, form and specifications of temporary operation plates issued under sub. (2m), (2r) or (9) for an automobile, station wagon or motor truck having a registered weight of 8,000 pounds or less, and the system to be used to identify the date of issuance of such plates. All temporary operation plates issued under sub.

**Vetoed  
In Part**

(2m), (2r) or (9) for an automobile, station wagon or motor truck having a registered weight of 8,000 pounds or less shall contain a registration number composed of letters or numbers.

**Vetoed  
In Part**

**SECTION 3971hb.** 341.09 (1) (c) of the statutes is created to read:

341.09 (1) (c) Notwithstanding subs. (2m) (a) 1. b. and (2r), a dealer ~~or a local police department~~ may collect a special handling fee of not more than \$5 if the dealer ~~or police department~~ provides special assistance to a person who is applying for a temporary operation plate under sub. (2m) (a) 1. b. ~~or (2r).~~

**Vetoed  
In Part**

**Vetoed  
In Part**

**Vetoed  
In Part**

**Vetoed  
In Part**

**SECTION 3972jm.** 341.09 (2r) of the statutes is created to read:

341.09 (2r) The department of transportation shall issue a sufficient number of temporary operation plates without charge to each local police department. The local police department shall issue a temporary operation plate without charge to a state resident for use on an automobile, station wagon or motor truck having a registered weight of 8,000 pounds or less if the state resident submits to the police department a complete application for registration of the vehicle, including evidence of any inspection under s. 110.20 when required, and for a new certificate of title for the vehicle, together with a check or money order made payable to the department of transportation for all applicable title, registration, security interest and sales tax moneys, for transmittal to the department of transportation by the police department. The department of transportation shall prescribe the manner in which a local police department shall keep records of temporary operation plates issued by the police department.

**SECTION 4036g.** 342.06 (1) (k) of the statutes is created to read:

342.06 (1) (k) If the vehicle is an automobile, station wagon or motor truck having a registered weight of 8,000 pounds or less and a temporary operation plate has been issued for the vehicle under s. 341.09 (2m) (a) 1. b. or 2. ~~or (2r),~~ the registration number of the temporary operation plate.

**Vetoed  
In Part**

**SECTION 9349. Initial applicability; transportation.**

(9sm) TEMPORARY OPERATION PLATES. The treatment of sections 341.04 (1) (intro.) and (a) (by SECTION 3962m), 341.09 (2) (c) and (g), (2m) (b) and (c), (2r) and (9), 342.06 (1) (k) and 885.237 (title) of the statutes, the renumbering of section 885.237 of the statutes, the renumbering and amendment of section 341.09 (1) and

**Vetoed  
In Part**

(2m) (a) of the statutes and the creation of sections 341.09 (1) (b) and (c) and (2m) (a) 1. b. and 2. and 885.237 (2) of the statutes first apply to transfers of interests in and the operation of motor vehicles occurring on the effective date of this subsection.

**SECTION 9449. Effective dates; transportation.**

(8nm) TEMPORARY OPERATION PLATES. The treatment of sections 341.04 (1) (intro.) and (a) (by SECTION

3962m), 341.09 (2) (c) and (g), (2m) (b) and (c), (2r) and (9), 342.06 (1) (k) and 885.237 (title) of the statutes, the renumbering of section 885.237 of the statutes, the renumbering and amendment of section 341.09 (1) and (2m) (a) of the statutes, the creation of sections 341.09 (1) (b) and (c) and (2m) (a) 1. b. and 2. and 885.237 (2) of the statutes and SECTION 9349 (9sm) of this act take effect on September 1, 1998.

**Vetoed  
In Part**

**Item U-46. Replacement of State Highway Signs**

**Governor's written objections**

*Sections 169 [as it relates to s. 20.395 (3) (jq)], 494m, 1142m and 2486am*

These sections require the Department of Transportation to establish administrative rules that allow the public to petition the department for the replacement of a sign on the state trunk highway system that has been damaged or is in need of replacement due to age. A successful petitioner may either pay a private firm to produce and replace the sign or pay the department for its replacement cost.

I am vetoing this provision because it creates an unnecessary administrative procedure at a time when administrative staffing levels and funding are being reduced. Individuals may already request that the department replace old or damaged state highway signs. A formalized procedure will delay the replacement of signs and create additional administrative costs.

**Cited segments of 1997 Assembly Bill 100:**

**SECTION 169.** 20.005 (3) of the statutes is repealed and recreated to read:

STATUTE, AGENCY AND PURPOSE	SOURCE	TYPE	1997-98	1998-99
<b>20.395 Transportation, department of</b>				
(3) STATE HIGHWAY FACILITIES				
(jq) Replacement of damaged signs, state funds	SEG	C	-0-	-0-

**Vetoed  
In Part**

**Vetoed In Part** **SECTION 494m.** 20.395 (3) (jq) of the statutes is created to read:

20.395 (3) (jq) *Replacement of damaged signs, state funds.* All moneys received under s. 86.19 (7) for the replacement of damaged or deteriorated signs, for such purposes.

**Vetoed In Part** **SECTION 1142m.** 30.45 (7) (b) of the statutes is amended to read:

30.45 (7) (b) A sign erected by the state or municipality in charge of a highway, or by a person authorized under s. 86.19 (7).

**Vetoed In Part** **SECTION 2486am.** 86.19 (7) of the statutes is created to read:

86.19 (7) The department shall accept from interested persons a petition for the replacement of any sign

that is lawfully erected within the right-of-way of a state trunk highway and that, because of damage or deterioration, is in need of replacement. The department by rule shall establish the contents required of a petition submitted under this subsection, the criteria the department will use to consider such a petition and specifications for the construction and erection of signs replaced under this subsection. Whenever the department approves a petition under this subsection, the petitioners may choose to have the sign replaced by the department or by any person authorized by the department to construct or erect such signs, and shall pay the department or the private company for the sign and its erection. The department shall erect a replacement for the sign that is the subject of a

**Vetoed  
In Part**

**Vetoed In Part** petition approved under this subsection upon receipt of payment for the sign and its erection.

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**Item U-47. Overweight Permit Exemption**

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**Governor’s written objections**

*Section 4180m*

This section allows the Department of Transportation to issue annual or consecutive month permits for the transportation of bulk potatoes from storage facilities to food processing facilities in vehicles that exceed maximum gross weight limitations by not more than 10,000 pounds on USH 51 from STH 29 to STH 64 and on Interstate 39 from STH 29 to Interstate 90/94.

I am partially vetoing this section to eliminate the word “not” and the phrase “highways designated as part of the national highway system of interstate and defense highways, except on” because they are unnecessary. The bill only authorizes the issuance of this permit on USH 51 between Merrill and Wausau and on I-39 from Wausau to Portage. While this provision authorizes the issuance of this permit under state law, federal law prohibits the issuance of these types of permits. I did not eliminate the intent of this provision because federal law may be modified under the transportation reauthorization bill currently before Congress to allow this type of vehicle movement. If federal law is changed, Wisconsin will be in a position to immediately allow these types of permits without further statutory changes.

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**Cited segments of 1997 Assembly Bill 100:**

**SECTION 4180m.** 348.27 (9m) (a) 3. of the statutes is created to read:

348.27 (9m) (a) 3. Bulk potatoes from storage facilities to food processing facilities in vehicles or vehicle combinations that exceed the maximum gross weight limitations under s. 348.15 (3) (c) by not more than 10,000 pounds. A permit under this subdivision is **not** valid on

highways designated as part of the national system of interstate and defense highways, except on USH 51 between STH 64 near Merrill and STH 29 south of Wausau in Lincoln and Marathon counties, and on I 39 between STH 29 south of Wausau and the I 90/94 interchange near Portage in Marathon, Portage, Waushara, Marquette and Columbia counties.

**Vetoed In Part**

**Vetoed In Part**

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**Item U-48. Fees for State Patrol Services**

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**Governor’s written objections**

*Sections 499, 851, 2484 and 2484m*

These sections allow the State Patrol to charge a fee to sponsors of special events, except Farm Progress Days, to recoup costs of providing security and traffic enforcement services.

I am partially vetoing sections 499, 851 and 2484 and vetoing section 2484m to remove the prohibition against charging sponsors of Farm Progress Days for security and traffic enforcement services because it is unfair to exclude individual groups from paying for these services. In 1995 Wisconsin Act 216, I vetoed a provision that would have prohibited the State Patrol from charging a fee to sponsors of this event. Many groups benefit from the enforcement and traffic safety services provided by the State Patrol at various events throughout the state. Unless the cost of this service is reimbursed, the primary traffic safety and enforcement duties of the State Patrol will suffer.

**Cited segments of 1997 Assembly Bill 100:**

**SECTION 499.** 20.395 (5) (dg) of the statutes is created to read:

20.395 (5) (dg) *Escort, security and traffic enforcement services, state funds.* From the general fund, all moneys received under s. 348.26 (2) for motor carrier escort services and under s. 85.51 (1) for security and traffic enforcement services, for those purposes.

**Vetoed In Part**

**SECTION 851.** 25.40 (1) (a) 14. of the statutes is created to read:

**Vetoed In Part**

25.40 (1) (a) 14. Fees received under ss. 85.51 (1) and 348.26 (2) that are deposited in the general fund and credited to the appropriation account under s. 20.395 (5) (dg).

**SECTION 2484.** 85.51 of the statutes is created to read:

**85.51 State traffic patrol services; special events**

**Vetoed In Part**

**fee.** (1) Except as provided in sub. (2), the department may charge the event sponsor, as defined by rule, a fee, in an amount calculated under a uniform method established by rule, for security and traffic enforcement services provided by the state traffic patrol at any public event for which an admission fee is charged for spectators

if the event is organized by a private organization. The department may not impose a fee for such services except as provided in this section. All moneys received under this subsection shall be deposited in the general fund and credited to the appropriation account under s. 20.395 (5) (dg).

(2) Subsection (1) does not apply to farm progress days subject to s. 85.515.

**SECTION 2484m.** 85.515 of the statutes is created to read:

**85.515 Farm progress days.** (1) Except for the costs associated with the installation and maintenance of any highway signs specifically identifying farm progress days, the department is prohibited from charging any sponsor of farm progress days for any costs incurred by the department associated with farm progress days.

(2) The department shall promulgate rules specifying eligibility as a sponsor under sub. (1) and determining the conditions that shall be satisfied to qualify as farm progress days under sub. (1).

**Vetoed In Part Vetoed In Part**

**Item U-49. Sale of Motor Vehicle Records**

**Governor's written objections**

*Sections 5505, 5505g, 5505m and 5506*

These sections require the Department of Transportation to report to the Joint Committee on Finance regarding the terms of any contract for the sale of accident and citation records and to also report if the contracted sale of these records reduced department revenues.

I am partially vetoing section 5505 and vetoing sections 5505g, 5505m and 5506 because these additional reporting requirements limit the department's authority to manage resources and increase workload at a time when department staffing levels and administrative funding are being reduced. A formal report to the Joint Committee on Finance was reasonable during the pilot stage of this program. However, ongoing reporting is unnecessary and is not a cost-effective use of scarce administrative resources.

**Cited segments of 1997 Assembly Bill 100:**

**SECTION 5505.** 1995 Wisconsin Act 113, section 9155 (4m) (a) is renumbered 85.105 (1) of the statutes and amended to read:

**Vetoed In Part**

85.105 (1) Notwithstanding section s. 343.24 (2m) of the statutes, as affected by this act, the department of transportation may contract with a person to periodically furnish that person with any records on computer tape or other electronic media that contain information from files of motor vehicle accidents or uniform traffic cita-

tions and which were produced for or developed by the department for purposes related to maintenance of the operating record file data base. The department and the person desiring to contract with the department shall make a good faith effort to negotiate the purchase price for the records to be provided under this paragraph. No record may be furnished under this subsection after June 30, 1997 section.

**Vetoed In Part** SECTION 5505g. 1995 Wisconsin Act 113, section 9155 (4m) (b) is renumbered 85.105 (2) (a) of the statutes and amended to read:

85.105 (2) (a) The department of transportation shall, no later than March 1, 1996, submit a report to each member of the joint committee on finance summarizing the terms and conditions of any contract entered into under paragraph (a). If Whenever the department enters into a contract under paragraph (a) after March 1, 1996 sub. (1), the department shall, prior to the next regular quarterly meeting of the joint committee on finance, submit to each member of that committee a report summarizing the terms and conditions of that contract.

SECTION 5505m. 1995 Wisconsin Act 113, section 9155 (4m) (c) is renumbered 85.105 (2) (b) of the statutes and amended to read:

85.105 (2) (b) If, during the period of any contract entered into under paragraph (a) sub. (1), the department determines that the cost of providing operators' records, uniform traffic citations and motor vehicle accident reports under this subsection and section 343.24 (2m) of the statutes, as affected by this act, exceeds has reduced the total revenues received from the sale of those records and operator's records under s. 343.24 (2m), the department shall submit a report to each member of the joint committee on finance summarizing the expenditures and revenues related to the sale of those records under this section and under s. 343.24 (2m).

SECTION 5506. 1995 Wisconsin Act 113, section 9155 (4m) (d) is repealed.

**Vetoed In Part**

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## C. HUMAN RESOURCES

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### BOARD ON AGING AND LONG TERM CARE

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#### Item C-1. Ombudsman Program

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##### Governor's written objections

*Sections 96m, 169 [as it relates to s. 20.432 (1) (a)] and 2046m*

Section 169 [as it relates to s. 20.432 (1) (a)] appropriates \$22,800 GPR in fiscal year 1997-98 and \$91,500 GPR in fiscal year 1998-99 to fund 1.0 GPR FTE ombudsman position in fiscal year 1997-98 and 2.0 GPR FTE ombudsman positions in fiscal year 1998-99 for activities related to residential care apartment complexes. Although there is no language in the budget bill that authorizes this increase, the Legislature passed a motion and an amendment during its budget deliberations to authorize these funds for the ombudsman program. Section 96m authorizes the positions at the Board on Aging and Long Term Care to carry out their activities in residential care apartment complexes and section 2046m requires the facilities to post in a conspicuous location a notice, provided by the board, of the name, address and phone number of the long term care ombudsman program.

I object to the expansion of the ombudsman program to residential care apartment complexes since these facilities are designed as home-like environments for the elderly and disabled. Thus, I am vetoing sections 96m and 2046m. By lining out the Board on Aging and Long Term Care's s. 20.432 (1) (a) appropriation and writing in a smaller amount that deletes \$22,800 GPR in fiscal year 1997-98 and \$91,500 GPR in fiscal year 1998-99, I am vetoing the part of the bill which funds the expansion of this program to residential care apartment complexes. I am also requesting the Department of Administration Secretary not to allot these funds. I am also requesting the Secretary not to authorize the 1.0 FTE position in fiscal year 1997-98 and the 2.0 FTE positions in fiscal year 1998-99.

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##### Cited segments of 1997 Assembly Bill 100:

**Vetoed In Part** SECTION 96m. 16.009 (1) (em) 7. of the statutes is created to read:

16.009 (1) (em) 7. A residential care apartment complex, as defined in s. 50.01 (1d).

**Vetoed In Part**

SECTION 169. 20.005 (3) of the statutes is repealed and recreated to read:

STATUTE, AGENCY AND PURPOSE	SOURCE	TYPE	1997-98	1998-99
<b>20.432 Board on aging and long-term care</b>				
(1) IDENTIFICATION OF THE NEEDS OF THE AGED AND DISABLED				
(a) General program operations	GPR	A	576,000	553,200
			729,500	638,000

Vetoed  
In Part  
Vetoed  
In Part

**Vetoed In Part** SECTION 2046m. 50.034 (3) (e) of the statutes is created to read:  
 50.034 (3) (e) Post in a conspicuous location in each wing or unit and on each floor of the residential care

apartment complex a notice, provided by the board on aging and long-term care, of the name, address and telephone number of the long-term care ombudsman program under s. 16.009 (2) (b).

## HEALTH AND FAMILY SERVICES

### Item C-2. Medical Assistance Program Benefits

#### Governor's written objections

*Sections 169 [as it relates to s. 20.435 (5) (b), Medical Assistance Program Benefits], 1921 and 9123 (15s)*

Decreased Federal Matching Rate. Section 169 [as it relates to s. 20.435 (5) (b), Medical Assistance Program Benefits] appropriates GPR funds in fiscal year 1998-99 for a change in the federal matching rate for Medical Assistance (MA). Now that the actual federal matching rate for fiscal year 1998-99 is known to be higher, the fiscal year 1998-99 budget can be reduced by \$5,704,600 GPR for MA benefits.

I am writing down the MA GPR appropriation because the federal matching rate will not decline as projected.

Supplemental Payments for Essential Access City Hospitals. Section 169 [as it relates to s. 20.435 (5) (b), Medical Assistance Program Benefits] contains an appropriation of \$123,400 GPR in fiscal year 1997-98 and \$124,100 GPR in fiscal year 1998-99 to increase total annual payments to essential access city hospitals (EACH).

This EACH program now receives \$4,400,000 (all funds) annually. I am writing down the MA appropriation to delete this increase because I object to the changed definition of an EACH that underlies this funding of the program. The original definition of an EACH is based on MA inpatient days as a percentage of total inpatient days. The new definition would rely on MA discharges as a percentage of total discharges and is a less accurate measure of total MA use. I am also requesting the Department of Health and Family Services (DHFS) Secretary to maintain the current definition of an essential access city hospital.

Hold Racine County Harmless for Labor Cost Reclassification. Section 169 [as it relates to s. 20.435 (5) (b), Medical Assistance Program Benefits] contains an appropriation of \$644,900 GPR in fiscal year 1997-98 and \$671,700 GPR in fiscal year 1998-99 for the increased cost of maintaining Racine County as a high-cost labor region. Section 9123(15s) directs DHFS to consider Racine County to be a high-cost labor region for purposes of determining the MA reimbursement of nursing home costs.

I am writing down the MA appropriation to eliminate this increase because the increase would hold the nursing facilities in one particular county harmless from the effects of the labor-region changes.

I am vetoing section 9123(15s) because it directs DHFS to provide special treatment to the nursing facilities in Racine County. I am requesting the DHFS Secretary to review the recent revision of the labor regions to determine if a more broadly based technical adjustment is warranted.

Reestimate Cost of the Nursing Home Rate Increase. Section 169 [as it relates to s. 20.435 (5) (b), Medical Assistance Program Benefits] contains a reduction in s. 20.435 (5) (b) of \$2,031,900 GPR in fiscal year 1997-98 and \$2,169,800 GPR in fiscal year 1998-99 to reflect a reestimate of the cost of providing a rate increase to nursing homes. Section 1921

authorizes no more than a 5.4% increase over that paid for services in fiscal year 1996-97 in MA funds for nursing home care.

I am writing down the MA appropriation to reflect reductions of \$1,922,300 GPR in fiscal year 1997-98 and \$1,991,200 GPR in fiscal year 1998-99. I am also partially vetoing section 1921 to reduce the 5.4% increase to a 5% increase. The most recent information indicates that a rate increase of 5% will allow an adjustment of facility base rates and will meet appropriate industry cost increases.

By lining out the DHFS s. 20.435 (5) (b) appropriation and writing in a smaller amount that deletes a total of \$2,690,600 GPR in fiscal year 1997-98 and \$8,491,600 GPR in fiscal year 1998-99, I am vetoing the part of the bill which funds this program. I am also requesting the Department of Administration Secretary not to allot these funds.

**Cited segments of 1997 Assembly Bill 100:**

**SECTION 169.** 20.005 (3) of the statutes is repealed and recreated to read:

STATUTE, AGENCY AND PURPOSE	SOURCE	TYPE	1997-98	1998-99	
<b>20.435 Health and family services, department of</b>					
(5) HEALTH SERVICES PLANNING, REGULATION AND DELIVERY; AIDS & LOCAL ASSISTANCE					
(b) Medical assistance program benefits	GPR	B	912,713,800	938,104,500	<b>Vetoed In Part</b>
			<b>910,023,200</b>	<b>929,612,900</b>	

**SECTION 1921.** 49.45 (6m) (ag) 8. of the statutes is amended to read:

49.45 (6m) (ag) 8. Calculation of total payments and supplementary payments to facilities that permits an aggregate increase in funds allocated under s. 20.435 (4) (5) (b) and (o) for nursing home care provided medical assistance recipients, including an increase resulting in adjustment of facility base rates and percentage increases over facility base rates, over that paid for services provided in state fiscal year 1994-95 1996-97 of no more than 4.25%

**Vetoed In Part** 5.4% or \$45,908,500, whichever is less, during state fiscal year 1995-96 and 1997-98; and calculation of total payments and supplementary payments to facilities that permits an aggregate increase in funds allocated under s. 20.435 (5) (b) and (o) for nursing home care provided medical assistance recipients, including a percentage increase over facility base rates, over that paid for services provided in state fiscal year 1995-96 1997-98 of no more than 3.5% or \$30,145,200, whichever is less, during state

fiscal year 1996-97, excluding 1998-99. Calculation of total payments and supplementary payments under this subdivision excludes increases in total payments attributable to increases in recipient utilization of facility care, payments for the provision of active treatment to facility residents with developmental disability or chronic mental illness and payments for preadmission screening of facility applicants and annual reviews of facility residents required under 42 USC 1396r (e).

**SECTION 9123. Nonstatutory provisions; health and family services.**

(15s) MEDICAL ASSISTANCE DIRECT CARE PAYMENT FOR FACILITIES IN A HIGH-COST LABOR REGION. For purposes of medical assistance direct care payment to facilities under section 49.45 (6m) of the statutes for fiscal years 1997-98 and 1998-99 only, the department of health and family services shall consider any county that is adjacent to a county with a population of more than 500,000 to be a high-cost labor region.

**Vetoed  
In Part**

**Item C-3. Transfer of Medical Assistance Funds to COP**

**Governor's written objections**

*Section 1932m*

This section provides for a potential transfer of funding from the Medical Assistance (MA) GPR appropriation to the community options program (COP), if the utilization of nursing home beds by MA recipients declines. Each year, the Department of Health and Family Services (DHFS) is required to submit a report by December 1st to the Joint Committee on Finance. Using the method specified in this section, the report must compare the use of beds in the most recently

completed fiscal year to the use of beds in the prior fiscal year. Then, using the method specified in this section, the report must calculate the cost of that decline and propose a transfer of funds. The Joint Committee on Finance could approve and modify the proposal.

This section would prescribe a method that could result in a transfer of funds that have never been budgeted, or it could result in transferring funds to COP that could not be sustained in the following fiscal year. I am partially vetoing this section to eliminate the overly prescriptive directives about this report and the potential transfer. This veto allows DHFS to develop a more fiscally prudent method for calculating any fiscal effect of decreased bed use and to determine the final dollar amount of any transfer. I am requesting the DHFS Secretary to consult with the Secretary of Administration in the development of this report and transfer amount.

**Cited segments of 1997 Assembly Bill 100:**

**SECTION 1932m.** 49.45 (6v) of the statutes is created to read:

49.45 (6v) (a) In this subsection, "facility" has the meaning given in sub. (6m) (a) 3.

**Vetoed In Part** (b) The department shall, by December 1 of each year, submit to the joint committee on finance a report that provides information on the utilization of beds by recipients of medical assistance in facilities for the immediate prior 2 consecutive fiscal years.

**Vetoed In Part** (c) If the report specified in par. (b) indicates that utilization of beds by recipients of medical assistance in facilities decreased during the most recently completed fiscal year from the utilization of beds by recipients of medical assistance in facilities in the next most recently completed fiscal year, the department shall do all of the following:

**Vetoed In Part** 1. Multiply the difference between the number of days of care provided in the facilities in each of the immediate prior 2 consecutive fiscal years by the average daily costs of care in such facilities. The average daily costs of care shall be calculated by dividing the total medical assistance expenditures for care in facilities by the total number of days of care provided in facilities in that fiscal year.

2. For new placements under ss. 46.275, 46.277 and 46.278 in the most recently completed fiscal year, multiply the number of days of service under ss. 46.275, 46.277 and 46.278 by the rate paid by the department for those placements.

**Vetoed In Part**

3. Subtract the product calculated under subd. 2. from the product calculated under subd. 1.

4. Multiply the difference in subd. 3. by the amount paid by the department for the state's share of the costs of care.

(d) If par. (c) applies, the department's report under par. (b) shall include a proposal to transfer the amount calculated under par. (c) 4. from the appropriation under s. 20.435 (5) (b) to the appropriation under s. 20.435 (7) (bd) for the purpose of increasing funding for the community options program under s. 46.27. The secretary shall transfer the amount identified under the proposal if within 14 working days after the submission of the proposal the joint committee on finance does not schedule a meeting for the purpose of reviewing the proposed action.

**Vetoed In Part**

(e) The joint committee on finance may approve or modify any proposal submitted by the department under this subsection.

**Vetoed In Part**

**Vetoed In Part**

**Item C-4. Medical Assistance Dental Pilot Project**

**Governor's written objections**

*Section 1942m*

This section directs the Department of Health and Family Services (DHFS) to develop a pilot project for the provision of Medical Assistance dental services under a managed care system. DHFS must seek any federal waivers necessary to implement this pilot. If these waivers are granted and if the pilot would be cost-effective, DHFS must implement the pilot project no later than January 1, 1998 and end it by June 30, 1999.

I am partially vetoing this section to delete the dates. The late passage of the 1997-99 budget will prevent DHFS from beginning such a project by January 1, 1998. This veto will allow DHFS to choose the starting and ending dates of this pilot project.

**Cited segments of 1997 Assembly Bill 100:**

**SECTION 1942m.** 49.45 (24g) of the statutes is created to read:

**49.45 (24g) MANAGED CARE FOR DENTAL SERVICES PILOT.** (a) The department shall, in consultation with the Wisconsin Dental Association, develop a pilot project for the provision of dental services under a managed care system. The department shall request a waiver from the secretary of the federal department of health and human services to permit the department to implement the pilot project developed under this subsection. If the waiver is

granted and in effect, and if the department of health and family services determines that the costs of providing dental services under s. 49.46 (2) (b) 1. under the pilot project will not exceed the costs of providing those dental services in the absence of the pilot project, the department shall implement the pilot project in Ashland, Douglas, Bayfield and Iron counties for the period beginning no later than January 1, 1998, and ending on June 30, 1999. Only those dental services covered under s. 49.46 (2) (b) 1. may be covered under the pilot project.

**Vetoed  
In Part**

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**Item C-5. Badger Care**

**Governor's written objections**

*Section 1980p*

This section creates a new health insurance program for low income families and requires the Department of Health and Family Services (DHFS) to promulgate all administrative rules required for the program no later than 60 days after receipt of the federal waivers that allow implementation of Badger Care.

I am partially vetoing this section to remove the requirement that DHFS promulgate these rules within 60 days because 60 days is not sufficient time to promulgate rules. I am requesting the DHFS Secretary to promulgate these rules as quickly as possible after receipt of the federal waivers and to use the emergency rules process if necessary.

**Cited segments of 1997 Assembly Bill 100:**

**SECTION 1980p.** 49.665 of the statutes is created to read:

**49.665 Badger care.**

**(2) WAIVER.** The department of health and family services shall request a waiver from the secretary of the federal department of health and human services to permit the department of health and family services to implement, beginning not later than July 1, 1998, or the effective date of the waiver, whichever is later, a health care program under this section. If a waiver that is consistent

with all of the provisions of this section is granted and in effect, the department of health and family services shall implement the program under this section. The department of health and family services may not implement the program under this section unless a waiver that is consistent with all of the provisions of this section is granted and in effect. The department of health and family services shall promulgate all rules required under this section no later than 60 days after the receipt of the waiver.

**Vetoed  
In Part**

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**Item C-6. Wisconcare**

**Governor's written objections**

*Sections 169 [as it relates to s. 20.435 (5)(gp) and (5)(kp)], 554b, 594m, 3010m, 3010p, 3011, 3011m, 3012 and 9223*

These sections restructure the Wisconcare program, which provides basic health care to individuals in 17 counties with high rates of unemployment. Under the bill, the program would be made into a statewide, competitive grant program

with services to be provided by nonprofit, community-based corporations. Funding would remain at \$1,500,000 PR per year except that in fiscal year 1997-98, an additional \$150,000 in carryforward revenue would be used to serve persons previously served under the existing program. The sections also move the existing appropriation organizationally between programs one and five within the Department of Health and Family Services (DHFS), create a new appropriation in program 5 and direct a lapse from the moved appropriation to the general fund of \$725,900.

I am vetoing sections 3010m, 3010p, 3011, 3011m and 3012 because the restructuring of the program dilutes the effectiveness of the current program by spreading the funds across the state rather than focusing health care services provision on the 17 counties currently served. Further, as constructed, an unfunded mandate is created to serve those who are treated under the current program in the future. While minimal one-time funding is available in fiscal year 1997-98, no additional funds are provided after that. Finally, the creation of a grant program will lose the efficiencies gained under the current program. Currently, the DHFS fiscal agent, EDS, processes claims payments and disallows unauthorized costs, freeing up more funding for legitimate claims. I believe the existing program is properly targeted to areas of high unemployment, works well and should continue as under current law.

I am vetoing sections 169 [as it relates to 20.435(5)(gp) and (5)(kp)], 554b and 594m in order to retain the current program appropriation language.

I am vetoing section 9223 because it directs a lapse from an appropriation, which is eliminated in this veto. However, since the Legislature and I intend that accumulated funds be lapsed from this program to the general fund, I am requesting the Department of Administration Secretary to lapse \$725,900 from appropriation 20.435(1)(gp), which will be the appropriation that contains the funds, on the effective date of the bill.

**Cited segments of 1997 Assembly Bill 100:**

SECTION 169. 20.005 (3) of the statutes is repealed and recreated to read:

STATUTE, AGENCY AND PURPOSE	SOURCE	TYPE	1997-98	1998-99	
<b>20.435 Health and family services, department of</b>					
(5) HEALTH SERVICES PLANNING, REGULATION AND DELIVERY; AIDS & LOCAL ASSISTANCE					
(gp) Health care; aids	PR	C	1,650,000	1,500,000	Vetoed In Part
(kp) Supplemental primary health care program	PR-S	A	-0-	-0-	

**Vetoed In Part** SECTION 554b. 20.435 (1) (gp) of the statutes is renumbered 20.435 (5) (gp) and amended to read:  
20.435 (5) (gp) *Health care; aids.* All moneys received under s. 146.99, to be used for purchase of primary health care services grants under s. 146.93 146.92 and to transfer \$150,000 in fiscal year 1997-98 to the appropriation account under par. (kp).

**Vetoed In Part** SECTION 594m. 20.435 (5) (kp) of the statutes is created to read:  
20.435 (5) (kp) *Supplemental primary health care program.* The amounts in the schedule to provide supplemental primary health care services under s. 146.93. All moneys transferred from the appropriation account under par. (gp) shall be credited to this appropriation account.

**Vetoed In Part** SECTION 3010m. 146.92 of the statutes is created to read:  
**146.92 Primary health care grant program. (1)**  
In this section:  
(a) "Community-based nonprofit corporation" means a nonprofit corporation that is governed by a community-based board of directors and that is organized

primarily to provide primary health care services in a geographic area, or to a population, that the department designates as medically underserved.

(b) "Nonprofit corporation" means a nonstock, nonprofit corporation organized under ch. 181.

(2) Prior to implementing the grant program under this section, the department shall consult with representatives of statewide organizations that represent primary health care providers.

(3) From the appropriation under s. 20.435 (5) (gp), the department shall award \$1,500,000 in grants in each fiscal year to community-based nonprofit corporations under a competitive process established by the department.

(4) A community-based nonprofit corporation that receives a grant under this section shall do all of the following:

(a) Provide comprehensive primary health care services to any person regardless of insurance status or ability to pay.

**Vetoed In Part**

**Vetoed In Part** (b) Establish a sliding fee scale for uninsured, low-income persons.

**SECTION 3010p.** 146.93 (title) of the statutes is amended to read:

**146.93** (title) **Primary Supplemental primary health care program.**

**SECTION 3011.** 146.93 (1) (a) of the statutes is amended to read:

146.93 (1) (a) From the appropriation under s. 20.435 (1) (gp) (5) (kp), the department shall maintain a program for the provision of primary health care services based on the primary health care program in existence on June 30, 1987. The department may promulgate rules necessary to implement the program.

**SECTION 3011m.** 146.93 (4) (d) of the statutes is created to read:

146.93 (4) (d) The individual received health care services under this section on the effective date of this paragraph .... [revisor inserts date], and cannot be served by an entity that receives a grant under s. 146.92.

**SECTION 3012.** 146.99 of the statutes is amended to read:

**146.99 Assessments.** The department shall, within 90 days after the commencement of each fiscal year, estimate the total amount of expenditures and the department shall assess the estimated total amount under s. 20.435 (4) (5) (gp) to hospitals, as defined in s. 50.33 (2), in proportion to each hospital's respective gross private-pay patient revenues during the hospital's most recently concluded entire fiscal year. Each hospital shall pay its assessment on or before December 1 for the fiscal year. All payments of assessments shall be deposited in the appropriation under s. 20.435 (4) (5) (gp).

**SECTION 9223. Appropriation changes; health and family services.**

(1) PRIMARY HEALTH CARE PROGRAM REVENUE. Notwithstanding section 20.001 (3) (c) of the statutes, \$725,900 shall lapse to the general fund from the unencumbered balance in the appropriation account under section 20.435 (5) (gp) of the statutes on the effective date of this subsection.

**Vetoed In Part**

**Vetoed In Part**

**Item C-7. HIRSP Program Conversion**

**Governor's written objections**

*Section 3026f*

This section defines the parameters for the payment of plan costs under the Health Insurance Risk Sharing Plan (HIRSP) after the move of the program to DHFS on January 1, 1998. One provision requires DHFS to set premium rates, insurer assessments and provider payment rates for the period January 1, 1998 to June 30, 1998. I am vetoing this provision because it will not be possible for DHFS to complete the setting of these rates by January 1, 1998.

The other provisions in this section that redefine the HIRSP program are interpreted to mean that the new parameters need not be used until July 1, 1998, because the method of setting the rates will now not apply until the beginning of a plan year.

I am requesting DHFS to complete the rate setting procedure as quickly as possible. However, given the complexity added by the Legislature in not using the existing rates under Medical Assistance as I proposed and the late passage of the budget by the Legislature, the date of January 1, 1998 is unachievable.

**Cited segments of 1997 Assembly Bill 100:**

**SECTION 3026f.** 149.143 of the statutes is created to read:

**149.143 Payment of plan costs.**

**Vetoed In Part** (5) Notwithstanding sub. (2) (a) (intro.), the department shall set premium rates, insurer assessments and

provider payment rates for the period beginning on January 1, 1998, and ending on June 30, 1998, in the manner provided in subs. (1), (2) (a), (3) and (4). This subsection applies to policies in effect on January 1, 1998, as well as to policies issued or renewed on or after January 1, 1998.

**Vetoed In Part**

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**Item C-8. County Support for County Residents**

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**Governor's written objections**

*Section 2136*

This section allows the Department of Health and Family Services (DHFS) to bill a county for part of the cost of an individual's care at one of the state centers for the developmentally disabled if an independent review has shown that the person could be served appropriately in the community. This was created as an incentive for counties to support community placements in accordance with state and federal directives for deinstitutionalization. However, under the bill, a county can be charged \$48 per day only if the guardian or the individual's parents do not object to a community placement. I am partially vetoing this section to remove the reference to the objection of the guardian or the parent in order to maintain the fiscal incentive to counties to accept community placements. While many parents or guardians are initially opposed to placing their child or their ward in the community, DHFS has been very successful in working closely with parents and guardians to develop community placements which are acceptable to the parent or guardian and appropriate to the level of care the individual needs. By removing the reference to the objection of the guardian or parent, DHFS can continue to charge counties for part of the cost of care for those who could appropriately be placed in the community but who remain in the institution.

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**Cited segments of 1997 Assembly Bill 100:**

**SECTION 2136.** 51.437 (4rm) (c) 2. b. of the statutes is amended to read:

51.437 (4rm) (c) 2. b. Bill the county department of developmental disabilities services for services provided on or after January 1, 1982, at 10% of the rate paid by medical assistance, excluding any retroactive rate adjustment December 31, 1997, at \$48 per day, if the guardian or parent of the person served does not object to placement of the person in the community and if an independent professional review established under 42 USC 1396a (a) (31) designates the person served as appropriate for community care, including persons who have been admitted for more than 180 consecutive days and for whom the cost of care in the community would be less than \$184 per day. The department of health and family services shall use money it receives from the county department of developmental disabilities services to offset the state's share of medical assistance. Payment is due

from the county department of developmental disabilities services within 60 days of the billing date, subject to provisions of the contract. If the department of health and family services does not receive any payment within 60 days, it shall deduct all or part of the amount due from any payment the department of health and family services is required to make to the county department of developmental disabilities services. The department of health and family services shall first use collections received under s. 46.10 as a result of care at a center for the developmentally disabled to reduce the costs paid by medical assistance, and shall remit the remainder to the county department of developmental disabilities services up to the portion billed. The department of health and family services shall use the appropriation under s. 20.435 (2) (gk) to remit collection credits and other appropriate refunds to county departments of developmental disabilities services.

**Vetoed  
In Part**

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**Item C-9. Supervised Release Placements**

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**Governor's written objections**

*Sections 5491d and 5491y*

These sections prohibit the Department of Health and Family Services (DHFS) from releasing a sexual predator into a county which contains a facility in which a predator was previously placed. I am vetoing these sections because, as written, the language can be interpreted more broadly than was intended and would severely limit the department's ability

to place these individuals under supervision in the community. Under current law, a predator is placed on supervised release in that person's county of residence unless that county declines in which case DHFS must find another county which will accept the person. Predators cannot be released to either one of the two counties which currently have facilities in which the predators are housed unless that county is the person's county of residence. A broader interpretation implies that the predator could not be released into any county which had a facility in which the person was ever placed including other Division of Care and Treatment facilities or correctional institutions. This would make the already difficult process of placing a predator in the community all that much harder.

Although I am vetoing this language because it is subject to misinterpretation, I appreciate the need to address the problem of community placement for sexual predators and encourage the Legislature to revisit this issue and to propose language which will not be subject to misinterpretation.

Cited segments of 1997 Assembly Bill 100:

**Vetoed In Part** SECTION 5491d. 980.06 (2) (c) of the statutes is amended to read:

980.06 (2) (c) If the court finds that the person is appropriate for supervised release, the court shall notify the department. The department and the county department under s. 51.42 in the county of residence of the person, as determined under s. 980.105, shall prepare a plan that identifies the treatment and services, if any, that the person will receive in the community. The plan shall address the person's need, if any, for supervision, counseling, medication, community support services, residential services, vocational services, and alcohol or other drug abuse treatment. The department may contract with a county department, under s. 51.42 (3) (aw) 1. d., with another public agency or with a private agency to provide the treatment and services identified in the plan. The plan shall specify who will be responsible for providing the treatment and services identified in the plan. The plan shall be presented to the court for its approval within 21 days after the court finding that the person is appropriate for supervised release, unless the department, county department and person to be released request additional time to develop the plan. If the county department of the person's county of residence declines to prepare a plan, the department may arrange for another county to prepare the plan if that county agrees to prepare the plan and if the person will be living in that county. If the department is unable to arrange for another county to prepare a plan, the court shall designate a county department to prepare the plan, order the county department to prepare the plan and place the person on supervised release in that county, except that the court may not so designate the county department in the a county where the a facility in which the person was committed placed for institutional care is located unless that county is also the person's county of residence.

SECTION 5491y. 980.08 (5) of the statutes is amended to read:

980.08 (5) If the court finds that the person is appropriate for supervised release, the court shall notify the department. The department and the county department under s. 51.42 in the county of residence of the person, as determined under s. 980.105, shall prepare a plan that identifies the treatment and services, if any, that the person will receive in the community. The plan shall address the person's need, if any, for supervision, counseling, medication, community support services, residential services, vocational services, and alcohol or other drug abuse treatment. The department may contract with a county department, under s. 51.42 (3) (aw) 1. d., with another public agency or with a private agency to provide the treatment and services identified in the plan. The plan shall specify who will be responsible for providing the treatment and services identified in the plan. The plan shall be presented to the court for its approval within 60 days after the court finding that the person is appropriate for supervised release, unless the department, county department and person to be released request additional time to develop the plan. If the county department of the person's county of residence declines to prepare a plan, the department may arrange for another county to prepare the plan if that county agrees to prepare the plan and if the person will be living in that county. If the department is unable to arrange for another county to prepare a plan, the court shall designate a county department to prepare the plan, order the county department to prepare the plan and place the person on supervised release in that county, except that the court may not so designate the county department in the a county where the a facility in which the person was committed placed for institutional care is located unless that county is also the person's county of residence.

**Vetoed In Part**

**Item C-10. Runaway Services**

**Governor's written objections**

*Section 1500m*

This section requires the distribution of \$100,000 GPR in each fiscal year as grants to programs that provide services for runaways. I am partially vetoing this section to provide a total of \$100,000 GPR during the biennium because organizations currently receive federal funding from the state for this program. I am requesting the Department of Administration Secretary to place \$50,000 GPR in fiscal year 1997-98 and \$50,000 GPR in fiscal year 1998-99 in unallotted reserve in appropriation s. 20.435 (7) (bc) to lapse to the general fund.

**Cited segments of 1997 Assembly Bill 100:**

**SECTION 1500m.** 46.48 (27) of the statutes is created to read:  
46.48 (27) GRANTS TO RUNAWAY PROGRAMS. The de-

partment shall distribute \$100,000 in each fiscal year as grants to programs that provide services for runaways.

**Vetoed  
In Part**

**Item C-11. Milwaukee Child Welfare Services Site Selection**

**Governor's written objections**

*Section 9123 (1) (dz)*

This section requires the Secretary of Administration, in consultation with the Department of Health and Family Services (DHFS), to submit a proposal for the selection of the five neighborhood-based child welfare service delivery sites planned for Milwaukee County to the Joint Committee on Finance (JCF) for the Committee's 14 day passive review. I am vetoing this section because the sites were already selected and the leases were signed prior to the motion action by JCF.

**Cited segments of 1997 Assembly Bill 100:**

**SECTION 9123. Nonstatutory provisions; health and family services.**

(1) MILWAUKEE CHILD WELFARE TRANSFER.

**Vetoed  
In Part** (dz) Site selection process. The secretary of administration, in consultation with the department of health and family services, shall submit a proposal for the selection of the 5 neighborhood-based child welfare service delivery sites planned for Milwaukee County under 1995 Wisconsin Act 303, section 9127 (1) (b), to the joint committee on finance. If the cochairpersons of the committee do not notify the secretary of administration that the committee has scheduled a meeting for the purpose of review-

ing the proposal within 14 working days after the date of submittal of the proposal, the department of administration and the department of health and family services may implement the proposal. If within 14 working days after the date of the submittal by the secretary of administration the cochairpersons of the committee notify him or her that the committee has scheduled a meeting for the purpose of reviewing the proposal, the department of administration and the department of health and family services may implement the proposal only with the approval of the committee.

**Vetoed  
In Part**

**Item C-12. Alcohol and Drug Abuse Initiatives**

**Governor's written objections**

*Sections 169[as it relates to s. 20.435 (6) (gb)], 595m, 595n and 9423 (2g)*

These sections change the alcohol and drug abuse initiatives appropriation from continuing to annual and specify that the Department of Health and Family Services (DHFS) must allocate at least \$112,500 PR from the appropriation for grants to local organizations that conduct community based programs to prevent alcohol and other drug abuse. Section 595m also transfers \$250,000 PR from this appropriation to Community Aids.

I am partially vetoing sections 169 [as it relates to s. 20.435 (6) (gb)], 595m and 9423 (2g) and vetoing section 595n to retain the appropriation as continuing. I want the department to have the flexibility available with a continuing appropriation, especially in light of the department's tight operating budget. Any increased funding from this appropriation must be approved by the Department of Administration.

I am also partially vetoing section 595m and vetoing section 595n to remove the stipulation that DHFS must allocate at least \$112,500 PR from the appropriation for grants to local organizations that conduct community based programs to prevent alcohol and other drug abuse. While I am sensitive to the concerns that exist regarding the level of grants funded for the Alliance for a Drug Free Wisconsin, I want the department to have some flexibility in using the funds, especially for local technical assistance which is of equal importance to the grantees. However, I am requesting the DHFS Secretary to annually award a minimum of \$94,000 PR in mini grants to local Alliances.

**Cited segments of 1997 Assembly Bill 100:**

SECTION 169. 20.005 (3) of the statutes is repealed and recreated to read:

STATUTE, AGENCY AND PURPOSE	SOURCE	TYPE	1997-98	1998-99	
<b>20.435 Health and family services, department of</b>					
(6) SUPPORTIVE LIVING; STATE OPERATIONS					
(gb) Alcohol and drug abuse initiatives	PR	A	888,500	649,000	<b>Vetoed In Part</b>

SECTION 595m. 20.435 (6) (gb) of the statutes is amended to read:

**Vetoed In Part** ~~All moneys received from the state treasurer under s. 961.41 (5) (c), to be expended on~~ The amounts in the schedule for programs providing prevention, intervention and treatment for alcohol and other drug abuse problems. **Vetoed In Part** ~~All moneys received under s. 961.41 (5) (c) shall be credited to this appropriation account. The department shall allocate at least \$112,500 annually for grants to local organizations that conduct community-based programs to prevent alcohol and other drug abuse. In fiscal year 1997-98, the department shall transfer \$250,000 from the appropriation account under this paragraph to the appropriation account under sub. (7) (kw).~~

~~20.435 (6) (gb) Alcohol and drug abuse initiatives. The amounts in the schedule for programs providing prevention, intervention and treatment for alcohol and other drug abuse problems. All moneys received under s. 961.41 (5) (c) shall be credited to this appropriation account. The department shall allocate at least \$112,500 annually for grants to local organizations that conduct community-based programs to prevent alcohol and other drug abuse. In fiscal year 1997-98, the department shall transfer \$250,000 from the appropriation account under this paragraph to the appropriation account under sub. (7) (kw).~~

**SECTION 9423. Effective dates; health and family services.**

**Vetoed In Part** SECTION 595n. 20.435 (6) (gb) of the statutes, as affected by 1997 Wisconsin Act ... (this act), is amended to read:

(2g) PROGRAM REVENUE FOR COMMUNITY AIDS. The treatment of section 20.435 (6) (gb) (by SECTION 595n)

**Vetoed  
In Part**

**Vetoed and In Part** (7) (kw) (by SECTION 606b) of the statutes takes effect on July 1, 1998.

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### Item C-13. Compulsive Gambling Awareness Campaign

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#### Governor's written objections

*Sections 169 [as it relates to s. 20.435 (7) (kg)] and 1410g*

Section 169 [as it relates to s. 20.435 (7) (kg)] provides \$100,000 PRS annually to the Department of Health and Family Services (DHFS) for compulsive gambling awareness campaigns. Section 1410g requires DHFS to provide grants to individuals or organizations in the private sector for the campaigns. Section 1410g also requires DHFS to annually develop a plan for awarding the grants and to submit the plan to the Joint Committee on Finance for the Committee's 14 day passive review. I am partially vetoing section 169 [as it relates to s. 20.435 (7) (kg)] to provide \$100,000 PRS in fiscal year 1998-99 for compulsive gambling awareness campaigns. Future funding will be part of my compact negotiations with the Native American tribes. I am also partially vetoing section 1410g to delete the requirement that DHFS annually develop a plan for awarding the grants and submit the plan to the Joint Committee on Finance for the Committee's 14 day passive review. No resources were given to DHFS for this project and the 14 day passive review places an additional burden on the department in administering the campaigns.

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#### Cited segments of 1997 Assembly Bill 100:

**SECTION 169.** 20.005 (3) of the statutes is repealed and recreated to read:

STATUTE, AGENCY AND PURPOSE	SOURCE	TYPE	1997-98	1998-99	
<b>20.435 Health and family services, department of</b>					
(7) SUPPORTIVE LIVING; AIDS AND LOCAL ASSISTANCE					
(kg) Compulsive gambling awareness campaigns	PR-S	A	100,000	100,000	<b>Vetoed In Part</b>

**SECTION 1410g.** 46.03 (43) of the statutes is created to read:

46.03 (43) COMPULSIVE GAMBLING AWARENESS CAMPAIGNS. Provide grants to one or more individuals or organizations in the private sector to conduct compulsive gambling awareness campaigns. Annually, the department shall develop a plan for the awarding of the grants and shall submit the proposed plan in writing to the joint committee on finance. If the cochairpersons of the committee do not notify the department that the committee

has scheduled a meeting for the purpose of reviewing the proposed plan within 14 working days after the date of the department's submission, the department may award grants under this subsection. If, within 14 working days after the date of the department's submission, the cochairpersons of the committee notify the department that the committee has scheduled a meeting for the purpose of reviewing the proposed plan, the department may award grants under this subsection only upon approval of the committee.

**Vetoed In Part**

**Vetoed In Part**

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### Item C-14. Benefit Specialist Program

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#### Governor's written objections

*Section 169 [as it relates to s. 20.435 (7) (dj)]*

Section 169 [as it relates to s. 20.435 (7) (dj)] appropriates \$1,160,000 GPR in fiscal year 1997-98 and \$1,160,000 GPR in fiscal year 1998-99 for the benefit specialist program. Although there is no language in the budget bill that authorizes this increase, the Joint Committee on Finance passed a motion during its budget deliberations to authorize increased funding this program. Of the funding appropriated, \$150,000 GPR annually was intended for a full time attorney trained in Indian Law and half time specialists for ten Native American Tribes.

I object to the funding for the full time attorney since I believe the tribes have the resources to employ their own attorney if needed for this program. By lining out the DHFS s. 20.435 (7) (dj) appropriation and writing in a smaller amount that deletes \$35,600 GPR in fiscal year 1997-98 and \$35,600 GPR in fiscal year 1998-99, I am vetoing the part of the bill which funds this program. I am also requesting the Department of Administration Secretary not to allot these funds.

**Cited segments of 1997 Assembly Bill 100:**

**SECTION 169.** 20.005 (3) of the statutes is repealed and recreated to read:

STATUTE, AGENCY AND PURPOSE	SOURCE	TYPE	1997-98	1998-99	
<b>20.435 Health and family services, department of</b>					
(7) SUPPORTIVE LIVING; AIDS AND LOCAL ASSISTANCE					
(dj) Benefit specialist program	GPR	A	2,516,500 2,480,900	2,516,500 2,480,900	<b>Vetoed In Part</b>

**Item C-15. Income Augmentation Funds**

**Governor's written objections**

*Section 1486m*

This section requires the Department of Health and Family Services (DHFS), in consultation with the Department of Administration, to submit to the Joint Committee on Finance a plan for the use of the portion of excess Title IV-E, Medicare or Medical Assistance funds that are not allocated to counties or used exclusively for the operational costs of augmenting federal income. The plan could be approved and modified by the Committee.

I am partially vetoing this section to permit DHFS to implement the plan for the use of these funds after approval is granted by the Department of Administration Secretary. Most changes to federal appropriations can be approved by the Department of Administration Secretary. This veto will allow for the same level of review and oversight of this appropriation as is provided for other similar federal appropriations.

**Cited segments of 1997 Assembly Bill 100:**

**SECTION 1486m.** 46.46 of the statutes is created to read:

**46.46 Expenditure of income augmentation services receipts.**

(2) If the department proposes to use any moneys from the appropriation account under s. 20.435 (8) (mb) for any purpose other than the purpose specified in sub.

(1), the department shall submit a plan for the proposed use of those moneys to the secretary of administration.

she shall submit the plan to the joint committee on finance. If the cochairpersons of the committee do not notify the secretary of administration within 14 working days after the date of submittal of the plan that the committee has scheduled a meeting for the purpose of reviewing the plan, the department may implement the plan. If within 14 working days after the date of the submittal by the secretary of administration the cochairpersons of the committee notify him or her that the committee has scheduled a meeting for the purpose of reviewing the

**Vetoed In Part** If the secretary of administration approves the plan, he or

**Vetoed In Part**

**Vetoed** plan, the department may implement the plan **only with**  
**In Part** the approval of the committee.

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**Item C-16. Department of Health and Family Services Studies**

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**Governor’s written objections**

*Sections 9123 (4t), 9123 (5) and 9123 (11mp)*

Section 9123 (4t) requires the Department of Health and Family Services (DHFS), in conjunction with other state agencies, to study the correlation between the presence of wetlands and an increase in the number of cases of blastomycosis, which is a fungus infection creating lesions on the skin and lungs. I am vetoing this study because, for medical and scientific reasons, there is no reliable way to analyze this issue and there have been only 12 outbreaks of this disease in the United States since 1954. First, because of the highly variable incubation period, there is no way to tell where a person became infected. Second, staff have already noted that there is no apparent correlation between reported cases of the disease and the number of acres of wetlands in the county. Such a study is unnecessary.

Section 9123 (5) requires DHFS to conduct in-depth studies on the requirements for a statewide health insurance program for uninsured families and school-age children. Among other requirements under this section would be an evaluation of current Medical Assistance outreach efforts, a study on the cost effectiveness of expanding the medical income standard for children and a cost-benefit study of three different approaches to providing health services to these populations.

I am vetoing this section because it is unnecessary. The problems that prompted the request for this study will be addressed in the Badger Care program. Much of the work of this study has already been done as preparation for the budget and for the application for federal waivers for Badger Care. This veto deletes the requirement for the study.

Section 9123 (11mp) requires DHFS to study the feasibility of offering family insurance coverage under the HIRSP program which is an insurance program for high-risk individuals who cannot otherwise get insurance. I am vetoing the study requirement because the creation of Badger Care in this budget will extend insurance coverage to a significant number of children and families and another study is unnecessary.

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**Cited segments of 1997 Assembly Bill 100:**

**SECTION 9123. Nonstatutory provisions; health and family services.**

**Vetoed** (4t) BLASTOMYCOSIS STUDY. The department of  
**In Part** health and family services, in cooperation with other state agencies, shall study whether there is a correlation between the presence of wetlands and the increase in cases of blastomycosis. The department shall submit a report on the results of the study to the legislature in the manner provided in section 13.172 (2) of the statutes no later than June 30, 1999.

(5) HEALTH INSURANCE PROGRAM FOR UNINSURED CHILDREN. By July 1, 1998, the department of health and family services shall conduct and report to the legislature in the manner provided under section 13.172 (2) of the statutes and to the governor on the results of a study to explore, on a statewide basis, possible provision of a health insurance program for uninsured families and school-age children, as determined by the department. If the health insurance program appears to be feasible, the de-

partment shall, with the report, include proposed statutory language necessary to implement the program. The department shall also include in the report all of the following:

(a) An evaluation of the current medical assistance outreach efforts. The department shall, in the report, make recommendations that would increase the enrollment in the medical assistance program of children who are currently eligible for the medical assistance program.

(b) A study on the cost-effectiveness of expanding the medical assistance income standard for children.

(c) A comparison of providing a health insurance program, increasing the enrollment in the medical assistance program of children currently eligible for the medical assistance program and expanding the medical assistance income standard. The comparison shall be based on all of the following:

1. The costs and benefits of each approach.

**Vetoed**  
**In Part**

**Vetoed In Part** 2. The number of children who would receive health care coverage who are currently uninsured.

**Vetoed In Part** 3. The administrative feasibility of each approach. (11mp) STUDY ON FAMILY COVERAGE UNDER THE MANDATORY HEALTH INSURANCE RISK-SHARING PLAN. The department of health and family services shall study the feasibility of providing family coverage under the mandatory health insurance risk-sharing plan under subchapter II of chapter 619 of the statutes, as affected by this act, for an individual who is eligible for coverage under

that plan and for the members of the individual's family. The department shall also determine whether providing such a plan of family coverage would satisfy the requirements under the federal Health Insurance Portability and Accountability Act of 1996 to provide a choice of coverage. On or before April 1, 1998, the department shall report its findings, conclusions and recommendations to the appropriate standing committees in the manner provided under section 13.172 (3) of the statutes and to the joint committee on finance.

**Vetoed In Part**

**INSURANCE**

**Item C-17. Chiropractor Liens**

**Governor's written objections**

*Sections 5165c, [5165e, 5165g, 5165i, 5165k,] 5165m, 5165o, 5165q, 5165s, 5165u, 5165x, 9356 (9h) and 9456 (4z)*

These sections allow chiropractors to file liens for services rendered against settlements of personal injury suits. Under current law, only charitable institutions which operate hospitals are eligible to file a lien against a person's settlement which recognizes the fact that they provide services to people who are unable to pay their bills and should be able to recoup payment if possible. I am vetoing these provisions because chiropractic practices are not charitable institutions that serve persons regardless of their ability to pay.

My administration has taken many steps to ensure that all health care providers are treated fairly by insurers and managed care organizations. On behalf of chiropractors and other health care providers, we continually review the activities of insurers to guarantee equitable treatment. This language would separate chiropractors from other providers, the opposite of our shared goal since 1987. I would welcome the opportunity to work with chiropractors to advance an alternative approach to help them accomplish their objectives.

**Cited segments of 1997 Assembly Bill 100:**

**Vetoed In Part** **SECTION 5165c.** Subchapter IX (title) of chapter 779 [precedes 779.80] of the statutes is amended to read:

**CHAPTER 779**  
**SUBCHAPTER IX**  
**HOSPITAL HEALTH CARE**  
**PROVIDER LIENS**

**SECTION 5165e.** 779.80 (title) of the statutes is amended to read:

**779.80** (title) **Hospital Health care provider liens.**

**SECTION 5165g.** 779.80 (1) of the statutes is renumbered 779.80 (1m) and amended to read:

**779.80 (1m)** Every corporation, association or other organization operating as a charitable institution and maintaining a hospital in this state shall have health care provider has a lien for services rendered, by way of treatment, care or maintenance, to any person who has sus-

tained personal injuries as a result of the negligence, wrongful act or any tort of any other person.

**SECTION 5165i.** 779.80 (1b) of the statutes is created to read:

**779.80 (1b)** In this section, "health care provider" means all of the following:

(a) A corporation, association or other organization operating as a charitable institution and maintaining a hospital in this state.

(b) A chiropractor licensed under ch. 446.

**SECTION 5165k.** 779.80 (2) of the statutes is amended to read:

**779.80 (2)** Such lien shall attach to any and The lien under this section attaches to all rights of action, suits, claims, demands and upon any judgment, award or termination, and upon the proceeds of any settlement

**Vetoed In Part**

**Vetoed In Part** which ~~such the~~ injured person, or legal representatives might have against any ~~such the~~ other person for damages on account of ~~such the~~ injuries, for the amount of the reasonable and necessary charges of ~~such hospital the health care provider.~~

**SECTION 5165m.** 779.80 (3) (intro.) of the statutes is renumbered 779.80 (3) (ae) and amended to read:

779.80 (3) (ae) ~~No such lien shall be~~ A lien under this section is not effective unless the health care provider files a written notice containing under this paragraph. The notice shall contain the name and address of the injured person, the date and location of the event causing ~~such the~~ injuries, the name and ~~location~~ address of the ~~hospital health care provider,~~ and if ascertainable by reasonable diligence, the names and addresses of the persons alleged to be liable for damages sustained by ~~such the~~ injured person~~;~~. The notice shall be filed in the office of the clerk of circuit court in the county in which such the injuries have occurred, or in the county in which such hospital the health care provider is located, or in the county in which suit for recovery of such damages is pending; The notice shall be filed prior to the payment of any moneys to ~~such the~~ injured person or legal representatives, but in no event later than 60 days after ~~discharge of such injured person from the hospital the date that the health care provider last provided services to the injured person for the injuries.~~

**SECTION 5165o.** 779.80 (3) (a) of the statutes is renumbered 779.80 (3) (am) and amended to read:

779.80 (3) (am) The clerk of circuit court shall enter all ~~hospital liens created under this section~~ in the judgment and lien docket, including the name of the injured person, the date of the event causing the injury and the name of the ~~hospital or other institution~~ health care provider making the claim. The clerk of circuit court shall receive the fee prescribed in s. 814.61 (5) for entering each lien.

**SECTION 5165q.** 779.80 (3) (b) and (c) of the statutes are amended to read:

779.80 (3) (b) Within 10 days after filing of the notice of lien ~~under par. (ae), the hospital health care provider shall send by certified mail or registered mail or serve personally a copy of such the notice with the date of filing thereof to or upon the injured person and the person alleged to be liable for damages sustained by such the injured person, if ascertainable by reasonable diligence. If such hospital the health care provider fails to give notice if the name and address of the person injured or the person allegedly liable for the injury are known or should be known, the lien shall be is void.~~

(c) ~~The hospital health care provider shall also serve a copy of such the notice under par. (ae), as provided in par. (b), to any insurer which that has insured such the person alleged to be liable for the injury against such liability, if the name and address may be ascertained by reasonable diligence.~~

**SECTION 5165s.** 779.80 (4) of the statutes is amended to read:

779.80 (4) After filing and service of the notice of lien, no release of any judgment, claim or demand by the injured person ~~shall be is~~ is valid as against ~~such the~~ the lien ~~under this section,~~ and the person making any payment to ~~such the~~ injured person or legal representatives as compensation for the injuries sustained shall, for a period of one year ~~from after~~ after the date of ~~such the~~ the payment, remain liable to the ~~hospital health care provider~~ for the amount of ~~such the~~ the lien.

**SECTION 5165u.** 779.80 (5) of the statutes is amended to read:

779.80 (5) ~~Such lien shall~~ The lien under this section does not in any way prejudice or interfere with any lien or contract which that may be made by such the injured person or legal representatives with any attorney or attorneys for legal services rendered with respect to the claim of the injured person or legal representatives against the person alleged to be liable for such the injury. Said lien shall also be subservient to actual Actual taxable court costs, and actual disbursements made by the attorney in prosecuting the court action have priority over the lien under this section.

**SECTION 5165x.** 779.80 (6) of the statutes is amended to read:

779.80 (6) ~~No hospital is~~ A health care provider is not entitled to any lien under this section if the person injured is eligible for compensation under ch. 102 or any other worker's compensation act.

**SECTION 9356. Initial applicability; other.**

(9h) CHIROPRACTIC LIENS. The treatment of section 779.80 (title), (1), (1b), (2), (3) (intro.), (a), (b) and (c), (4), (5) and (6) and subchapter IX (title) of chapter 779 of the statutes first applies to services provided by a chiropractor on the effective date of this subsection.

**SECTION 9456. Effective dates; other.**

(4z) CHIROPRACTIC LIENS. The treatment of section 779.80 (title), (1), (1b), (2), (3) (intro.), (a), (b) and (c), (4), (5) and (6) and subchapter IX (title) of chapter 779 of the statutes and SECTION 9356 (9h) of this act take effect on January 1, 1999.

**Vetoed In Part**

**Vetoed In Part**

**Vetoed In Part**

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**Item C-18. Insurance Mandate for Dental Coverage**

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**Governor’s written objections**

*Section 4930t*

This section creates a mandate for the coverage of the correction of temporomandibular disorders in insurance policies. I am partially vetoing this section to eliminate from this mandate the specific inclusion of coverage of medically necessary surgery for the correction of functional deformities of the maxilla or mandible, because this language expands the scope of legislative intent beyond the correction of temporomandibular disorders in providing this coverage.

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**Cited segments of 1997 Assembly Bill 100:**

**SECTION 4930t.** 632.895 (11) of the statutes is created to read:

632.895 (11) TREATMENT FOR THE CORRECTION OF TEMPOROMANDIBULAR DISORDERS. (a) Every disability insurance policy, and every self-insured health plan of the state or a county, city, village, town or school district, that provides coverage of any diagnostic or surgical pro-

cedure involving a bone, joint, muscle or tissue shall provide coverage for diagnostic procedures and medically necessary surgical or nonsurgical treatment for the correction of temporomandibular disorders, including medically necessary surgery for the correction of functional deformities of the maxilla or mandible, if all of the following apply:

**Vetoed  
In Part**

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**WORKFORCE DEVELOPMENT**

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**Item C-19. Wisconsin Works (W-2) Participation in Technical College Courses**

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**Governor’s written objections**

*Section 1812w*

This section allows a W-2 participant to count up to 15 hours of time spent attending technical college courses, including time spent traveling to and from classes, toward the work requirement of Community Service Jobs and W-2 Transition slots. This would be in addition to the 10 hours and 12 hours per week of education and training that are already allowed for Community Service Jobs and W-2 Transition positions, respectively.

I recognize the importance of education and training in an individual’s move toward self sufficiency. In developing W-2, I ensured that opportunities for these activities were included in the participation requirements. I am vetoing this section because this change would significantly alter the focus of the W-2 program. The philosophy behind W-2 is that the first and best step that a person who applies for assistance can take is to obtain work experience. Immediate attachment to the workforce has proven to be a more successful approach to helping people obtain self-sufficiency than educational programs.

I do believe, however, that the technical colleges have an important role to play in W-2 and in helping people move forward in the labor market. By offering short-term, customized labor-training programs, technical colleges can help W-2 participants with little or no education or work experience get that “first” job. By offering flexible longer-term education and training programs that complement people’s work experience and schedules, the technical colleges can help people take the next step, advancing their careers while supporting their families. This veto will retain W-2’s focus on immediate workforce attachment for W-2 participants. As W-2 progresses, we will continue to examine the balance of work experience and education and training.

**Cited segments of 1997 Assembly Bill 100:**

**Vetoed In Part** SECTION 1812w. 49.147 (5m) of the statutes is created to read:

49.147 (5m) POSTSECONDARY EDUCATION. (a) To the extent permitted under section 103 of P.L. 104-193, a participant under sub. (4) or (5) may elect to participate in a self-initiated technical college education program as part of a community service job placement or transitional placement if all of the following requirements are met:

1. The Wisconsin works agency, in consultation with the community steering committee established under s. 49.143 (2) (a) and the technical college district board, determines that the technical college education program is likely to lead to employment.

2. The participant maintains full-time status in the technical college education program, as determined by the technical college that the participant attends, and regularly attends all classes.

3. The participant maintains a grade point average of

at least a 2.0, or the equivalent as determined by the technical college.

(b) 1. Except as provided in subd. 2., for the purposes of s. 49.148 (1) (b) and (c), a Wisconsin works agency shall consider each hour that a participant spends attending classes under this subsection, including time spent traveling to and from classes, as satisfying an hour of required participation under sub. (4) or (5).

2. A Wisconsin works agency may not consider time in excess of 15 hours per week that the participant spends attending or travelling to or from classes under this subsection as satisfying any hours of required participation under sub. (4) or (5).

(c) The Wisconsin works agency shall work with the community steering committee established under s. 49.143 (2) (a) and the technical college district board to monitor the participant's progress in the technical college education program and the effectiveness of the program in leading to employment.

**Vetoed In Part**

**Item C-20. Grant for Second Parent**

**Governor's written objections**

*Sections 1820c and 1857p*

These provisions require W-2 agencies to pay a grant of up to \$555 per month for required work activities to the "second" parent in a two-parent family under certain circumstances. First, both parents have to reside with the dependent child. Second, the "first" parent must be in a W-2 subsidized employment position. Third, the family must be accessing federally funded child care. Fourth, neither adult in the family may be disabled or caring for a severely disabled child. Combined, the two parents must be participating in 55 hours of required work activities to meet the federal work requirements.

I am partially vetoing these provisions because under W-2, similar to the Aid to Families with Dependent Children (AFDC) program, only one grant or wage subsidy is provided to each family, while both parents have an obligation to help support their family. Therefore, if the second parent is not staying at home to take care of the children and is consequently accessing federally funded child care, he or she should also be making progress in work activities. This veto will eliminate the requirement that each parent receive a type of subsidized employment grant.

**Cited segments of 1997 Assembly Bill 100:**

SECTION 1820c. 49.15 of the statutes is created to read:

**49.15 Wisconsin works; 2-parent families.**

**Vetoed In Part** (4) GRANT. An individual who satisfies the requirements under sub. (2) by participating in any of the activities under sub. (3) (b) to (e) shall receive a monthly grant of \$555, paid by the Wisconsin works agency. For every hour that the individual fails to participate for the re-

quired hours under sub. (2) without good cause and for every hour that the individual participates in an activity under sub. (3) (a) to satisfy the requirement under sub. (2), the grant amount shall be reduced by \$4.25. Good cause shall be determined by the financial and employment planner in accordance with rules promulgated by the department. Good cause shall include required court appearances for a victim of domestic violence. If the

**Vetoed In Part**

**Vetoed In Part** individual is required under sub. (2) to work fewer than 30 hours per week, the grant amount shall be reduced by an amount equal to the product of \$4.25 and the difference between 30 and the number of hours that the individual is required to participate under sub. (2).

**SECTION 1857p.** 49.175 of the statutes is created to read:

**49.175 Public assistance and local assistance funding. (1) FUNDS DISTRIBUTION.**  
(br) *Payments for 2-parent families.* For payments under s. 49.15 (4), \$735,000 in fiscal year 1997-98 and \$1,100,000 in fiscal year 1998-99.

**Vetoed In Part**

**Item C-21. Suspension of the Work Requirement for Parents of Disabled Children**

**Governor's written objections**

*Sections 1812e, 1812j, 1812k, 1812p, 1812t and 1812u*

These sections specify that the W-2 work and education requirement of the W-2 Transition placement is suspended if the participant is a single parent of a disabled child and if the W-2 agency determines that he or she is needed in the home for at least 40 hours per week to provide care for the disabled child.

I am vetoing these sections because they create a mandatory exemption from the W-2 Transition work and education requirement that is unnecessary. I understand an exemption may be appropriate under some circumstances. However, W-2 agencies already have the flexibility to determine appropriate activities for individuals in W-2 Transition positions. These activities may include caring for a disabled child in the home. These provisions are too broad and could prevent a W-2 agency from requiring a parent to participate in activities which could lead to self-sufficiency during hours that the child is in school.

**Cited segments of 1997 Assembly Bill 100:**

**Vetoed In Part** **SECTION 1812e.** 49.147 (1) (b) of the statutes is created to read:  
49.147 (1) (b) "Disabled" has the meaning given in s. 46.985 (1) (d).

**Vetoed In Part** **SECTION 1812j.** 49.147 (5) (bm) of the statutes is amended to read:  
49.147 (5) (bm) *Education or training activities.* ~~A~~ Except as provided in par. (bw), a participant under this subsection may be required to participate in education and training activities assigned as part of an employability plan developed by the Wisconsin works agency. The department shall establish by rule permissible education and training under this paragraph, which shall include a course of study meeting the standards established under s. 115.29 (4) for the granting of a declaration of equivalency of high school graduation, technical college courses and educational courses that provide an employment skill. Permissible education under this paragraph shall also include English as a 2nd language courses that the Wisconsin works agency determines would facilitate an individual's efforts to obtain employment and adult basic education courses that the Wisconsin works agency determines would facilitate an individual's efforts to obtain employment.

**SECTION 1812k.** 49.147 (5) (bs) of the statutes is amended to read:  
49.147 (5) (bs) *Required hours.* Except as provided in ~~par.~~ pars. (bt) and (bw), a Wisconsin works agency may require a participant placed in a transitional placement to engage in activities under par. (b) 1. for up to 28 hours per week. A Wisconsin works agency may require a participant placed in a transitional placement to participate in education or training activities under par. (bm) for not more than 12 hours per week.

**SECTION 1812p.** 49.147 (5) (bt) of the statutes is amended to read:  
49.147 (5) (bt) *Motivational training.* ~~A~~ Except as provided in par. (bw), a Wisconsin works agency may require a participant, during the first 2 weeks of participation under this subsection, to participate in an assessment and motivational training program identified by the community steering committee under s. 49.143 (2) (a) 10. The Wisconsin works agency may require not more than 40 hours of participation per week under this paragraph in lieu of the participation requirement under par. (bs).

**Vetoed In Part**

**Vetoed In Part** SECTION 1812t. 49.147 (5) (bw) of the statutes is created to read:

49.147 (5) (bw) *Certain single parents of disabled children.* A participant may not be required to participate in education and training activities under par. (bm), the work requirement under par. (bs) or motivational training under par. (bt) if all of the following conditions are met:

1. The participant is a single parent of a disabled child.
2. The Wisconsin works agency determines that the participant is needed in the home for at least 40 hours per week to provide care for the disabled child.

SECTION 1812u. 49.147 (5) (c) of the statutes is amended to read:

49.147 (5) (c) *Worker's compensation.* A participant under this subsection who is not exempt under par. (bw) is an employe of the Wisconsin works agency for purposes of worker's compensation coverage, except to the extent that the person for whom the participant is performing work provides worker's compensation coverage.

**Vetoed In Part**

**Item C-22. W-2 Dispute Resolution**

**Governor's written objections**

*Section 1831g*

This section defines the Department of Workforce Development's (DWD) role in the W-2 dispute resolution process. DWD is required to give an opportunity for a fair hearing to any individual who petitions for a review of a W-2 agency decision. DWD also must allow the individual to present evidence and testimony and to be represented by legal counsel at the hearing. The individual also has a right to have access to the records pertaining to their case prior to the hearing.

I am partially vetoing this section because the department's role in the W-2 dispute resolution process was intended to primarily be a desk review of the case file. I believe a formal fair hearing for each contested case is duplicative of the W-2 agency's efforts and will unnecessarily lengthen the time it takes to resolve disputes. The W-2 agency is already required to convene a fact-finding session as the first level of review. At this level, a W-2 participant may appear with a representative, present his or her arguments and documents and ask questions of agency staff. If the department or its designee, the Department of Administration's Division of Hearings and Appeals, determines the file provided by the W-2 agency is inadequate, it has the authority to access additional information. This may be done informally or through a hearing. With this partial veto, I am preserving a dispute resolution process which is fair while less formal and legalistic than the AFDC "fair hearing" process.

**Cited segments of 1997 Assembly Bill 100:**

SECTION 1831g. 49.152 (2) (d) of the statutes is created to read:

**Vetoed In Part** 49.152 (2) (d) If the department reviews a decision under par. (b) and upon receipt of a petition or request under par. (c) the department shall give the applicant or participant reasonable notice and opportunity for a fair hearing and shall permit the applicant or participant to present evidence and testimony and to be represented by counsel at the hearing and to have access to records in preparation for the hearing. The department may make any additional investigation that it considers necessary. Notice of the hearing shall be given to the applicant or participant and, if appropriate, to the county clerk. The Wisconsin works agency may be represented at the hearing. The depart-

ment shall render its decision as soon as possible after the hearing and shall send a certified copy of its decision to the applicant or participant, the county clerk, if appropriate, and the Wisconsin works agency. The decision of the department shall be final, but may be revoked or modified as altered conditions may require. The department shall deny a petition for a hearing or shall refuse to grant relief if the applicant or participant does any of the following:

- a. Withdraws the petition in writing.
- b. Abandons the petition. Abandonment occurs if the applicant or participant fails to appear in person or by representative at a scheduled hearing without good cause as defined by the department by rule.

**Vetoed In Part**

**Vetoed In Part**  
**Vetoed In Part**  
**Vetoed In Part**

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## Item C-23. Plan on State Funding of Tribal TANF Programs

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### Governor's written objections

*Sections 627, 627b and 1857o*

These sections require the Department of Workforce Development (DWD) to develop a plan for making state funded payments to any Wisconsin Indian tribe which operates a tribal economic support program under the federal Temporary Assistance for Needy Families (TANF) program. The plan must include certain requirements for the tribal economic support program. These requirements must be similar to the W-2 program. The department is required to submit the plan to the Joint Committee on Finance no later than January 1, 1998.

I am partially vetoing sections 627 and 627b and am vetoing section 1857o because I do not believe state funds should be used to support economic support programs over which the state has no jurisdiction or control. The tribes operating their own programs under TANF had an opportunity to administer the W-2 program and chose not to primarily because they want to follow a different path than W-2. It is not clear that the requirements that they operate a program "similar" to W-2 will be sufficient to justify the use of state dollars. This veto will eliminate the requirement that DWD submit such a plan to the Joint Committee on Finance.

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### Cited segments of 1997 Assembly Bill 100:

**SECTION 627.** 20.445 (3) (dz) of the statutes is amended to read:

20.445 (3) (dz) (title) *Wisconsin works and other public assistance administration and benefits.* The amounts in the schedule for administration and benefit payments under Wisconsin works under ss. 49.141 to 49.161, the job opportunities and basic skills program under s. 49.193, the learnfare program under s. 49.26, the work experience and job search program under s. 49.36, the food stamp employment and training program under s. 49.124 (1m) and the parental responsibility pilot program under s. 49.25; for payment distribution under s. 49.33 (8) for county administration of public assistance benefits and medical assistance eligibility determination and payments to American Indian tribes for administration of public assistance programs; to provide state aid for county administered public assistance programs for which reimbursement is provided under s. 49.33 (9); for child care costs under ss. 49.191 (1) and (2), 49.193 (8) and 49.26 (1) (e); for payments required under s. 49.170;

**Vetoed In Part** for the new hope project under s. 49.37; for aid to 18-year-old students under s. 49.20; and for funeral expenses under s. 49.30. Payments may be made from this appropriation to counties for fraud investigation and error reduction under s. 49.197 (1m) and (4). Moneys appropriated under this paragraph may be used to match federal funds received under par. (md). Notwithstanding ss. 20.001 (3) (a) and 20.002 (1), the department may transfer funds between fiscal years under this paragraph. All funds allocated by the department but not encumbered by December 31 of each year lapse to the general

fund on the next January 1 unless transferred to the next calendar year by the joint committee on finance.

**SECTION 627b.** 20.445 (3) (dz) of the statutes, as affected by 1997 Wisconsin Act .... (this act), is amended to read:

20.445 (3) (dz) *Wisconsin works and other public assistance administration and benefits.* The amounts in the schedule for administration and benefit payments under Wisconsin works under ss. 49.141 to 49.161, the job opportunities and basic skills program under s. 49.193, the learnfare program under s. 49.26, the work experience and job search program under s. 49.36, the food stamp employment and training program under s. 49.124 (1m) and the parental responsibility pilot program under s. 49.25; for payment distribution under s. 49.33 (8) for county administration of public assistance benefits and medical assistance eligibility determination and payments to American Indian tribes for administration of public assistance programs; to provide state aid for county administered public assistance programs for which reimbursement is provided under s. 49.33 (9); for child care costs under ss. 49.191 (1) and (2), 49.193 (8) and 49.26 (1) (e); for payments required under s. 49.170; **Vetoed In Part** for the new hope project under s. 49.37; for aid to 18-year-old students under s. 49.20; and for funeral expenses under s. 49.30; and to transfer to the appropriation account under s. 20.835 (2) (k) the amount determined by the department of revenue under s. 49.175 (1) (b) 2. Payments may be made from this appropriation to counties for fraud investigation and error reduction under s. 49.197 (1m) and (4). Moneys appropriated under this

paragraph may be used to match federal funds received under par. (md). Notwithstanding ss. 20.001 (3) (a) and 20.002 (1), the department may transfer funds between fiscal years under this paragraph. All funds allocated by the department but not encumbered by December 31 of each year lapse to the general fund on the next January 1 unless transferred to the next calendar year by the joint committee on finance.

**Vetoed In Part** SECTION 1857o. 49.170 of the statutes is created to read:

**49.170 Payments for certain tribal economic support programs.** (1) DEFINITION. In this section, "tribal economic support program" means an economic support program, operated by a federally recognized American Indian tribe or band in this state, that is funded under P.L. 104-193, section 103, and is not part of the Wisconsin works program under ss. 49.141 to 49.161.

(2) DEPARTMENT PLAN. The department shall develop a plan for making payments, from the appropriation under s. 20.445 (3) (dz), to each federally recognized American Indian tribe or band in this state that operates a tribal

economic support program, for the purpose of operating that tribal economic support program. As a condition of receiving a payment under this section, the tribal economic support program shall meet all requirements specified in the plan. These requirements shall be similar to the requirements of the Wisconsin works program under ss. 49.141 to 49.161. The plan shall specify the method of determining the amount of the payment to be made for each tribal economic support program.

**Vetoed In Part**

(3) JOINT COMMITTEE ON FINANCE APPROVAL. No later than January 1, 1998, the department shall submit the plan under sub. (2) to the cochairpersons of the joint committee on finance for review by the joint committee on finance. The department may not make a payment under the plan unless the plan is approved by the joint committee on finance.

(4) PAYMENTS. If the joint committee on finance approves the plan submitted under sub. (3), the department shall make payments, from the appropriation under s. 20.445 (3) (dz), in the manner specified in the plan.

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### Item C-24. Legislative Council Study on Child Care

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#### Governor's written objections

*Section 9132 (7h)*

Under this provision, the Joint Legislative Council is requested to conduct a study of the appropriate statutory limits on the number of children for whom different types of child care providers in this state may provide care, and on the amount of training and education appropriate for these different types of providers.

I am vetoing this provision because these issues have been studied extensively over the years by the Department of Health and Family Services, the Department of Workforce Development and the Legislature. The Joint Legislative Council alone has reviewed child care regulation three times in 16 years. In addition, child care regulation was reviewed extensively in the last two years as the W-2 legislation was developed and proceeded through the legislative process. While this study is unlikely to produce any new recommendations, it will divert staff resources in both departments at a time when it is more important to focus on ensuring that the existing child care regulation system is working properly and that sufficient capacity is being developed to meet the needs of every W-2 participant.

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#### Cited segments of 1997 Assembly Bill 100:

**SECTION 9132. Nonstatutory provisions; legislature.**

**Vetoed In Part** (7h) STUDY OF LIMITS ON NUMBER OF CHILDREN CARE FOR BY CHILD CARE PROVIDERS AND TRAINING STANDARDS FOR CHILD CARE PROVIDERS. The joint legislative council is requested to conduct a study of the appropriate statutory limits on the number of children for whom the different types of child care providers in this state may provide care and on the amount of training and education that is appropriate to require of a person providing child

care at a day care center licensed under section 48.65 of the statutes and of a child care provider certified under section 48.651 of the statutes. If the joint legislative council conducts the study, the joint legislative council is requested to include in the study an examination of the appropriate statutory limits on the number of children who may be cared for by a day care center that is licensed under section 48.65 of the statutes, a child care provider that is certified under section 48.651 of the statutes and a child care provider that is not licensed or certified under

**Vetoed In Part**

**Vetoed In Part** section 48.65 or 48.651 of the statutes and, in examining those limits, to consider the ages of the children who are provided care and the relationship of those children to the child care provider. If the joint legislative council conducts the study, the joint legislative council is requested

to report its findings, conclusions and recommendations to the legislature in the manner provided under section 13.172 (2) of the statutes, to the cochairpersons of the joint committee on finance and to the governor by January 1, 1999.

**Vetoed In Part**

**Item C-25. Waiver of Food Stamp Work Requirement**

**Governor's written objections**

*Section 1749m*

This section requires the Department of Workforce Development (DWD) to request and implement a waiver from the Secretary of the United States Department of Agriculture to waive the work requirements under the food stamp program for certain able-bodied, childless adults, if they reside in an area with an unemployment rate greater than 10 percent or if the department determines there are insufficient jobs. The department is also required to evaluate independent studies regarding job scarcity or lagging job growth in any area. If there is a substantial likelihood that either of these conditions apply, the department is required to seek and implement a waiver for that area.

I am vetoing this section because, with the strength of Wisconsin's economy, I do not believe there are many areas in the state that meet these criteria that are not surrounded by communities with an abundance of employment opportunities. In addition, the work requirement is only 20 hours per week and in those rare circumstances where a person has tried and simply cannot find employment, the department has the authority, as a result of language in the recently passed Federal Balanced Budget Act of 1997 (Public Law 105-33), to exempt individuals on a case-by-case basis. This veto will provide DWD flexibility to deal with unique circumstances in certain areas of our state without applying for a waiver from the work requirement for an entire geographic area.

**Cited segments of 1997 Assembly Bill 100:**

**Vetoed In Part** **SECTION 1749m.** 49.124 (1m) (br) of the statutes is created to read:

49.124 (1m) (br) 1. In this paragraph, "area" means a county or combination of counties; a city; a village; a town; a smaller geographic region of a county, city, village or town; or a federally recognized American Indian reservation.

2. The department shall request a waiver from the secretary of the federal department of agriculture to permit the department to waive the work requirement under 7 USC 2015, as amended by section 824 of P.L. 104-193, for any group of individuals, to the extent permitted under federal law, for whom any of the following is true:

a. The group resides in an area determined by the department to have an unemployment rate of over 10%.

b. The group resides in an area that the department determines does not have a sufficient number of jobs to provide employment for that group of individuals.

2m. To determine if any of the conditions under subd. 2. are met, the department shall evaluate independent studies, including studies prepared by the U.S. department of labor, regarding job scarcity or lagging job growth in any area and, if any of those studies indicate that there is a substantial likelihood that any of the conditions under subd. 2. are met in any area, the department shall request a waiver under subd. 2. for any group of individuals residing in that area.

3. If the waiver under subd. 2. is granted and in effect, the department shall implement the waiver.

**Vetoed In Part**

**Item C-26. Supplemental Security Income (SSI) Caretaker Supplement Effective Date**

**Governor's written objections**

*Section 9123(3)*

This provision directs Department of Health and Family Services (DHFS) to make a payment under section 49.775(2) of the statutes to the SSI custodial parent of a child who received AFDC on the later of the effective date of the budget bill or the first day of the first month after the individual's regularly scheduled reinvestigation.

I am vetoing this provision in order to allow DHFS, effective upon passage, to make the SSI Caretaker Supplement payment in lieu of the AFDC payment for the dependent child. The budget does not include funding for the AFDC payments of these children beyond August 1997. In addition, transferring all of these cases from the AFDC program to the SSI Caretaker Supplement program at one time will significantly decrease workload and administrative costs for DHFS.

**Cited segments of 1997 Assembly Bill 100:**

**SECTION 9123. Nonstatutory provisions; health and family services.**

**Vetoed In Part** (3) SUPPLEMENTAL PAYMENTS FOR THE SUPPORT OF CHILDREN OF SUPPLEMENTAL SECURITY INCOME RECIPIENTS. Notwithstanding section 49.775 (2) of the statutes, as created by this act, the department of health and family services may make a payment under section 49.775 (2) of the statutes, as created by this act, to a custodial parent

for the support of a dependent child for whom aid is paid under section 49.19 of the statutes, as affected by this act, beginning on the later of the following:

**Vetoed In Part**

- (a) The effective date of this paragraph.
- (b) The first day of the first month beginning after the first regularly scheduled reinvestigation under section 49.19 (5) (e) of the statutes conducted after the effective date of this paragraph.

**Item C-27. Sunset of the Student Eighteen Year Old Aid Program**

**Governor's written objections**

*Section 1873f*

This section specifies that no aid may be paid for the student eighteen year old aid program after the first day of the sixth month after the start of W-2 (September 1997). It was my original intent to end this program at the same time W-2 started. Therefore, I am partially vetoing this section so this program sunsets upon the first day of the month after the implementation of W-2. The Department of Workforce Development need not try to make any recoveries for benefits paid for the month of October.

**Cited segments of 1997 Assembly Bill 100:**

**SECTION 1873f.** 49.20 (5) of the statutes is created to read:

49.20 (5) SUNSET. No aid may be paid under this sec-

tion beginning on the first day of the 6th month beginning after the date stated in the notice under s. 49.141 (2) (d).

**Vetoed In Part**

**Item C-28. Vocational Rehabilitation Case Service Aids**

**Governor's written objections**

*Section 1548m*

This section directs the Department of Workforce Development (DWD) to amend the state Vocational Rehabilitation plan under 29 USC 721 to include a grant program for the establishment, development and improvement of non-profit Community Rehabilitation Programs. Community rehabilitation programs would be required to provide a 25 percent match to receive funding under this program.

I am vetoing this section because, while the intent of this provision has merit, the section does not provide the department with the flexibility it needs to design a grant program which takes advantage of the capabilities of community rehabilitation programs, is fully integrated with the state Vocational Rehabilitation plan, is consistent with applicable federal regulations and meets the needs of citizens eligible for vocational rehabilitation services. Furthermore, under current law the department already has the authority to enter into agreements with community rehabilitation programs to accomplish the intent of this provision.

**Cited segments of 1997 Assembly Bill 100:**

**Vetoed  
In Part**

**SECTION 1548m.** 47.02 (8) of the statutes is created to read:  
47.02 (8) The department shall amend the state plan under 29 USC 721 to establish a grant program for the establishment, development or improvement of community rehabilitation programs as authorized under 29 USC

723 (b) (2). Under the grant program, the department shall distribute grants to community rehabilitation programs and shall require any community rehabilitation program that receives a grant to provide funds to match 25% of the amount of the grant awarded.

**Vetoed  
In Part**

**D. JUSTICE**

**CORRECTIONS**

**Item D-1. Studies, Reports and Requirements**

**Governor's written objections**

*Sections 9111 (3g), 9111 (3v), 9111 (3x) and 9132 (1k)*

These sections require the Department of Corrections (DOC) to:

- Design and propose funding for a secure juvenile detention facility in northwestern Wisconsin and submit a report on the design and funding to the Joint Committee on Finance (JCF) by March 1, 1998.
- Conduct an evaluation of the use of federal correctional facilities to house Wisconsin prisoners and submit a report to the JCF by March 1, 1998.
- Submit the results of any consultant's study on the reengineering of information systems in DOC to the Joint Committee on Information Policy for approval prior to implementation.

- Submit a plan for review and approval to the JCF regarding proposed revenues and expenditures for the private businesses and prison employment program during the 1997-99 biennium by February 1, 1998.
- Submit a joint plan in conjunction with the Department of Administration for review and approval of the JCF regarding the distribution of assets and liabilities between the prison industries program and the private business program in DOC by February 1, 1998.

I am vetoing these sections because of insufficient time to meet the reporting dates and the heavy additional workload these obligations impose on the department which already has a substantial number of major correctional issues to address in the 1997-99 biennium. However, I am requesting DOC to update its previous study on a secure juvenile detention facility in northwestern Wisconsin and provide the results to the members of the JCF. Additionally, I have asked the department to continue to keep members of the JCF informed on issues related to federal contract beds and members of the Joint Committee on Information Policy updated on the development of DOC information systems. The department is eager to share information and answer any legislative inquiries but the above requirements would create substantial demands on the department at a time when budgets are constrained.

**Cited segments of 1997 Assembly Bill 100:**

**SECTION 9111. Nonstatutory provisions; corrections.**

(3g) PRIVATE BUSINESSES AND PRISON EMPLOYMENT.

(a) 1. No later than February 1, 1998, the department of corrections shall submit a plan to the joint committee on finance regarding proposed revenues and proposed expenditures under section 303.01 (2) (em) of the statutes, as affected by this act, during the 1997-99 biennium. If the cochairpersons of the committee do not notify the department of corrections within 14 working days after the date of the submittal that the committee has scheduled a meeting to take place for the purpose of reviewing the plan, the department may proceed with the plan. If, within 14 working days after the date of the submittal, the cochairpersons of the committee notify the department of corrections that the committee has scheduled a meeting to take place for the purpose of reviewing the plan, the department may proceed with the plan only after incorporating any changes that are made to the plan by the joint committee on finance at the meeting.

2. Beginning after February 1, 1998, the department of corrections shall submit any modifications to the plan approved by the the joint committee on finance under subdivision 1. to the joint committee on finance. If the cochairpersons of the committee do not notify the department of corrections within 14 working days after the date of the submittal that the committee has scheduled a meeting to take place for the purpose of reviewing the modified plan, the department may proceed with the modified plan. If, within 14 working days after the date of the submittal, the cochairpersons of the committee notify the department of corrections that the committee has scheduled a meeting to take place for the purpose of reviewing the modified plan, the department may proceed with the modified plan only after incorporating any changes that are made to the modified plan by the joint committee on finance at the meeting.

(b) No later than February 1, 1998, the department of corrections and the department of administration shall jointly submit a plan to the joint committee on finance regarding the distribution of assets and liabilities between the prison industries program under section 303.01 (1) of the statutes and the private business program operating under section 303.01 (2) (em) of the statutes, as affected by this act. If the cochairpersons of the committee do not notify the department of corrections and the department of administration within 14 working days after the date of the submittal that the committee has scheduled a meeting to take place for the purpose of reviewing the plan, the department of corrections and the department of administration may proceed with the plan. If, within 14 working days after the date of the submittal, the cochairpersons of the committee notify the department of corrections and the department of administration that the committee has scheduled a meeting to take place for the purpose of reviewing the plan, the department of corrections and the department of administration may proceed with the plan only after incorporating any changes that are made to the plan by the joint committee on finance at the meeting.

(3v) SECURE JUVENILE DETENTION FACILITY IN NORTHWESTERN WISCONSIN. By March 1, 1998, the department of corrections shall prepare a design for a financially viable secure detention facility, as defined in section 938.02 (16) of the statutes, to be located in the northwestern part of this state, develop a plan to fund that secure detention facility by combining federal, state and county resources and submit to the joint committee on finance a report on that design and funding plan.

(3x) EVALUATION OF THE USE OF FEDERAL CORRECTIONAL FACILITIES TO HOUSE WISCONSIN PRISONERS. The department of corrections shall conduct an evaluation of the state's need to contract for the transfer and confine-

**Vetoed  
In Part**

**Vetoed  
In Part**

**Vetoed In Part** ment of state prisoners in federal correctional facilities and the need for construction of additional minimum security correctional institutions in this state. The department of corrections shall also evaluate and compare federal and state minimum security classification standards and institutional programming provided at federal and state minimum security correctional facilities. The department of corrections shall submit the report to the joint committee on finance by March 1, 1998.

(1k) REENGINEERING OF INFORMATION SYSTEMS IN THE DEPARTMENT OF CORRECTIONS. If the department of administration or the department of corrections contracts for a consultant to study the reengineering of the information systems in the department of corrections, the department of corrections and the department of administration shall jointly submit the results of the study to the joint committee on information policy. The department of corrections and the department of administration may not implement any of the recommendations in the study unless the recommendations have been approved by the committee.

**Vetoed In Part**

**SECTION 9132. Nonstatutory provisions; legislature.**

**Item D-2. Private Industry/Prison Employment Program**

**Governor's written objections**

*Sections 513m, 3909b, 3909m, 3910ce, 3910cf and 9111 (5c)*

These provisions make the following changes to the private industry/prison employment program:

- Create a separate appropriation for private business employment of inmates and prohibit expenditures for construction or purchase of equipment from the private business appropriation without Joint Committee on Finance (JCF) approval.
- Limit the Department of Correction's (DOC) ability to purchase equipment for use by a private business.
- Authorize the Prison Industries Board to suspend manufacture, provision or sale of a product or service.
- Require DOC to define "displacement" by rule and make a determination that workers will not be displaced before entering into a contract with a private business.
- Prohibit the expansion of the scope of products or location of prison industries without the approval of the Prison Industries Board and a public hearing.

I am vetoing these provisions in whole or in part because they impose unnecessary restrictions on the ability of the executive branch of government to operate private industry and prison employment programs as efficient and cost-effective business operations.

By vetoing the provision requiring DOC to define "displacement" by rule, I am avoiding making a rule which may conflict with the federal Prison Industries Enhancement Program (PIE) definition of displacement. I am requesting DOC to consult with the Prison Industries Board to address this issue upon completion of the federal Department of Justice's 1997 audit of the prison employment program.

Specifically, I am partially vetoing the portion of section 513m which prohibits expenditures for construction of buildings or purchase of equipment without JCF approval. I am also partially vetoing the portion of section 3909b which restricts the purchase of equipment and authorizes the Prison Industries Board to suspend the manufacture, provision or sale of a product or service. I am vetoing in whole all of the remaining sections.

**Cited segments of 1997 Assembly Bill 100:**

**SECTION 513m.** 20.410 (1) (hm) of the statutes is created to read:

20.410 (1) (hm) *Private business employment of inmates and residents.* The amounts in the schedule for the

establishment and operation of the program under s. 303.01 (2) (em). All moneys received under contracts entered into by the department of corrections under s. 303.01 (2) (em) shall be credited to this appropriation account. No expenditure may be made from this appropriation for the construction of buildings or purchase of equipment for the program under s. 303.01 (2) (em), except upon approval of the joint committee on finance after a determination that the moneys are needed.

**Vetoed  
In Part**

**SECTION 3909b.** 303.01 (2) (em) of the statutes is amended to read:

**Vetoed  
In Part**

303.01 (2) (em) ~~Lease~~ Subject to sub. (5m), lease space, with or without equipment, within the precincts of state prisons, as specified in s. 302.02, or within the confines of correctional institutions operated by the department for holding in secure custody persons adjudged delinquent, to not more than ~~3~~ 6 private businesses to employ prison inmates and institution residents to manufacture products or components or to provide services for sale on the open market. The department shall comply with s. 16.75 in selecting businesses under this paragraph. ~~The department may select a business or enter into a lease under this paragraph only with the approval of the joint committee on finance. The department may enter into a contract under this paragraph only with the approval of the joint committee on finance.~~ The department shall consult with appropriate trade organizations and labor unions prior to issuing requests for proposals and prior to selecting proposals under this paragraph. ~~If the department enters into a contract that requires the department to purchase equipment for use by a private business that leases space under this paragraph, the contract shall provide that the private business purchase the equipment from the department and pay the department the full cost of the equipment, plus interest, before the end of the contract under which the private business leases space.~~ Each such private business may conduct its operations as a private business, subject to the wage standards under sub. (4), the disposition of earnings under sub. (8), the requirements for notification and hearing under sub.

**Vetoed  
In Part**

(1) (c), the requirement for prison industries board approval under s. 303.015 (1) (b). ~~the authority of the prison industries board under s. 303.015 (1) (dm) to suspend the manufacture, provision or sale of a product or service~~ and the authority of the department to maintain security and control in its institutions. The private business and its operations are not a prison industry. Inmates employed by the private business are not subject to the requirements of inmates participating in prison industries, except as provided in this paragraph;

**Vetoed  
In Part**

**SECTION 3909m.** 303.01 (5m) of the statutes is created to read:

**Vetoed  
In Part**

303.01 (5m) **DISPLACEMENT.** (a) In this subsection, "displacement" shall have the meaning provided in rules promulgated by the department.

(b) Beginning on the effective date of this paragraph ... [revisor inserts date], the department may not enter into any contract with a private business under sub. (2) (em) if the department determines that the contract will result in the displacement of employed workers who are not prison inmates or institution residents.

**Vetoed  
In Part**

**SECTION 3910ce.** 303.015 (1) (b) of the statutes is amended to read:

**Vetoed  
In Part**

303.015 (1) (b) 1. The board shall develop a plan containing recommendations for the manufacture and marketing of prison industries products, the provision of prison industries services and the provision of research and development activities. Whenever feasible, the plan shall include research activities with a facility involved in the cocomposting of solid waste and sludge from wastewater treatment facilities. The plan may include, but is not limited to, recommended market research, product modifications, manufacturing techniques, pricing policies, advertising and elimination or establishment of specific industries or products.

2. No prison industry may be established, expanded, including any expansion relating to the scope of products produced or the prison industry location, or permanently closed without the approval of the board. Before approving the establishment or expansion of any prison industry, the board shall conduct a hearing. The board shall provide for a class 2 notice, under ch. 985, of the hearing in the newspaper designated as the official newspaper of the county and the city, village or town in which the affected correctional institution is located or, if there is no designated official newspaper, a newspaper published or having general circulation in the political subdivision and eligible under s. 985.02 to be an official newspaper.

**SECTION 3910cf.** 303.015 (1) (dm) of the statutes is created to read:

303.015 (1) (dm) The board may suspend the manufacture or sale of any product or component or the provision of any service by prison industries or by a private business leasing space under s. 303.01 (2) (em).

**SECTION 9111. Nonstatutory provisions; corrections.**

(5c) **DISPLACEMENT.**

**Vetoed  
In Part**

(a) The department of corrections shall consult with the prison industries board for the purpose of developing proposed rules defining "displacement" under section 303.01 (5m) of the statutes, as created by this act.

(b) The department of corrections shall submit in proposed form the rules required under section 303.01 (5m) of the statutes, as created by this act, to the legislative council staff under section 227.15 (1) of the statutes no later than the first day of the 3th month beginning after the completion of the federal department of justice's

**Vetoed In Part** 1997 audit of the prison employment program under section 303.01 (2) (em) of the statutes, as affected by this act.

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**Item D-3. Secure Inmate Work Program**

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**Governor's written objections**

*Sections 3910g, 3913g and 9411 (1t)*

These sections repeal the secure work program for inmates effective July 1, 1998. I am vetoing these sections to restore the secure work program as a permanent part of Wisconsin's correctional programs. Maintaining the secure inmate work program gives the Department of Corrections the required programming flexibility necessary to operate the correctional system effectively and efficiently.

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**Cited segments of 1997 Assembly Bill 100:**

**Vetoed In Part** SECTION 3910g. 303.063 of the statutes is repealed.  
SECTION 3913g. 303.21 (1) (b) of the statutes is amended to read:  
303.21 (1) (b) Inmates are included under par. (a) if they are participating in a structured work program away from the institution grounds under s. 302.15 or a secure work program under s. 303.063. Inmates are not included under par. (a) if they are employed in a prison industry under s. 303.06 (2), participating in a work release program under s. 303.065 (2), participating in employment with a private business under s. 303.01 (2) (em) or participating in the transitional employment program, but they are eli-

gible for worker's compensation benefits under ch. 102. Residents subject to s. 303.01 (1) (b) are not included under par. (a) but they are eligible for worker's compensation benefits under ch. 102.

**Vetoed In Part**

**SECTION 9411. Effective dates; corrections.**  
(1t) ELIMINATION OF SECURE WORK PROGRAM. The treatment of sections 303.063 and 303.21 (1) (b) of the statutes takes effect on July 1, 1998.

**Vetoed In Part**

(4g) PRIVATE BUSINESS EMPLOYMENT OF INMATES AND RESIDENTS. The treatment of section 20.410 (1) (hm) and (km) of the statutes takes effect on January 1, 1998.

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**Item D-4. Transfer Authority Relating to Juvenile Placements**

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**Governor's written objections**

*Section 5268*

This section authorizes the transfer of a juvenile age 15 and over from Lincoln Hills or Ethan Allen School to the Racine Youthful Offender Correctional Facility (RYOCF) only if the juvenile has been placed in the serious juvenile offender program, is subject to the extended jurisdiction of the juvenile court or has been convicted under original adult court jurisdiction. I am vetoing these restrictions on transfers to the RYOCF to allow the Department of Corrections (DOC) to operate the Lincoln Hills and Ethan Allen schools more effectively for the treatment and rehabilitation of youthful offenders. This partial veto will allow the Office of Juvenile Offender Review (OJOR) to transfer any juvenile age 15 or over from Lincoln Hills or Ethan Allen School to the RYOCF if, considering such factors as whether and to what extent the youth's conduct is violent and disruptive and the youth is refusing to cooperate or participate in the treatment programs provided, OJOR determines that the conduct of the juvenile presents a serious problem to the juvenile or others. However, it is my intent that the highest priority for placements at RYOCF be given to the juveniles that have been either (1) placed in the serious juvenile offender program, (2) subject to the extended jurisdiction of the juvenile court, or (3) convicted under original adult court jurisdiction.

**Cited segments of 1997 Assembly Bill 100:**

**SECTION 5268.** 938.357 (4) (d) of the statutes is created to read:

**Vetoed In Part** 938.357 (4) (d) The department may transfer a juvenile who is subject to an order under s. 48.366, 1993 stats., 938.183 or 938.34 (4h) and is placed in a Type 1 secured correctional facility to the Racine youthful offender correctional facility named in s. 302.01 if the juvenile is 15 years of age or over and the office of juvenile offender review in the department has determined that the conduct of the juvenile in the Type 1 secured correctional facility presents a serious problem to the juvenile or others. The factors that the office of juvenile offender review may consider in making that determination shall include, but are not limited to, whether and to what extent the juvenile's conduct in the Type 1 secured correctional

facility is violent and disruptive, the security needs of the Type 1 secured correctional facility and whether and to what extent the juvenile is refusing to cooperate or participate in the treatment programs provided for the juvenile in the Type 1 secured correctional facility. Notwithstanding sub. (1), a juvenile is not entitled to a hearing regarding the department's exercise of authority under this paragraph unless the department provides for a hearing by rule. A juvenile may seek review of a decision of the department under this paragraph only by the common law writ of certiorari. If the department transfers a juvenile under this paragraph, the department shall send written notice of the transfer to the parent, guardian, legal custodian and committing court.

**Item D-5. Youth Aid Sum Sufficient Appropriation**

**Governor's written objections**

*Sections 169 [as it relates to s. 20.410 (3) (cd)] and 514m*

These sections provide that the unencumbered balance of the serious juvenile offenders appropriation at the end of each fiscal year shall be transferred to the community youth and family aids appropriation, for supplemental distribution to counties by the Department of Corrections. Further, the community youth and family aids appropriation is changed from an annual sum certain appropriation to a sum sufficient appropriation equal to the amounts in the schedule plus the amounts transferred from the serious juvenile offenders appropriation.

I am partially vetoing these sections because I do not believe it is necessary for the community youth and family aids appropriation to be sum sufficient. By partially vetoing these provisions, the community youth and family aids appropriation will return to a GPR annual sum certain appropriation, limited to the amounts in the schedule, plus any unencumbered balance from the serious juvenile offenders appropriation.

**Cited segments of 1997 Assembly Bill 100:**

**SECTION 169.** 20.005 (3) of the statutes is repealed and recreated to read:

STATUTE, AGENCY AND PURPOSE	SOURCE	TYPE	1997-98	1998-99
<b>20.410 Corrections, department of</b>				
(3) JUVENILE CORRECTIONAL SERVICES				
(cd) Community youth and family aids	GPR	S	80,850,400	79,734,500

**Vetoed In Part**

**SECTION 514m.** 20.410 (3) (cd) of the statutes is amended to read:

**Vetoed In Part** 20.410 (3) (cd) *Community youth and family aids.* The A sum sufficient equal to the amounts in the schedule plus the amounts transferred from the appropriation ac-

count under par. (cg) for the improvement and provision of juvenile delinquency-related services under s. 301.26 and for reimbursement to counties having a population of less than 500,000 for the cost of court attached intake services as provided in s. 938.06 (4). Disbursements may be

made from this appropriation account under s. 301.085. Refunds received relating to payments made under s. 301.085 shall be returned to this appropriation account. All moneys transferred from the appropriation account under par. (cg) shall be credited to this appropriation account. Notwithstanding ss. 20.001 (3) (a) and 20.002 (1), the department of corrections may transfer moneys under

this paragraph between fiscal years. Except for moneys authorized for transfer under s. 301.26 (3), all moneys from this paragraph allocated under s. 301.26 (3) and not spent or encumbered by counties by December 31 of each year shall lapse into the general fund on the succeeding January 1. The joint committee on finance may transfer additional moneys to the next calendar year.

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**Item D-6. Juvenile Justice Report**

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**Governor's written objections**

*Section 9111 (4t)*

This provision requires the Department of Corrections to evaluate the impact of the 1995 juvenile code changes and declining juvenile correctional populations on state and county costs of juvenile corrections and youth aids funding. Further, the Department of Corrections is required to submit a report to the Governor and the Joint Committee on Finance by March 1, 1998, which provides recommendations for funding state juvenile correctional care, including the possible reallocation or reduction of facility care costs if populations continue to decline.

I am partially vetoing this provision to remove the required date of March 1, 1998, to ensure that the Department of Corrections has adequate time to thoroughly analyze these issues and prepare the report. Although I am vetoing the date, I am requesting that the Department of Corrections make every effort to ensure the report is completed and submitted to the Governor and to the Joint Committee on Finance at the earliest possible date.

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**Cited segments of 1997 Assembly Bill 100:**

**SECTION 9111. Nonstatutory provisions; corrections.**

(4t) IMPACT OF JUVENILE JUSTICE CODE ON YOUTH AIDS FUNDING. The department of corrections shall conduct an evaluation of the impact that chapter 938 of the statutes, as created by 1995 Wisconsin Act 77, and the decline of the average daily populations of juveniles receiving state correctional care have had on the funding of juvenile delinquency-related services under the community youth and family aids program under section 301.26 of the statutes, as affected by this act, and on the costs to counties

and the state of providing juvenile correctional care. **By March 1, 1998,** the department of corrections shall submit a report on that evaluation to the governor and to the joint committee on finance. The report shall provide recommendations regarding the funding of juvenile correctional care, including recommendations regarding possible ways of reallocating or reducing the costs of providing care in secured correctional facilities, as defined in section 938.02 (15m) of the statutes, if the populations of those facilities continue to decline.

**Vetoed  
In Part**

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**COURTS**

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**Item D-7. Prison Impact Assessments**

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**Governor's written objections**

*Sections 3m and 9101 (4t)*

These sections provide \$26,600 GPR in fiscal year 1997-98 and \$42,800 GPR in fiscal year 1998-99 and 1.0 GPR FTE research analyst position annually and require the Director of State Courts to prepare a prison impact assessment for any

bill that creates a felony or modifies the period of imprisonment for a felony. Section 3m requires the Director of State Courts to prepare a prison impact assessment for any bill or, if requested, for any bill draft that creates a felony or modifies the period of imprisonment for a felony. Section 3m also requires the Director of State Courts to prepare an annual report reflecting the cumulative effect of all relevant changes in the statutes taking effect during the preceding calendar year. Further, section 3m requires the Department of Corrections and the circuit courts to provide the Director of State Courts with information to assist the Director in preparing the assessments. Finally, section 3m provides that no public hearing before a standing committee may be held and no committee vote may be taken regarding any bill or bill draft unless the assessment has been prepared. Section 9101 (4t) provides that the Department of Administration shall transfer all records of the Sentencing Commission to the Director of State Courts.

I am vetoing entirely sections 3m and 9101 (4t) to remove these provisions from the bill. While I recognize the need to improve our ability to estimate the fiscal ramifications of proposed legislation on our criminal justice system, it is not apparent that the courts are in the best position to collect the necessary data or examine all the issues involved. The effect of this veto will be to reduce expenditures in the sum sufficient appropriation under s. 20.680 (2) (a) by \$26,600 in fiscal year 1997-98 and by \$42,800 in fiscal year 1998-99. I am requesting the Department of Administration Secretary to reestimate expenditures by these amounts and I am also requesting the Secretary not to authorize the 1.0 FTE research analyst position.

**Cited segments of 1997 Assembly Bill 100:**

**Vetoed  
In Part**

**SECTION 3m.** 13.0975 of the statutes is created to read:

**13.0975 Prison impact assessments. (1)** In this section, "prison" means a state prison described under s. 302.01.

**(2)** The director of state courts shall prepare a prison impact assessment for any bill or, if requested, for any bill draft that creates a felony or modifies the period of imprisonment for a felony. Except as otherwise provided by the joint rules of the legislature, the director shall prepare the assessment within 21 days after the date on which the director receives a copy of a bill under sub. (4) or the date on which the director receives a request to prepare the assessment from the requester of the bill draft, whichever occurs first. The assessment shall contain all of the following:

(a) Projections of the impact on statewide probationer, prisoner and parolee populations.

(b) An estimate of the fiscal impact of population changes under par. (a) on state expenditures, including expenditures for the construction and operation of state prisons for the current fiscal year and the 5 succeeding fiscal years.

(c) An analysis of any significant factor, not covered in complying with pars. (a) and (b), affecting the cost of the bill or bill draft and the factor's impact on prosecutors, the state public defender and courts.

(d) A statement of the methodologies and assumptions that the director used in preparing the assessment.

**(3)** The legislature shall reproduce and distribute assessments under sub. (2) in the same manner as it reproduces and distributes amendments.

**(4)** A bill draft that requires an assessment by the director of state courts under this section shall have that requirement noted on its jacket when the jacket is prepared. When a bill that requires an assessment under this section is introduced, the legislative reference bureau shall submit a copy of the bill to the director.

**(5)** No public hearing before a standing committee may be held and no committee vote may be taken regarding any bill or bill draft described in sub. (2) unless the assessment under sub. (2) has been prepared.

**(6)** Annually, by March 1, the director of state courts shall submit to the legislature under s. 13.172 (2) a prison impact assessment reflecting the cumulative effect of all relevant changes in the statutes taking effect during the preceding calendar year.

**(7)** The department of corrections shall provide the director of state courts with information on current and past admissions and on length of time served as needed by the director in order to prepare assessments under subs. (2) and (6).

**(8)** The circuit courts shall provide the director of state courts with information to assist the director in preparing assessments under subs. (2) and (6).

**(9)** This section applies to bills introduced or requests for assessments of bill drafts made on or after July 1, 1998.

**SECTION 9101. Nonstatutory provisions; administration.**

**(4t) TRANSFER OF SENTENCING COMMISSION RECORDS.** The department of administration shall transfer all records of the sentencing commission to the director of

**Vetoed  
In Part**

**Vetoed  
In Part**

**Vetoed** state courts as soon as possible after September 1, 1997,  
**In Part** or the effective date of this subsection, whichever is later.

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## JUSTICE

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### Item D-8. DOJ Representation in Clouded Title Cases

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#### Governor's written objections

*Sections 642q, 3092c, and 3094g.*

These provisions allow the Department of Justice to represent any public official, a member of the public official's immediate family, or a family corporation in a proceeding to clear title to real property that has been clouded by the false, fraudulent or frivolous filing, entry or recordation of any instrument relating to title.

I am vetoing these sections entirely for two reasons. First, while the bill does not appropriate any money for the department in the 1997-99 biennium, it does open the door for significant GPR expenditures in future biennia. These provisions were not debated thoroughly enough to determine the extent of the problems public officials face or the extent to which the department would represent public officials. Second, I am not convinced that the state is the appropriate entity to provide legal representation in all of these matters. While I support the concept of these provisions, I believe these issues should not be included in the state budget and instead should be considered as separate legislation.

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#### Cited segments of 1997 Assembly Bill 100:

**Vetoed** SECTION 642q. 20.455 (1) (d) of the statutes is  
**In Part** amended to read:

20.455 (1) (d) *Legal expenses.* Biennially, the amounts in the schedule for the payment of expenses, except staff salaries and fringe benefits, incurred by the department of justice in the prosecution or defense of any action or proceeding in which the state may be a party or may have an interest, in the prosecution of any action or proceeding brought under s. 165.251, for any abstract of title, clerk of court's fees, sheriff's fees or any other expense actually necessary to the prosecution or defense of those cases, for the payment of expenses incurred where the department of justice is not involved, and where the statutes provide that those expenses shall be paid from this appropriation, unless the cost or expenses are charged to some other appropriation.

**Vetoed** SECTION 3092c. 165.08 of the statutes is amended to  
**In Part** read:

**165.08 Power to compromise.** Any civil action prosecuted by the department by direction of any officer, department, board or commission, shall be compromised or discontinued when so directed by such officer, department, board or commission. Any civil action prosecuted by the department on the initiative of the attorney general, or at the request of any individual may be compromised or discontinued with the approval of the governor, except that a civil action prosecuted by the department

under s. 165.251 may be compromised or discontinued only with the approval of the person who requested legal representation from the department. In any criminal action prosecuted by the attorney general, the department shall have the same powers with reference to such action as are vested in district attorneys.

**Vetoed**  
**In Part**

SECTION 3094g. 165.251 of the statutes is created to read:

**Vetoed**  
**In Part**

**165.251 Actions to clear title. (1) DEFINITIONS.** In this section:

(a) "Family corporation" means a corporation qualifying under s. 182.001 (1) (a).

(b) "Immediate family" means persons related as spouses, as siblings or as parent and child.

(c) "Instrument relating to title" includes a deed, mortgage, lien, claim of lien, judgment or lis pendens.

(d) "Local public office" has the meaning given in s. 19.42 (7w).

(e) "Public office" means local public office or state public office.

(f) "Public official" means a person holding a public office.

(g) "Qualifying property" means real property owned in whole or in part by a public official, by a member of a public official's immediate family or by a family corporation in which a public official is a shareholder during the period of time public office was held.

**Vetoed In Part** (h) "State public office" has the meaning given in s. 19.42 (13).

(2) REPRESENTATION UPON REQUEST. The department of justice may provide legal representation to any person who requests the legal representation and who does all of the following:

(a) Claims that title to qualifying property has been clouded by the false, fraudulent or frivolous filing, entry or recordation of any instrument relating to title during the period the affected real property was qualifying property.

(b) Claims to be an owner in the qualifying property or a shareholder in a family corporation, if any, that owns the qualifying property.

(c) Agrees to the conditional payment of the costs of legal representation under sub. (5).

(3) ACTIONS TO CLEAR TITLE. If it decides to provide legal representation under sub. (2), the department of justice shall bring the actions that are necessary to clear clouds upon title to qualifying property from false, fraudulent or frivolous filings, entries or recordations of instruments relating to title.

(4) REQUIRED FINDING. As part of any action brought under this section, the court shall make a finding of whether the instrument relating to title that is claimed to create a cloud upon the title was filed, entered or recorded

with the authorization, consent or approval of the owner of the qualifying property or of any creditor having an interest in the qualifying property.

(5) CONDITIONAL PAYMENT OF COSTS OF REPRESENTATION. Each person making a request under sub. (2) shall, as part of that request, agree to pay the costs of legal representation provided by the department of justice, if the court makes a finding under sub. (4) that the instrument relating to title was filed, entered or recorded with the authorization, consent or approval of the owner of the qualifying property or of any creditor having an interest in the qualifying property. If the court does not make such a finding, the person may not be required to pay any of the costs of the legal representation.

(6) IF PAYMENT REQUIRED. If, upon the completion of all proceedings, the person who made the request under sub. (2) is subject to conditional payment of the costs of legal representation provided by the department of justice under sub. (5), the department of justice may charge the person an amount not exceeding the total cost of the legal representation provided. All payments collected by the department under this subsection shall be deposited in the general fund.

(7) LIMITATION ON REPRESENTATION. The department of justice may represent persons under this section at the trial level only.

**Vetoed In Part**

**Item D-9. Collection of Delinquent Obligations**

**Governor's written objections**

*Section 3096m*

This section broadens the authority of the Department of Justice to recoup reasonable and necessary legal expenses in matters involving the collection of delinquent obligations.

I am vetoing this section entirely because I am concerned about the duplication among the Department of Justice (DOJ), Department of Administration (DOA) and the Department of Revenue (DOR) regarding the collection of delinquent obligations. Under 1995 Wisconsin Act 27, the Department of Justice was required to "monitor bankruptcy cases filed in bankruptcy courts in this state and other states, notify departments that may be affected by those bankruptcy cases, and represent the interests of the state in bankruptcy cases and related adversary proceedings" (s. 165.30(2) Wisconsin Statutes). Further, 1995 Act 27 enabled DOJ to recoup its legal expenses associated with collecting debts owed to the state by persons or legal business entities which have declared bankruptcy. These provisions were intended to be a self-supporting program revenue function limited to bankruptcy-related matters. All other legal expenses DOJ incurs related to representing agencies in delinquent obligation matters under s. 165.25, Wisconsin Statutes, are funded with general purpose revenue through appropriation s. 20.455 (1)(d), Legal Expenses. I am concerned that section 3096m would expand not only DOJ's ability to recoup its legal expenses, but its level of involvement in acting as collection agent for the State of Wisconsin.

DOA has entered into contractual agreements with private collection agencies to manage the collection of obligations owed to the state. I am pleased with the progress DOA has made in helping agencies collect delinquent obligations. By vetoing this section I am maintaining current law which limits the Department of Justice to recouping its legal expenses while representing the state in delinquent obligation collection matters to those cases involving bankruptcies.

The collection of obligations owed to the State of Wisconsin is a serious matter. For this reason, section 9143(6g) of the bill directs DOR to conduct a study on centralized debt collection for state government and report its findings to the

Joint Committee on Finance. Until the conclusions of this study are released, I am not comfortable expanding DOJ's involvement in the collection of delinquent obligations. In the meantime, I am hopeful DOJ will continue to work with DOR to maximize the state's efforts to collect delinquent obligations in cases involving bankruptcy. The remainder of the state's collection activity should stay with DOA and DOR.

**Cited segments of 1997 Assembly Bill 100:**

<b>Vetoed In Part</b>	SECTION 3096m. 165.30 (1m) of the statutes is created to read: 165.30 (1m) GENERALLY. The department of justice	shall represent the interests of and furnish legal services to departments relating to the collection of obligations.	<b>Vetoed In Part</b>
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**Item D-10. Attorney for Legal Services**

**Governor's written objections**

*Section 169 [as it relates to s. 20.455 (1) (a) and s. 20.455 (1) (d)]*

This provision authorizes an additional \$49,800 GPR in fiscal year 1997-98 and \$59,000 GPR in fiscal year 1998-99 in s. 20.455 (1) (a), General Program Operations, and an additional \$7,500 GPR in fiscal year 1997-98 and \$10,000 GPR in fiscal year 1998-99 in s. 20.455 (1) (d), Legal Expenses, for 1.0 GPR FTE project attorney position in the Department of Justice to litigate cases between the State of Wisconsin and Native American tribes residing in the state. Although there is no language in the budget authorizing this funding and the additional position authority, motions passed by the Joint Committee on Finance increased the above appropriations for this purpose.

I am partially vetoing this section because I do not believe an additional attorney position in the Department of Justice to litigate these matters is necessary. The department has represented the State of Wisconsin in these matters successfully thus far without negatively affecting the state's position in any other case in which it participates. I am not convinced that litigation of cases related to Native American tribes will increase enough during the 1997-99 biennium to warrant adding a position for this purpose. My partial veto retains funding for the 4.0 GPR FTE project attorney positions provided in the bill to handle the prosecution and appeal of cases involving persons committed under Wisconsin's sexual predator statutes.

By lining out the department's appropriations under s. 20.455 (1) (a) and 20.455 (1) (d) and writing in smaller amounts, I am vetoing the part of the bill which funds this provision. I am requesting the Department of Administration Secretary to not allot \$49,800 GPR in fiscal year 1997-98 and \$59,000 GPR in fiscal year 1998-99 in s. 20.455 (1)(a), General Program Operations, and \$7,500 GPR in fiscal year 1997-98 and \$10,000 GPR in fiscal year 1998-99 in s. 20.455 (1)(d), Legal Expenses. I am also requesting the Secretary to not authorize the 1.0 FTE attorney position.

**Cited segments of 1997 Assembly Bill 100:**

**SECTION 169.** 20.005 (3) of the statutes is repealed and recreated to read:

STATUTE, AGENCY AND PURPOSE	SOURCE	TYPE	1997-98	1998-99		
<b>20.455 Justice, department of</b>						
(1)	LEGAL SERVICES					
(a)	General program operations	GPR	A	11,692,400	11,828,900	<b>Vetoed In Part</b>
				11,642,600	11,769,900	
(d)	Legal expenses	GPR	B	927,200 919,700	938,000 928,000	<b>Vetoed In Part</b>

**Item D-11. Hazardous Substance Cleanup Study**

**Governor's written objections**

*Section 9131 (1t)*

This section requires the Department of Justice to review the effectiveness of the flexible enforcement process used by the Department of Natural Resources for securing compliance with the state spills law.

I am vetoing this section since the Department of Justice does not perform routine evaluations of program effectiveness. The section merely clarifies and codifies a process the department has been using as a means of maximizing environmental compliance while reducing costly litigation. As such, a comprehensive review is unnecessary and would direct scarce resources toward the study of an accepted and successful process.

**Cited segments of 1997 Assembly Bill 100:**

**Vetoed In Part** SECTION 9131. Nonstatutory provisions; justice. (1t) STUDY OF HAZARDOUS SUBSTANCE CLEANUP AGREEMENTS. The department of justice shall review the effectiveness of section 292.11 (7) (d) and (e) of the stat-

utes, as created by this act, and shall submit a report of its findings to the joint committee on finance and to the legislative standing committees with jurisdiction over environmental matters by January 1, 2000.

**Vetoed In Part**

**E. STATE GOVERNMENT OPERATIONS**

**VETERANS AFFAIRS**

**Item E-1. Payment of Deceased Veterans' Loan Obligations**

**Governor's written objections**

*Section 1373m*

This provision eliminates the obligation of a veteran or his or her guarantor of a consumer or personal loan from repaying the loan if the veteran dies after the effective date of the budget bill and if the veteran's estate is not sufficient to cover the outstanding balance on the loan.

I am vetoing this provision because the party that would benefit from repayment of a veteran's loan would be the guarantor of the loan, who may not be a veteran. The veterans trust fund was established to provide benefits and services to veterans. As a result of the provision, the veterans trust fund asset base would be substantially decreased in order to forgive loan repayments of deceased veterans, and thus, limit the benefits available to veterans in the future.

**Cited segments of 1997 Assembly Bill 100:**

**Vetoed In Part** SECTION 1373m. 45.356 (10) of the statutes is created to read:

45.356 (10) If a veteran who has obtained a loan under this section before, on or after the effective date of this

**Vetoed In Part**

**Vetoed In Part** subsection .... [revisor inserts date], dies after the effective date of this subsection .... [revisor inserts date], and before completing repayment of the loan, the veteran's obligation to complete repayment of the loan is limited to the extent of the amount of funds in the veteran's estate. The department shall issue a satisfaction of any security instruments executed in connection with the loan and write off the balance of the principal, interest and costs owing on the loan on the date that the department receives notice that the veteran has died without leaving any estate

or upon receipt of the total amount of money in the veteran's estate not exceeding the balance remaining on the loan. The department, upon receipt of an application for refund, shall refund to the payer or heirs, executor or administrator, from the appropriation in s. 20.485 (2) (yn), any payments made on the loan after the date that the department receives the notice that the veteran has died without leaving any estate or after the date that the department receives the total amount of money, not exceeding the balance remaining on the loan, in the veteran's estate.

**Vetoed In Part**

## ADMINISTRATION

### Item E-2. Release of Public Records

#### Governor's written objections

*Sections 155g, 155j, and 9356 (9f)*

These sections provide that unless otherwise specified by law, no custodian of a public record has to notify an individual who is the subject of a public record request prior to providing the record, and no person has the right to sue a custodian of a public record to compel the custodian to withhold any information contained in a record.

I am vetoing these provisions because the issue of open public records should be presented and argued before the Legislature in a free and open public deliberation. These provisions are non-fiscal and non-budgetary and should be instead debated publicly as a separate bill. I would be glad to work with the advocates of this provision on legislation that would preserve the spirit of our open records law.

#### Cited segments of 1997 Assembly Bill 100:

**Vetoed In Part** **SECTION 155g.** 19.32 (1b) of the statutes is created to read:  
 19.32 (1b) "Data subject" means an individual about whom personally identifiable information is contained in a record.  
**SECTION 155j.** 19.356 of the statutes is created to read:  
**19.356 Notice to data subject; right of action. (1)** Unless otherwise specifically required by law, no authority is required to notify a data subject prior to providing a record containing information pertaining to that data subject to a requester.

(2) Unless otherwise specifically authorized by law, no person may maintain an action against an authority seeking to compel the authority to withhold any information contained in a record from access by a requester."  
**SECTION 9356. Initial applicability; other.**  
 (9f) PUBLIC RECORDS CONTAINING PERSONALLY IDENTIFIABLE INFORMATION. The treatment of sections 19.32 (1b) and 19.356 of the statutes first applies with respect to requests for inspection of records made on January 1, 1998.

**Vetoed In Part**

**Vetoed In Part**

**Item E-3. Administrative Reporting Requirements**

**Governor's written objections**

*Sections 117s, 123mk, 123n, 123r, and 9301*

These provisions require the Department of Administration to do the following:

- Verify and record the country of origin for each motor vehicle purchased for any agency.
- Report to the Legislature no later than January 15 of each odd-numbered year on the costs and benefits of the state's master lease program.
- Promulgate rules for securing sponsorship of state publications which shall be applied to all agencies.

I am vetoing all of these provisions because I object to the degree of legislative oversight of agency operations which this implies and to the additional workload demand this imposes on the department at a time when budgets are constrained.

**Cited segments of 1997 Assembly Bill 100:**

**Vetoed In Part** SECTION 117s. 16.72 (2) (cm) of the statutes is created to read:  
 16.72 (2) (cm) The department shall verify and record the country of origin for each motor vehicle purchased for any agency.

**Vetoed In Part** SECTION 123mk. 16.76 (4) (g) of the statutes is created to read:  
 16.76 (4) (g) No later than January 15 of each odd-numbered year, the secretary shall report to the legislature under s. 13.172 (2) concerning the costs and benefits to the state resulting from the use of master leases by the department or its designated agents under s. 16.71 (1) during the 2-year period ending on the preceding December 31.

SECTION 123n. 16.79 (title) of the statutes is amended to read:

**16.79 (title) Duties of department of administration State publications.**

SECTION 123r. 16.79 (3) of the statutes is created to read:

16.79 (3) The department shall promulgate rules for securing sponsorship of state publications which shall be applicable to all agencies, as defined in s. 16.70 (1), that are authorized by law to secure sponsorship for agency publications. The rules shall be consistent with any requirements imposed by law that are applicable to particular agencies or publications.

**SECTION 9301. Initial applicability; administration.**

(1m) COUNTRY OF ORIGIN FOR STATE MOTOR VEHICLES. The treatment of section 16.72 (2) (cm) of the statutes first applies to motor vehicles purchased on the effective date of this subsection.

**Vetoed In Part**

**Vetoed In Part**

**Item E-4. Information Technology Services Appropriation**

**Governor's written objections**

*Sections 169 [as it relates to s. 20.505 (1) (kL)] and 670r*

These provisions convert the information technology services appropriation from a continuing appropriation to an annual appropriation.

I am vetoing these provisions because an annual appropriation will prevent the Division of Information Technology Services from ensuring the state's systems are functioning with adequate response times by providing capacity for any workload changes, specifically those associated with the KIDS child support system and the CARES economic support sys-

tem. Annual program revenue appropriations do not allow the division to guarantee system availability or to produce cost savings in a technological market.

**Cited segments of 1997 Assembly Bill 100:**

**SECTION 169.** 20.005 (3) of the statutes is repealed and recreated to read:

STATUTE, AGENCY AND PURPOSE	SOURCE	TYPE	1997-98	1998-99
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**20.505 Administration, department of**

(1) SUPERVISION AND MANAGEMENT; LAND INFORMATION BOARD

(kL) Information technology processing services to agencies	PR-S	A	41,563,700	41,640,000
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**Vetoed  
In Part**

**Vetoed  
In Part** **SECTION 670r.** 20.505 (1) (kL) of the statutes is amended to read:

20.505 (1) (kL) *Information technology processing services to agencies. All moneys received from state agencies* The amounts in the schedule for the provision

of information technology processing services under ss. 16.973 and 16.974, ~~to be used.~~ All moneys received from state agencies for the purpose of providing these information technology processing services shall be credited to this appropriation account.

**Vetoed  
In Part**

**Item E-5. Large Information Technology System Oversight**

**Governor's written objections**

*Sections 143n and 9101(11g)*

These provisions require the Department of Administration to submit, semiannually, a joint report to the Joint Committee on Information Policy and the Joint Committee on Finance that identifies and describes all existing or planned projects for information technology system development or procurement that will have a total cost to the state exceeding \$1,000,000 in the current or any succeeding fiscal biennium.

I am vetoing these provisions because they create an unnecessary duplicative requirement for agencies which currently report all information technology projects in planning and development or procurement through the annual strategic planning process. The provisions also create additional agency workload at a time when staff and funding are being reduced.

**Cited segments of 1997 Assembly Bill 100:**

**Vetoed  
In Part** **SECTION 143n.** 16.971 (2s) of the statutes is created to read:

16.971 (2s) The department shall report semiannually to the members of the joint committee on information policy and the joint committee on finance concerning each existing or planned project for information technology system development or procurement, or both, which the department anticipates will have a total cost to the state exceeding \$1,000,000 in the current or any succeeding fiscal biennium. The report shall contain a specific identification and description of each project.

**Vetoed  
In Part**

**SECTION 9101. Nonstatutory provisions; administration.**

(11g) INFORMATION TECHNOLOGY SYSTEM DEVELOPMENT AND PROCUREMENT PROJECTS REPORTS. The department of administration shall submit its initial report concerning state information technology system development and procurement under section 16.971 (2s) of the statutes, as created by this act, no later than January 1, 1998, or the day after publication of this act, whichever is later.

**Vetoed  
In Part**

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**Item E-6. Performance-Based Budgeting Pilot Program**

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**Governor's written objections**

*Section 9156 (5m)*

This provision requires the Departments of Transportation, Workforce Development, Natural Resources, Health and Family Services, Corrections and the TEACH Board to submit agency budget requests for the 1999-2001 biennium on a performance-based budget basis. Further, it requires that each of the agencies, under the direction of the State Budget Office, develop program outcome measures and associated budget requests for the agencies' programs. Program outcome measures must be submitted to the State Budget Office for approval by July 1, 1998.

I am partially vetoing the requirement for performance-based budgets for all specified agencies except the Department of Transportation and the TEACH Board. I am supportive of the concept of performance-based budgeting, but believe the pilot should be phased in with fewer agencies in order to be implemented more effectively. The other enumerated agencies have undergone major reorganizations in the last two biennia and would not be appropriate for a pilot at this time. Preparing budget requests in a new format will be a time consuming, additional responsibility at a time when agency resources are being reduced. However, the Department of Administration will evaluate and monitor the pilot program and may expand performance-based budgeting to other agencies in future biennia.

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**Cited segments of 1997 Assembly Bill 100:**

**SECTION 9156. Nonstatutory provisions; other.**  
(5m) PERFORMANCE-BASED BUDGETING PILOT PROGRAM.  
(a) In this subsection, "participating agency" means the technology for educational achievement in Wiscon-

sin board and the departments of corrections, health and family services, natural resources, transportation and workforce development.

**Vetoed  
In Part**

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**Item E-7. Biennial Budget to Budget Comparisons**

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**Governor's written objections**

*Sections 105p, 105q, 105r and 105t*

These provisions require the Department of Administration, when preparing the biennial budget executive summary, to provide both a comparison of the base level of appropriated funding for the current biennium with the Governor's proposed level of appropriations for the forthcoming biennium and a comparison of the estimated level of actual expenditures for the current biennium with the Governor's proposed level of appropriations for the forthcoming biennium.

I am vetoing these provisions because it is more meaningful to present annual increases in revenues and expenditures and to present the proposed budget increases compared to the last year of the current biennium. In addition, compiling the information for the executive summary in a new format will create still another budget presentation format at a point in the process when timing is key in distributing and announcing Governor's recommendations to the Legislature and the public.

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**Cited segments of 1997 Assembly Bill 100:**

**Vetoed In Part** **SECTION 105p.** 16.46 (intro.), (1), (3) and (4) of the statutes are amended to read:

**16.46 Biennial budget, contents.** (intro.) The biennial state budget report shall be prepared by the secretary, under the direction of the governor, and a copy of a budget-in-brief thereof shall be furnished to each member of the legislature on the day of the delivery of the budget message. The biennial state budget report shall be furnished to each member of the legislature on the same day and shall contain all of the following information:

(1) A summary of the actual and estimated receipts of the state government in all operating funds under existing laws during the current and the succeeding bienniums, classified so as to show the receipts by funds, organization units and sources of income;

(3) A statement showing the condition of all operating funds of the treasury at the close of the preceding fiscal year and the estimated condition at the close of the current year;

(4) A statement showing how the total estimated disbursements during each year of the succeeding biennium compare with the estimated receipts, and the additional revenues, if any, needed to defray the estimated expenses of the state;

**SECTION 105q.** 16.46 (2) of the statutes is amended to read:

16.46 (2) A summary of the actual and estimated disbursements of the state government from all operating funds during the current biennium and of the requests of agencies and the recommendations of the governor for the succeeding biennium;

**SECTION 105r.** 16.46 (5) of the statutes is renumbered 16.46 (5) (intro.) and amended to read:

16.46 (5) (intro.) A statement of the actual and estimated receipts and disbursements of each department and of all state aids and activities during the current biennium, the departmental estimates and requests, and the recommendations of the governor for the succeeding biennium. Estimates of expenditures shall be classified to set forth such expenditures by funds, organization units, appropriation, object and activities at the discretion of the secretary. Regardless of the classification chosen by the secretary, the statement shall compare the recommendations of the governor for disbursements for that classification during the succeeding biennium with all of the following:

**SECTION 105t.** 16.46 (5) (a) and (b) of the statutes are created to read:

16.46 (5) (a) A base level of funding for that classification for the current biennium. The base level of funding shall be determined by adding, with respect to sum certain appropriations within that classification, the amounts appropriated for the 2 years in the current biennium from those appropriations and, with respect to sum sufficient appropriations within that classification, the estimated expenditures from those sum sufficient appropriations for the 2 years in the current biennium, as determined by the secretary.

(b) The secretary's estimate of the amount that will actually be expended from the appropriations within that classification over the 2 years of the current biennium.

**Vetoed In Part**

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**LAND INFORMATION BOARD/WISCONSIN LAND COUNCIL**

**Item E-8. Geographic Information Systems Authority**

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**Governor's written objections**

*Section 133c*

This provision allows the Department of Administration to develop and maintain geographic information systems (GIS) relating to land if legislation to fund the activity is enacted and the department submits a report to the Joint Committee on Finance explaining use of this authority.

I am partially vetoing this provision to remove the requirement to enact legislation and Joint Committee on Finance oversight because these requirements would delay implementation of this important project. GIS allow the correlation of data necessary in the development of local and statewide land use policy, and I want to ensure that this information be available to land use decision makers as quickly as possible.

**Cited segments of 1997 Assembly Bill 100:**

**SECTION 133c.** 16.966 (3) and (4) of the statutes are created to read:

16.966 (3) The department may develop and maintain geographic information systems relating to land in this state for the use of governmental and nongovernmental units, if any legislation required to fund this activity is first enacted and if the department first submits to the cochairpersons of the joint committee on finance a report concerning how the department intends to utilize this authority. If the cochairpersons of the committee do not notify the department that the committee has scheduled

a meeting for the purpose of reviewing the report within 14 working days after the date of the department's submittal, the department may carryout the action proposed in the report to the extent authorized by law. If, within 14 working days after the date of the department's submittal, the cochairpersons of the committee notify the department that the committee has scheduled a meeting for the purpose of reviewing the action proposed in the report, no action proposed in the report may be taken unless the committee approves that action.

**Vetoed  
In Part**

**Vetoed  
In Part**

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**STATE BUILDING PROGRAM**

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**Item E-9. Local Inducements for State Building Projects**

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**Governor's written objections**

*Section 2198m*

This provision creates an exception to the current law that prohibits a town, village, or city from making an appropriation or bonus of any kind, incurring a liability or levying a tax as an inducement for the state to locate a public institution. The exception allows municipalities to make a donation of land.

I am partially vetoing the words "of land" to eliminate the restriction on the type of donation that municipalities can provide as an inducement for the state to locate a public institution in a specific locality. The ability to donate these types of services should be a local decision and not restricted by state law.

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**Cited segments of 1997 Assembly Bill 100:**

**SECTION 2198m.** 66.04 (1) (intro.) of the statutes is amended to read:

66.04 (1) BONUS TO STATE INSTITUTION. (intro.) No appropriation or bonus of any kind shall, except for a donation of land, may be made by any town, village, or

city, nor any municipal liability created nor tax levied, as a consideration or inducement to the state to locate any public educational, charitable, reformatory, or penal institution.

**Vetoed  
In Part**

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**Item E-10. State Fair Park Board Program Revenue Authority**

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**Governor's written objections**

*Section 740bs*

This provision reduces the program revenue supported borrowing for utility improvement and other maintenance projects for the park.

I am vetoing this provision to provide the bonding authority necessary to support the State Fair Park’s share of utility improvement and other maintenance projects for the park and to provide the Building Commission with flexibility on funding of the improvements.

**Cited segments of 1997 Assembly Bill 100:**

**Vetoed In Part** SECTION 740bs. 20.866 (2) (zz) of the statutes is amended to read:  
20.866 (2) (zz) *State fair park board; self-amortizing facilities.* From the capital improvement fund, a sum suf-

ficient to the state fair park board to acquire, construct, develop, enlarge or improve facilities at the state fair park in West Allis. The state may contract public debt not to exceed \$27,850,000 \$26,387,000 for this purpose.

**Vetoed In Part**

**Item E-11. Nash Auto Museum**

**Governor’s written objections**

*Section 9107 (12zt)*

This provision enumerates \$1,000,000 as the state’s contribution toward the construction of the Nash Auto Museum at Kenosha. The provision further provides that the Building Commission give priority to funding the museum project over funding of unenumerated minor projects. In addition, the provision states that the Department of Administration shall not supervise any services or work for the project and eliminates any approval made by the Governor or secretary on the project.

I am partially vetoing the provision that requires priority funding of the museum project because the funding is targeted for much needed maintenance of state-owned facilities and a new project should not take priority over maintaining the state’s investment in its existing facilities. I also am partially vetoing the elimination of the Department of Administration’s oversight of the services and work performed on the project and the elimination of my gubernatorial approval of the project. Since the state is making a significant investment towards the museum, it is only proper that it maintain some oversight and approval of the project.

**Cited segments of 1997 Assembly Bill 100:**

**SECTION 9107. Nonstatutory provisions; building commission.**

(12zt) NASH AUTO MUSEUM.

**Vetoed In Part** (a) After funding all other enumerated projects to be funded from public debt contracted under section 20.866 (2) (z) of the statutes, in allocating any remaining existing but unused bonding authority under section 20.866 (2) (z) of the statutes, the building commission shall give priority to funding the Nash Auto Museum project over funding unenumerated minor projects.

**Vetoed In Part** (b) If the building commission approves the Nash Auto Museum project, the building commission shall authorize the contracting of public debt under section 20.866 (2) (z) of the statutes, as affected by this act, for the purpose of making a payment to the Kenosha Historical Society to provide facilities suitable for the maintenance, storage and display of its collection of Nash

automobiles and other historical materials. The total amount of the payments under this paragraph shall be determined by the building commission, but shall not exceed the lesser of the amount enumerated in the state building program for the project under existing general fund supported borrowing or 12.5% of the cost of the project. The building commission may not make payments under this paragraph unless the department of administration has reviewed and approved the plans for the project. Notwithstanding sections 16.85 (1) and 16.855 (1) of the statutes, the department of administration shall not supervise any services or work or let any contract for the project. Sections 16.87 and 16.89 of the statutes do not apply to the project.

**Vetoed In Part**

**Item E-12. UW-Center Moveable Equipment Acquisition**

**Governor's written objections**

*Section 123m*

This section provides that the Department of Administration shall not require the Board of Regents of the University of Wisconsin System to acquire moveable equipment for the University of Wisconsin-Center System under a master lease.

I am vetoing the provision because it is too restrictive and because it is unnecessary, since full funding for moveable equipment was provided in the 1997-99 biennial budget for the UW-Center System. The veto allows the UW-Center System to utilize master lease as an option when bonding is not appropriate or available.

**Cited segments of 1997 Assembly Bill 100:**

**Vetoed  
In Part**

**SECTION 123m.** 16.76 (4) (b) of the statutes is amended to read:

16.76 (4) (b) The department may enter into a master lease whenever the department determines that it is advantageous to the state to do so, except that the department shall not require the board of regents of the University of Wisconsin System to acquire moveable equipment

for the University of Wisconsin-Center System under a master lease. If the master lease provides for payments to be made by the state from moneys that have not been appropriated at the time that the master lease is entered into, the master lease shall contain the statement required under s. 16.75 (3).

**Vetoed  
In Part**

**Item E-13. Surety Bonds for Public Works Contracts**

**Governor's written objections**

*Sections 5163e and 5163m*

These provisions allow state or local units of government to waive bond requirements for projects between \$10,000 and \$25,000, if the state or local government unit has developed written criteria as to what projects would require a bond to be submitted and the state or local government unit guarantees payment to any subcontractors on the project and all those who have claims for labor on the project. A bond would be required for state and local projects in excess of \$25,000. Bond requirements would not apply to the contract for the direct purchase of material by the state or local unit of government.

I am partially vetoing the requirement of a bond for projects in excess of \$25,000 because the state can potentially save millions of dollars from very large projects where it has the authority to waive bonds. Since I took office, the state has paid \$14,200,000 for surety bonds. During the same time frame, the state has recovered less than \$100,000 in settlement payments. In addition, a veto provides the Building Commission with the flexibility to determine the type of security necessary given the specific needs of each project. The decision to obtain surety bonds for local projects should be a local decision and not mandated by the state. The requirement that written standards be established provides the department, boards, and bodies the assurance that adequate guarantees are in place to successfully complete the projects.

**Cited segments of 1997 Assembly Bill 100:**

**SECTION 5163e.** 779.14 (1m) (b) 1. of the statutes is renumbered 779.14 (1m) (b) 1. (intro.) and amended to read:

779.14 (1m) (b) 1. (intro.) A contract under par. (a) shall in excess of \$10,000 may not be made unless the prime contractor gives a bond issued by a surety com-

pany licensed to do business in this state and unless the prime contractor agrees, to the extent practicable, to maintain a list of all subcontractors and suppliers performing labor or furnishing materials under the contract. The department of natural resources for contracts under s. 23.41, the department of administration for other state contracts, and the public board or body authorized to enter into such contracts for all other contracts under par.

**Vetoed In Part** (a), may waive the requirement that contractors furnish bonds if all of the following conditions are met:

**Vetoed In Part** SECTION 5163m. 779.14 (1m) (b) 1. a. to c. of the statutes are created to read:

779.14 (1m) (b) 1. a. The contract is not in excess of \$25,000.

b. The contract meets the written standards for a waiver established by the department, board or body authorized to waive the requirement.

c. The department, board or body authorized to waive the requirement guarantees payment to any subcontractor on the project covered by the contract or those who have claims for labor on the project covered by the contract.

**Vetoed In Part**  
**Vetoed In Part**

**Vetoed In Part**

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## OFFICE OF THE LIEUTENANT GOVERNOR

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### Item E-14. Elimination of Certain State Government Boards, Councils and Commissions

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#### Governor's written objections

- Metallic Mining Council  
*Sections 67q; 3636m; 3636p; 3730m; and 3730p.*
- Council on Affirmative Action  
*Sections 59m; 695n; 3290p; and 3316e.*
- Depository Selection Board  
*Sections 26m; 50m; 744e; 744m; 744s; 747m; 840m; 1150c; 1150g; 1150L; 1150p; 1150t; 1150x; 4291t; 4677m; and 9101(13m).*

The Legislature adopted most of the recommendations made by the Lieutenant Governor to eliminate unnecessary government bodies. Repealing 50 councils, boards or commissions is a significant achievement and, with three exceptions, I support these actions.

The Metallic Mining Council, the Council on Affirmative Action, and the Depository Selection Board are making what I consider to be relevant contributions and should be retained. By my veto I am removing these three entities from the list of government bodies being repealed.

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#### Cited segments of 1997 Assembly Bill 100:

**Vetoed In Part** SECTION 67q. 15.347 (12) of the statutes is repealed.  
SECTION 3636m. 289.05 (2) of the statutes is amended to read:

289.05 (2) ~~With the advice and comment of the metallic mining council, the~~ The department shall promulgate rules for the identification and regulation of metallic mining wastes. The rules promulgated to identify metallic mining wastes and to regulate the location, design, construction, operation and maintenance of facilities for

the disposal of metallic mining wastes shall be in accordance with any or all of the provisions under this chapter and chs. 30 and 283. The rules shall take into consideration the special requirements of metallic mining operations in the location, design, construction, operation and maintenance of facilities for the disposal of metallic mining wastes as well as any special environmental concerns that will arise as a result of the disposal of metallic mining wastes. In promulgating the rules, the department shall

**Vetoed In Part**

**Vetoed In Part** give consideration to research, studies, data and recommendations of the U.S. environmental protection agency on the subject of metallic mining wastes arising from the agency's efforts to implement the resource conservation and recovery act.

**SECTION 3636p.** 289.08 of the statutes is repealed.

**SECTION 3730m.** 293.13 (1) (b) of the statutes is amended to read:

293.13 (1) (b) Establish by rule ~~after consulting with the metallic mining council~~ minimum qualifications for applicants for prospecting and mining permits. Such minimum qualifications shall ensure that each operator in the state is competent to conduct mining and reclamation and each prospector in the state is competent to conduct prospecting in a fashion consistent with the purposes of this chapter. The department shall also consider such other relevant factors bearing upon minimum qualifications, including but not limited to, any past forfeitures of bonds posted pursuant to mining activities in any state.

**SECTION 3730p.** 293.13 (2) (a) of the statutes is amended to read:

293.13 (2) (a) The department by rule ~~after consulting with the metallic mining council~~ shall adopt minimum standards for exploration, prospecting, mining and reclamation to ensure that such activities in this state will be conducted in a manner consistent with the purposes and intent of this chapter. The minimum standards may classify exploration, prospecting and mining activities according to type of minerals involved and stage of progression in the operation.

**Vetoed In Part** **SECTION 59m.** 15.177 of the statutes is repealed.

**SECTION 695n.** 20.512 (2) of the statutes is repealed.

**SECTION 3290p.** 230.04 (9) (f) of the statutes is amended to read:

230.04 (9) (f) Establish an affirmative action subunit reporting directly to the secretary. The affirmative action subunit shall advise and assist the secretary, the administrator and agency heads on establishing policies and programs to ensure appropriate affirmative action. The subunit shall advise and assist the secretary in monitoring such programs and shall provide staff to the affirmative action council.

**SECTION 3316e.** 230.46 of the statutes is repealed.

**Vetoed In Part** **SECTION 26m.** 14.58 (19) of the statutes is amended to read:

14.58 (19) APPORTION INTEREST. Apportion at least quarterly the interest earned on state moneys in all depositories among the several funds as provided in s. 25.14 (3), except that earnings attributable to the investment of temporary excess balances under sub. (4) (b) shall be distributed according to a formula prescribed by the ~~depository selection board~~ state treasurer. To the maximum extent deemed administratively feasible by the ~~depository selection board~~ state treasurer, the formula shall approximate the distribution of earnings among funds which would occur if earnings were allocated in proportion to each fund's actual contribution to the earnings. Interest

so apportioned shall be added to and become a part of such funds.

**SECTION 50m.** 15.105 (3) of the statutes is repealed.

**SECTION 744e.** 20.905 (1) of the statutes is amended to read:

20.905 (1) MANNER OF PAYMENT. Payments to the state may be made in legal tender, postal money order, express money order, bank draft or certified check. Payments to the state may also be made by personal check or individual check drawn in the ordinary course of business unless otherwise required by individual state agencies. Payments to the state made by a debit or credit card approved by the ~~depository selection board~~ state treasurer may be accepted by state agencies. Prior to authorizing the use of a card, the ~~depository selection board~~ state treasurer shall determine how any charges associated with the use of the card shall be paid, unless the method of payment of such charges is specified by law.

**SECTION 744m.** 20.905 (2) of the statutes is amended to read:

20.905 (2) PROTESTED PAYMENT. If a personal check tendered to make any payment to the state is not paid by the bank on which it is drawn, or if a demand for payment under a debit or credit card transaction is not paid by the bank upon which demand is made, the person by whom the check has been tendered or the person entering into the debit or credit card transaction shall remain liable for the payment of the amount for which the check was tendered or the amount agreed to be paid by debit or credit card and for all legal penalties, additions and a charge set by the ~~depository selection board~~ state treasurer which is comparable to charges for unpaid drafts made by establishments in the private sector. In addition, the officer to whom the check was tendered or to whom the debit or credit card was presented may, if there is probable cause to believe that a crime has been committed, provide any information or evidence relating to the crime to the district attorney of the county having jurisdiction over the offense for prosecution as provided by law. If any license has been granted upon any such check or any such debit or credit card transaction, the license shall be subject to cancellation for the nonpayment of the check or failure of the bank to honor the demand for payment authorized by debit or credit card.

**SECTION 744s.** 20.906 (6) of the statutes is amended to read:

20.906 (6) DIRECT DEPOSITS. The governor or the state treasurer may require state agencies making deposits under this section to make direct deposits to any depository designated by the ~~depository selection board~~ state treasurer, if such a requirement is advantageous or beneficial to this state.

**SECTION 747m.** 20.920 (2) (c) of the statutes is amended to read:

20.920 (2) (c) All moneys in a contingent fund, except petty cash accounts established under s. 16.52 (7),

**Vetoed In Part**

**Vetoed In Part** shall be deposited in a separate account in a public depository approved by the ~~depository selection board state treasurer~~. The agency head of each state agency having a contingent fund is responsible for all disbursements from the fund, but the agency head may delegate the responsibility for administration of the fund to a custodian, who shall be an employe of the agency. State agency invoices which qualify for payment from a contingent fund may be paid by check, share draft or other draft drawn by the agency head or custodian against the account. No such invoice need be submitted for audit prior to disbursement. After making each disbursement, the agency head shall file with the secretary a claim for reimbursement of the contingent fund on a voucher which shall be accompanied by a copy of the invoice to be reimbursed. Upon audit and approval of the claim by the secretary, the department of administration shall reimburse the contingent fund with the total amount lawfully paid therefrom.

**Vetoed In Part** **SECTION 840m.** 25.19 (3) of the statutes is amended to read:

25.19 (3) The state treasurer shall, ~~at the direction of the depository selection board under s. 34.045 (1) (b),~~ allocate bank service costs to the funds incurring those costs.

**SECTION 1150c.** 34.045 (title) of the statutes is repealed and recreated to read:

**34.045 (title) Duties of the state treasurer.**

**SECTION 1150g.** 34.045 (1) (intro.) of the statutes is amended to read:

34.045 (1) (intro.) The ~~depository selection board state treasurer~~ shall:

**SECTION 1150L.** 34.045 (1) (b) of the statutes is amended to read:

34.045 (1) (b) Establish procedures by which state agencies and departments pay for services through compensating balances or fees, or a combination of both methods. In the case of the state treasurer's accounts, ~~direct the state treasurer to maintain compensating balances, or direct the investment board to pay bank service costs as allocated by the state treasurer under s. 25.19 (3) directly from the income account of the state investment fund, or by a combination of such methods.~~

**SECTION 1150p.** 34.045 (2) of the statutes is amended to read:

34.045 (2) In the exercise of ~~its~~ his or her authority under this section, the ~~depository selection board state treasurer~~ shall require any state department or agency to submit to ~~it~~ him or her for prior review, elimination, consolidation, renegotiation or confirmation any existing

service contract or service proposed by the department or agency.

**SECTION 1150t.** 34.045 (3) of the statutes is amended to read:

34.045 (3) The ~~board state treasurer~~ may, for cause, disapprove any contract submitted to ~~it~~ him or her under sub. (2) if ~~he or she~~ finds the proposed contract to be in violation of the guidelines established under sub. (1), or to have been improperly negotiated or to be otherwise illegal. If the ~~board state treasurer~~ fails to disapprove a proposed contract within 60 days after it is submitted by the department or agency, the contract shall be deemed approved. The ~~board state treasurer~~ shall provide written justification for disapproving a contract proposed by a state agency or department. A disapproval is subject to judicial review under ch. 227.

**SECTION 1150x.** 34.045 (4) of the statutes is amended to read:

34.045 (4) State agencies and departments shall provide the ~~board state treasurer~~ with a written justification for any proposed contract award for service.

**SECTION 4291t.** 440.23 (2) (c) of the statutes is amended to read:

440.23 (2) (c) Pays the charge for an unpaid draft established by the ~~depository selection board state treasurer~~ under s. 20.905 (2).

**SECTION 4677m.** 563.055 (2) (b) of the statutes is amended to read:

563.055 (2) (b) Pays the charge for an unpaid draft established by the ~~depository selection board state treasurer~~ under s. 20.905 (2).

**SECTION 9101. Nonstatutory provisions; administration.**

(13m) **REPEAL OF THE DEPOSITORY SELECTION BOARD.**

(a) *Rules and orders.* All rules promulgated by the depository selection board that are in effect on the effective date of this paragraph remain in effect until their specified expiration dates or until amended or repealed by the state treasurer. All orders issued by the depository selection board that are in effect on the effective date of this paragraph remain in effect until their specified expiration dates or until modified or rescinded by the state treasurer.

(b) *Pending matters.* Any matter pending with the depository selection board on the effective date of this paragraph is transferred to the state treasurer and all materials submitted to or actions taken by the depository selection board with respect to the pending matter are

**Vetoed In Part**

**Vetoed In Part**

**Vetoed In Part**

**Vetoed** considered as having been submitted to or taken by the  
**In Part** state treasurer.

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## DEPARTMENT OF EMPLOYMENT RELATIONS

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### Item E-15. Investigations Relating to Code of Ethics Violations

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#### Governor's written objections

*Section 3308m*

This section requires the Administrator of the Division of Merit Recruitment and Selection in the Department of Employment Relations to establish, by rule, procedures that state agencies should follow in the investigation of alleged violations of the code of ethics. The department would further assume investigatory and disciplinary responsibilities if it were determined that a state agency was not following the prescribed rule.

I object to this change because I believe that existing laws and agency compliance with them are adequate. These additional requirements will not improve the quality of investigations of agency or employe misconduct or of the corrective actions being taken. I am therefore vetoing this provision.

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#### Cited segments of 1997 Assembly Bill 100:

**Vetoed** SECTION 3308m. 230.125 of the statutes is created to  
**In Part** read:

**230.125 Investigations relating to code of ethics violations.** (1) In this section, "code of ethics" means the code of ethics promulgated by rule under s. 19.45 (11) (a).

(2) The administrator shall establish by rule procedures that each agency shall follow in investigating any alleged violation of the code of ethics. The administrator shall specify by rule appropriate discipline for a violation of the code of ethics, except that such discipline may not include a fine, forfeiture or term of imprisonment.

(3) If an employe is alleged by his or her appointing authority to have violated the code of ethics, the administrator, at his or her own initiative or at the request of the appointing authority, may suspend with pay the employe pending investigation of the alleged violation of the code of ethics. Any employe who is determined to have violated a provision of the code of ethics may be disciplined

by the appointing authority or the administrator as provided in rules promulgated under sub. (2).

(4) If an appointing authority is investigating an alleged violation of the code of ethics and the administrator determines that the appointing authority is not following procedures established by rule under sub. (2), the administrator may assume control of the investigation.

(5) Any information contained in records obtained or prepared by the appointing authority or administrator in connection with an investigation of an alleged violation of the code of ethics may not be disclosed to the public, unless the alleged violation is referred to a district attorney or the attorney general and the information is used by a district attorney or the attorney general in the course of any civil or criminal action arising out of a violation of the code of ethics. Upon request, the administrator shall disclose the outcome of any such investigation, including any discipline imposed on the employe.

**Vetoed**  
**In Part**

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### Item E-16. Audit of Public Employe Training Functions

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#### Governor's written objections

*Section 9132 (1g)*

This section requests the Joint Legislative Audit Committee to perform a financial and performance audit of the public employe training functions in the Department of Employment Relations.

The Audit Committee is fully able to decide which agency programs it wishes to review. This request in the budget bill is therefore unnecessary and I am vetoing it.

**Cited segments of 1997 Assembly Bill 100:**

**SECTION 9132. Nonstatutory provisions; legisla-  
ture.**

**Vetoed  
In Part** (1g) AUDIT OF THE PUBLIC EMPLOYE TRAINING FUNC-  
TIONS OF THE DEPARTMENT OF EMPLOYMENT RELATIONS.  
The joint legislative audit committee is requested to di-  
rect the legislative audit bureau to perform a financial and  
performance evaluation audit of the public employe  
training functions of the department of employment rela-  
tions. The audit shall include an evaluation of whether  
the department of employment relations should offer  
training services to public employes. If the audit recom-  
mends that the department of employment relations con-

tinue to provide training services to public employes, the  
audit shall offer recommendations regarding what role  
the department should adopt in providing such training  
services and whether current law allows for the adoption  
of that role, whether departmental staff is required for  
providing the training services and how the training ser-  
vices may be reliably funded from fees paid by govern-  
mental agencies that contract with the department for  
providing the services. If the committee directs the legis-  
lative audit bureau to perform the audit, the bureau shall  
file its report as described under section 13.94 (1) (b) of  
the statutes by September 1, 1998.

**Vetoed  
In Part**

**DISTRICT ATTORNEYS**

**Item E-17. WRS Service Adjustments to Milwaukee County District Attorneys**

**Governor's written objections**

*Sections 169 [as it relates to s. 20.475 (1) (d)], 652z, 1315b, 1315c, 1317m, 2693mm, 5485c, 5485g, 5485n, 5485r, 5485w and 9316 (2q)*

The biennial budget grants prior service credit for certain Milwaukee County assistant district attorneys for years earned under the Milwaukee County Retirement System which did not carry over as credit in the Wisconsin Retirement System when these positions became employes of the state. The associated unfunded liability is to be paid off over a ten year period through annual deductions in fringe benefit cost reimbursements to Milwaukee County from the appropriation under s. 20.475(1)(d). The Legislature also appropriated one-time funding of \$50,000 GPR each year in this appropriation to help offset the reduction in payments to Milwaukee County.

I object to these provisions because they create an additional burden on the property taxpayers of Milwaukee County without providing an opportunity for them to be heard through the public hearing process. I also object to the use of state funds in the disposition of this matter. Milwaukee County has raised concerns about these provisions. I am therefore vetoing these provisions in their entirety. By lining out the District Attorneys s. 20.475 (1) (d) appropriation and writing in a smaller amount to delete the \$50,000 in fiscal years 1997-98 and 1998-99, I am vetoing the part of the bill which funds the one-time subsidy. I am also requesting the Secretary of the Department of Administration not to allot the associated dollars.

**Cited segments of 1997 Assembly Bill 100:**

**SECTION 169.** 20.005 (3) of the statutes is repealed and recreated to read:

STATUTE, AGENCY AND PURPOSE	SOURCE	TYPE	1997-98	1998-99
<b>20.475 District attorneys</b>				
(1) DISTRICT ATTORNEYS				
(d) Salaries and fringe benefits	GPR	A	30,698,200 30,648,200	31,165,600 31,115,600

**Vetoed  
In Part**

**Vetoed In Part** SECTION 652z. 20.475 (1) (d) of the statutes is amended to read:

20.475 (1) (d) *Salaries and fringe benefits.* The amounts in the schedule for salaries and fringe benefits of district attorneys and state employes of the office of the district attorney, for payments under s. 40.05 (2) (bz) 3. and for payments under s. 978.045 (2) (b).

SECTION 1315b. 40.02 (17) (g) of the statutes is repealed.

SECTION 1315c. 40.02 (17) (gm) of the statutes is created to read:

40.02 (17) (gm) Any assistant district attorney in a county having a population of 500,000 or more who did not have vested benefit rights under the retirement system established under chapter 201, laws of 1937, who became a participating employe on January 1, 1990, and who is a participating employe on the effective date of this paragraph .... [revisor inserts date], shall receive creditable service for the total period of his or her service under the retirement system established under chapter 201, laws of 1937.

SECTION 1317m. 40.05 (2) (bz) of the statutes is created to read:

40.05 (2) (bz) 1. The department shall calculate the amount necessary to fund the creditable service granted under s. 40.02 (17) (gm).

2. The unfunded prior service liability of the department of administration is increased by the amount calculated under subd. 1.

3. The department of administration, beginning in the 1997-98 fiscal year and ending in the 2006-07 fiscal year, shall pay the Wisconsin retirement system in each fiscal year an amount that equals 10% of the amount calculated under subd. 1., plus interest calculated annually at the assumed rate. The department of administration shall pay this amount from the appropriation account under s. 20.475 (1) (d).

**Vetoed In Part** SECTION 2693mm. 111.91 (2) (Lm) of the statutes is created to read:

111.91 (2) (Lm) Any reduction in fringe benefits provided by a county having a population of 500,000 or more to assistant district attorneys, who are granted creditable service under s. 40.02 (17) (gm), to compensate for the reduction in the state's reimbursement of the employer's cost for fringe benefits under s. 978.12 (6) (b).

SECTION 5485c. 978.12 (5) (b) of the statutes is amended to read:

978.12 (5) (b) *Employes generally.* District attorneys and state employes of the office of district attorney shall be included within the provisions of the Wisconsin retirement system under ch. 40 as a participating employe of that office, except that the district attorney and state employes of the office of district attorney in a county having a population of 500,000 or more have the option provided under par. (e) s. 978.12 (5) (c), 1995 stats.

SECTION 5485g. 978.12 (5) (c) 5. of the statutes is repealed.

SECTION 5485n. 978.12 (6) of the statutes is renumbered 978.12 (6) (a) and amended to read:

978.12 (6) (a) District attorneys and state employes of the office of district attorney shall be included within all insurance benefit plans under ch. 40, except as authorized in this subsection paragraph. Alternatively, the state shall provide insurance benefit plans for district attorneys and state employes in the office of district attorney in the manner provided in this subsection paragraph. A district attorney or other employe of the office of district attorney who was employed in that office as a county employe on December 31, 1989, and who received any form of fringe benefits other than a retirement, deferred compensation or employe-funded reimbursement account plan as a county employe, as defined by that county pursuant to the county's personnel policies, or pursuant to a collective bargaining agreement in effect on January 1, 1990, or the most recent collective bargaining agreement covering represented employes who are not covered by such an agreement, may elect to continue to be covered under all such fringe benefit plans provided by the county after becoming a state employe. In a county having a population of 500,000 or more, the fringe benefit plans shall include health insurance benefits fully paid by the county for each retired employe who, on or after December 31, 1989, attains at least 15 years of service in the office of district attorney of that county, whether or not the service is as a county employe, for the duration of the employe's life. An employe may make an election under this subsection paragraph no later than January 31, 1990, except that an employe who serves as an assistant district attorney in a county having a population of 500,000 or more may make an election under this subsection paragraph no later than March 1, 1990. An election under this subsection paragraph shall be for the duration of the employe's employment in the office of district attorney for the same county by which the employe was employed or until the employe terminates the election under this subsection paragraph, at the same cost to the county as the county incurs for a similarly situated county employe. If Subject to par. (b), if the employer's cost for such fringe benefits for any such employe is less than or equal to the cost for comparable coverage under ch. 40, if any, the state shall reimburse the county for that cost. If Subject to par. (b), if the employer's cost for such fringe benefits for any such employe is greater than the cost for comparable coverage under ch. 40, the state shall reimburse the county for the cost of comparable coverage under ch. 40 and the county shall pay the remainder of the cost. The cost of comparable coverage under ch. 40 shall equal the average cost of comparable coverage under ch. 40 for employes in the office of the state public defender, as contained in budget determinations approved by the joint committee on finance or the legislature under the biennial budget act for the period during which the costs are incurred. An employe who makes the election under this subsection paragraph may terminate that election, and shall then be included within all insurance benefit plans under ch. 40, except that the department of employe trust funds may require prior written notice, not exceed-

**Vetoed In Part**

**Vetoed In Part** ing one year's duration, of an employe's intent to be included under any insurance benefit plan under ch. 40.

**SECTION 5485r.** 978.12 (6) (b) of the statutes is created to read:

978.12 (6) (b) 1. Beginning in the 1997-98 fiscal year and ending in the 2006-07 fiscal year, the state shall in each fiscal year reduce its reimbursement of the employer's cost for fringe benefits under par. (a) by an amount that equals the amount paid by the department of administration to the Wisconsin retirement system under s. 40.05 (2) (bz) 3.

2. In the 1997-98 fiscal year and the 1998-99 fiscal year, after making the reduction specified under subd. 1., the state shall increase its reimbursement of the employer's cost for fringe benefits under par. (a) by \$50,000.

**SECTION 5485w.** 978.12 (6) (c) of the statutes is created to read:

978.12 (6) (c) A county having a population of 500,000 or more may not reduce the fringe benefits of any assistant district attorney granted creditable service under s. 40.02 (17) (gm) to compensate for the reduction in the state's reimbursement of the employer's cost for fringe benefits under par. (b).

**SECTION 9316. Initial applicability; employment relations commission.**

(2q) FRINGE BENEFITS OF ASSISTANT DISTRICT ATTORNEYS. The treatment of section 111.91 (2) (Lm) of the statutes first applies to employes who are affected by a collective bargaining agreement that contains provisions inconsistent with that treatment on the day on which the collective bargaining agreement expires or is extended, modified or renewed, whichever occurs first.

**Vetoed In Part**

**Vetoed In Part**

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## RETIREMENT RESEARCH COMMITTEE

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### Item E-18. Required Reports

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#### Governor's written objections

*Section 9132 (1h) and (4z)*

These provisions request the Retirement Research Committee to conduct two studies and make reports on: (1) the feasibility of reopening the variable retirement investment trust to participants in the Wisconsin Retirement System (WRS); and (2) the extent to which participants in WRS are currently receiving both a salary from a participating employer in the WRS and an annuity from the WRS.

I object to these requests being elements of the biennial budget bill. There are other more appropriate legislative avenues available for pursuing these policy issues which will ensure a broader opportunity for input by interested parties. I am therefore vetoing both provisions.

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#### Cited segments of 1997 Assembly Bill 100:

**SECTION 9132. Nonstatutory provisions; legislature.**

**Vetoed In Part** (1h) A STUDY OF THE FEASIBILITY OF REOPENING THE VARIABLE RETIREMENT INVESTMENT TRUST TO PARTICIPANTS IN THE WISCONSIN RETIREMENT SYSTEM.

(a) The retirement research committee, with the cooperation of the department of employe trust funds and the investment board, is requested to study the feasibility and cost implications of reopening the variable retirement investment trust to participants in the Wisconsin retirement system who are currently prohibited from having their employe and employer retirement contributions

credited to the variable retirement investment trust. The study shall include all of the following:

1. An assessment of the impact on employer required contributions as a result of reopening the variable retirement investment trust.
2. An examination of the impact on investments in the fixed retirement investment trust if assets are transferred from the fixed retirement investment trust to the variable retirement investment trust as a result of reopening the variable retirement investment trust.
3. An evaluation of whether the administrative workload in the department of employe trust funds and

**Vetoed In Part**

**Vetoed In Part** the investment board would increase as a result of re-opening the variable retirement investment trust.

4. A review of the implications for participating employees who may elect to have their employe and employer retirement contributions credited to the variable retirement investment trust.

(b) If the retirement research committee conducts the study specified in paragraph (a), the retirement research committee shall submit its report to the joint committee on finance by April 1, 1998.

**Vetoed In Part** (4z) PARTICIPATING EMPLOYMENT BY ANNUITANTS IN THE WISCONSIN RETIREMENT SYSTEM.

(a) The retirement research committee is requested to study the extent to which participants in the Wisconsin

retirement system are concurrently receiving a salary from a participating employer in the Wisconsin retirement system and an annuity from the Wisconsin retirement system.

(b) If the retirement research committee conducts the study specified in paragraph (a), the retirement research committee shall submit a report of its findings and recommendations to the joint survey committee on retirement systems by March 8, 1998. At the time that the retirement research committee submits the report to the joint survey committee on retirement systems, the retirement research committee may also submit proposed legislation that is necessary to implement the retirement research committee's recommendations.

**Vetoed In Part**

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## GENERAL PROVISIONS

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### Item E-19. Delegation of Pension Fund Investment Authority

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#### Governor's written objections

*Section 2198v and w*

These sections permit the Milwaukee public school district to delegate the investment authority over any of its funds not immediately needed and held in trust for its qualified pension plans to an investment manager who meets requirements and qualifications specified in the trust's investment policies and who is registered as an investment adviser under federal code. Such investment of funds is made subject to the "prudent person rule" defined in s. 881.01 of the Wisconsin Statutes.

I object to the way this delegation of authority dilutes the direct responsibility for investment decisions currently vested with the elected Milwaukee Board of School Directors, who are the trustees of their pension fund. I am vetoing these sections in order to preserve this more direct accountability.

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#### Cited segments of 1997 Assembly Bill 100:

**Vetoed In Part** SECTION 2198v. 66.04 (2) (b) of the statutes is amended to read:

66.04 (2) (b) Any town, city or village may invest surplus funds in any bonds or securities issued under the authority of the municipality, whether the bonds or securities create a general municipality liability or a liability of the property owners of the municipality for special improvements, and may sell or hypothecate the bonds or securities. Funds of any employer, as defined by s. 40.02 (28), in a deferred compensation plan may also be invested and reinvested in the same manner authorized for investments under s. 881.01 (1). Funds of any school district operating under ch. 119, held in trust for pension plans intended to qualify under section 401 (a) of the In-

ternal Revenue Code, may be invested and reinvested in the same manner authorized for investments under s. 881.01.

SECTION 2198w. 66.04 (2s) of the statutes is created to read:

66.04 (2s) ADDITIONAL DELEGATION OF INVESTMENT AUTHORITY. In addition to the authority granted under sub. (2m), a school district operating under ch. 119 may delegate the investment authority over any of its funds not immediately needed and held in trust for its qualified pension plans to an investment manager who meets the requirements and qualifications specified in the trust's investment policy and who is registered as an investment

**Vetoed In Part**

**Vetoed** adviser under the Investment Advisers Act of 1940, 15  
**In Part** USC 80b-3.

## REGULATION AND LICENSING

### Item E-20. Credential Application and Fee Effective Dates

#### Governor's written objections

*Sections 9442(1) and 9442(1j)*

These provisions make new application information requirements and new initial and credential renewal fees effective September 1, 1997 or on the first day of the second month beginning after publication of the budget act, whichever is later.

I am vetoing these provisions because the Department of Regulation and Licensing needs its new fee schedule and application information requirements effective immediately upon publication of this Act. This will enable the department to collect projected revenues and keep application forms consistent with the new initial fee and credential renewal fee schedule. Professions regulated by the department renew their licenses once every two years. While the department has lost a small amount of revenue in the first three months of fiscal year 1997-98 by not being able to charge higher fees established in the new schedule, the loss of revenue in November, 1997, would be significant. By vetoing these provisions, I am making the department's new credential renewal fees effective upon publication of this Act so its new fee schedule will be effective in November 1997 instead of December 1997.

#### Cited segments of 1997 Assembly Bill 100:

**SECTION 9442. Effective dates; regulation and licensing.**

**Vetoed** (1) INITIAL AND RENEWAL CREDENTIAL FEES. The  
**In Part** treatment of sections 440.05 (1) (a), 440.08 (2) (a) 4., 5., 6., 7., 8., 11., 11m., 12., 13., 14r., 15., 17., 18., 19., 20., 21., 22., 23., 24., 26., 27., 30., 32., 33., 36., 37m., 38., 39., 43., 44., 46., 46m., 48., 51., 53., 54., 55., 57., 58., 59., 60., 61., 63., 63m., 63t., 64., 65., 66., 66m., 67., 68d., 68h., 68p., 68t., 68v., 69. and 70. and 452.12 (2) (title) of the statutes takes effect on September 1, 1997, or on the first

day of the 2nd month beginning after publication, whichever is later.

**Vetoed**  
**In Part**

(1j) CREDENTIAL APPLICATIONS AND INFORMATION. The treatment of sections 440.03 (7) and (7m), 440.035 (4), 440.08 (2g) (a) and (b) (intro.), 440.11 (1), 443.06 (1) (a), 443.10 (2) (a), 445.08 (4) (a), 448.05 (7) and 454.08 (4) of the statutes takes effect on September 1, 1997, or on the first day of the 2nd month beginning after publication, whichever is later.

### Item E-21. Licensing of Certain Dentists

#### Governor's written objections

*Section 9142*

This section requires the Dentistry Examining Board to grant a dentistry license to a person who: (1) is licensed to practice dentistry in another jurisdiction of the United States or Canada; (2) meets dentistry requirements under the Wisconsin Administrative Code which are in effect on the effective date of this section; (3) completed a clinical licensure examination comparable to Wisconsin's at the time the person was granted a license in the other jurisdiction; and (4) applies to the Department of Regulation and Licensing for Wisconsin licensure by July 1, 1998.

I am vetoing this section entirely because the licensing requirements for dentists are established by the Dentistry Examining Board. I do not believe it appropriate to infringe upon the professional judgment and prerogatives of the members of the Dentistry Examining Board in establishing the minimum conditions under which dentists are permitted to practice in this state. However, I also believe that professional licensing laws must not, even inadvertently, serve to deprive the citizens of this state from receiving necessary health care from qualified providers. Accordingly, although it is appropriate to veto this particular licensing provision, I am requesting that the Dentistry Examining Board take all necessary steps to promulgate an emergency rule authorizing the board to waive certain requirements for dentists licensed by other states under reasonable and appropriate circumstances consistent with the needs of Wisconsin consumers. I am also requesting that the Secretary of the Department of Regulation and Licensing provide the board with assistance in promulgating the rule.

Cited segments of 1997 Assembly Bill 100:

**Vetoed In Part** SECTION 9142. Nonstatutory provisions; regulation and licensing.

(1mg) LICENSING OF CERTAIN DENTISTS.  
(a) Notwithstanding section 447.04 (1) of the statutes, the dentistry examining board shall grant a license to practice dentistry under chapter 447 of the statutes to an individual who submits an application to the department of regulation and licensing by July 1, 1998, pays the fee specified in section 440.05 (2) of the statutes and submits evidence satisfactory to the dentistry examining board that he or she satisfies all of the following:  
1. Is licensed to practice dentistry in another jurisdiction of the United States or Canada.

2. Meets the requirements of section DE 2.04 (1) (a) to (d) and (f) to (i) of the Wisconsin Administrative Code that are in effect on the effective date of this subdivision.  
3. Has completed a clinical licensure examination that was comparable to the examination that was required for licensure by the dentistry examining board at the time that the individual was granted an initial license to practice dentistry in the other jurisdiction.  
(b) A license granted under paragraph (a) has the same force and effect as a license granted under chapter 447 of the statutes and is subject to renewal under section 447.05 of the statutes.

**Vetoed In Part**

**F. TAX, FINANCE AND LOCAL GOVERNMENT**

**BOARD OF COMMISSIONERS OF PUBLIC LANDS**

**Item F-1. Sunken Logs**

**Governor's written objections**

*Sections 169 [as it relates to s. 20.245 (4) (j)], 244e, 693m, 1346e, 3124, 3129c and 9356 (8y)*

Section 3124 modified the state's offset value (share) of the revenues from the retrieval of sunken logs from 30% of appraised market value to 20% of the stumpage value of the logs. I am partially vetoing this section to provide for the state to retain 30% of stumpage value as its share of these revenues because the provision as passed by the Legislature would have a significant negative impact on state revenues. The language as vetoed will result in a reduction from current revenues to the state, but I believe it is an equitable compromise.

Sections 169 [as it relates to s. 20.245 (4) (j)], 244e, 693m, 1346e, 3129c and 9356 (8y) provide that all sunken log permit fees and the state's share of sale revenues would be credited to a new continuing PR appropriation under the State Historical Society or to GPR-earned, rather than accruing to the common school fund as they do now. Under these sections, these revenues would be used for the Northern Great Lakes Center and a new grant program related to maritime projects, with any remaining revenue above \$400,000 credited to the general fund.



**Item F-2. Expanded Investment Authority**

**Governor’s written objections**

*Sections 816c, 816e, 816g, 816j, 816L, 816n, 816p, 816r, 816t and 816v*

These sections revise the authority of the Board of Commissioners of Public Lands to invest the assets of the common school fund, the normal school fund and agricultural college funds by authorizing the Board to invest the assets of these funds in a number of newly enumerated types of securities including non-rated securities, private placements and real estate. I am vetoing these sections because I believe there are few, if any, precedents for allowing a fund to establish independent investments outside the state investment fund (SIF). The SIF draws its strength from the diversity of its participants, each with differing cash flow requirements which tend to complement other participants in the fund. Segregating individual funds out of the SIF sets a precedent for weakening the SIF. In addition, I am concerned that the requirements and qualifications for election to the offices from which the Board of Commissioners of Public Lands is comprised do not include investment experience and qualifications comparable to those required for State Investment Board members. I believe the assets of the funds in question will be more appropriately invested by the State Investment Board, which manages the SIF.

**Cited segments of 1997 Assembly Bill 100:**

**Vetoed In Part** SECTION 816c. 24.60 (1t) of the statutes is created to read:

24.60 (1t) “Investment grade” means having a rating of “BBB” or better by Standard and Poor’s Corporation and a rating of “Baa” or better by Moody’s Investor Service or, in the case of an investment that is ranked by only one of these rating agencies, having a rating of “BBB” or better by Standard and Poor’s Corporation or a rating of “Baa” or better by Moody’s Investor Service.

SECTION 816e. 24.61 (2) (a) 1. of the statutes is amended to read:

24.61 (2) (a) 1. Bonds or notes of the United States or of an agency of the U. S. government, or bonds or notes guaranteed by the United States or an agency of the U. S. government.

SECTION 816g. 24.61 (2) (a) 2. of the statutes is repealed.

SECTION 816j. 24.61 (2) (a) 7m. of the statutes is created to read:

24.61 (2) (a) 7m. Real estate located in the United States.

SECTION 816L. 24.61 (2) (a) 8. of the statutes is created to read:

24.61 (2) (a) 8. U. S., publicly traded, investment grade mortgage-backed securities or U.S., publicly traded, investment grade asset-backed securities.

SECTION 816n. 24.61 (2) (a) 9. of the statutes is created to read:

24.61 (2) (a) 9. Privately placed U. S. mortgages or privately placed, U.S., mortgage-backed securities, if the mortgages or mortgage-backed securities are investment

grade or, if unrated, are determined by the board to be of a quality that, if rated, would be investment grade.

SECTION 816p. 24.61 (2) (a) 10. of the statutes is created to read:

24.61 (2) (a) 10. Debt obligations of U.S. corporations, whether publicly offered or privately placed, that are investment grade or, if unrated, are determined by the board to be of a quality that, if rated, would be investment grade.

SECTION 816r. 24.61 (2) (a) 11. of the statutes is created to read:

24.61 (2) (a) 11. Financial contracts or other instruments that derive their value from the value or performance of securities under subd. 1. or 8. or of an index or group of securities under subd. 1. or 8.

SECTION 816t. 24.61 (2) (a) 12. of the statutes is created to read:

24.61 (2) (a) 12. Other types of U. S. debt instruments, not described under subsd. 1. to 10., determined by the board to be consistent with the standard of responsibility under par. (am).

SECTION 816v. 24.61 (2) (am) of the statutes is created to read:

24.61 (2) (am) *Standard of responsibility.* The standard of responsibility applied to the board when it invests moneys belonging to the trust funds shall be all of the following:

- 1. To invest, sell, reinvest and collect income and rents with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a similar capacity, with the same resources, and

**Vetoed In Part**

**Vetoed In Part** familiar with like matters exercises in the conduct of an enterprise of a like character with like aims.

2. To diversify investments in order to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so, considering each trust fund's portfolio as a whole at any point in time.

3. To administer assets of each trust or fund solely for the purpose of ensuring the fulfillment of the purpose of each trust or fund at a reasonable cost and not for any other purpose.

**Vetoed In Part**

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## EMPLOYMENT RELATIONS COMMISSION

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### Item F-3. Salary Component of a Qualified Economic Offer (QEO)

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#### Governor's written objections

*Sections 2692tce, 2692tcm, 2692tcr, 9316 (4fg)*

These sections require that the amount of funds available under the salary component of a qualified economic offer must be increased by the amount of any savings realized by the school district employer in its fringe benefits package.

I am vetoing this provision in its entirety. This provision applies to collective bargaining agreements that have not yet been settled by the effective date of the bill, but which will cover the 1997-98 and 1998-99 school years when settled. The estimated 30% of school districts that have already settled for this biennium will not be covered by the change. This provision would, therefore, create two different qualified economic offer policies applicable to the same school year. School districts that have not yet reached an agreement would be subject to different rules than those that have. It would be unfair to change the rules in the middle of the year.

I am calling on the Legislature to consider separate legislation in this area. Any legislation that passes should take effect after the end of the current teacher contract period, which ends on June 30, 1999.

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#### Cited segments of 1997 Assembly Bill 100:

**Vetoed In Part** SECTION 2692tce. 111.70 (1) (fm) of the statutes is created to read:

111.70 (1) (fm) "Fringe benefit savings" means the amount, if any, by which 1.7% of the total compensation and fringe benefit costs for all municipal employes in a collective bargaining unit for any 12-month period covered by a proposed collective bargaining agreement exceeds the increased cost required to maintain the percentage contribution by the municipal employer to the municipal employes' existing fringe benefit costs and to maintain all fringe benefits provided to the municipal employes, as determined under sub. (4) (cm) 8s.

SECTION 2692tcm. 111.70 (1) (nc) 1. b. of the statutes is amended to read:

111.70 (1) (nc) 1. b. In any collective bargaining unit in which the municipal employe positions were on August 12, 1993, assigned to salary ranges with steps that determine the levels of progression within each salary range during a 12-month period, a proposal to provide for a salary increase of at least one full step for each 12-month period covered by the proposed collective bar-

gaining agreement, beginning with the expiration date of any previous collective bargaining agreement, for each municipal employe who is eligible for a within range salary increase, unless the increased cost of providing such a salary increase, as determined under sub. (4) (cm) 8s., exceeds 2.1% of the total compensation and fringe benefit costs for all municipal employes in the collective bargaining unit for any 12-month period covered by the proposed collective bargaining agreement plus any fringe benefit savings, or unless the increased cost required to maintain the percentage contribution by the municipal employer to the municipal employes' existing fringe benefit costs and to maintain all fringe benefits provided to the municipal employes, as determined under sub. (4) (cm) 8s., in addition to the increased cost of providing such a salary increase, exceeds 3.8% of the total compensation and fringe benefit costs for all municipal employes in the collective bargaining unit for any 12-month period covered by the proposed collective bargaining agreement, in which case the offer shall include provision for a salary increase for each such municipal

**Vetoed In Part**

**Vetoed In Part** employe in an amount at least equivalent to that portion of a step for each such 12-month period that can be funded after the increased cost in excess of 2.1% of the total compensation and fringe benefit costs for all municipal employes in the collective bargaining unit plus any fringe benefit savings is subtracted, or in an amount equivalent to that portion of a step for each such 12-month period that can be funded from the amount that remains, if any, after the increased cost of such maintenance exceeding 1.7% of the total compensation and fringe benefit costs for all municipal employes in the collective bargaining unit for each 12-month period is subtracted on a prorated basis, whichever is the lower amount.

**SECTION 2692tr.** 111.70 (1) (nc) 1. c. of the statutes is amended to read:

111.70 (1) (nc) 1. c. A proposal to provide for an average salary increase for each 12-month period covered by the proposed collective bargaining agreement, beginning with the expiration date of any previous collective bargaining agreement, for the municipal employes in the collective bargaining unit at least equivalent to an average cost of 2.1% of the total compensation and fringe benefit costs for all municipal employes in the collective bargaining unit for each 12-month period covered by the proposed collective bargaining agreement plus any fringe benefit savings, beginning with the expiration date of any previous collective bargaining agreement, including that percentage required to provide for any step increase and any increase due to a promotion or the attainment of increased professional qualifications, as determined under sub. (4) (cm) 8s., unless the increased cost of providing such a salary increase, as determined under sub. (4) (cm) 8s., exceeds 2.1% of the total compensation and fringe benefit costs for all municipal employes in the collective bargaining unit for any 12-month

period covered by the proposed collective bargaining agreement plus any fringe benefit savings, or unless the increased cost required to maintain the percentage contribution by the municipal employer to the municipal employes' existing fringe benefit costs and to maintain all fringe benefits provided to the municipal employes, as determined under sub. (4) (cm) 8s., in addition to the increased cost of providing such a salary increase, exceeds 3.8% of the total compensation and fringe benefit costs for all municipal employes in the collective bargaining unit for any 12-month period covered by the collective bargaining agreement, in which case the offer shall include provision for a salary increase for each such period for the municipal employes covered by the agreement at least equivalent to an average of that percentage, if any, for each such period of the prorated portion of 2.1% of the total compensation and fringe benefit costs for all municipal employes in the collective bargaining unit plus any fringe benefit savings that remains, if any, after the increased cost of such maintenance exceeding 1.7% of the total compensation and fringe benefit costs for all municipal employes in the collective bargaining unit for each 12-month period and the cost of a salary increase of at least one full step for each municipal employe in the collective bargaining unit who is eligible for a within range salary increase for each 12-month period is subtracted from that total cost.

**SECTION 9316. Initial applicability; employment relations commission.**

(4fg) **QUALIFIED ECONOMIC OFFERS.** The amendment of section 111.70 (1) (nc) 1. b. and c. of the statutes and the creation of section 111.70 (1) (fm) of the statutes first apply to petitions for arbitration filed under section 111.70 (4) (cm) 6. of the statutes on the effective date of this subsection.

**Vetoed In Part**

**Vetoed In Part**

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## GENERAL FUND TAXES

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### Item F-4. Supplement to Federal Historic Rehabilitation Credit

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#### Governor's written objections

*Section 2262r, 2277n, 2287mn and 9343 (10ia)*

These sections remove the requirement that property be placed into service after June 30, 1989 to receive the federal historic rehabilitation credit. I am vetoing this provision because it is inappropriate to retroactively change the computation of the historic rehabilitation credit for a tax year that is closed.

Cited segments of 1997 Assembly Bill 100:

**Vetoed In Part** SECTION 2262r. 71.07 (9m) (a) of the statutes is amended to read:

71.07 (9m) (a) Any person may credit against taxes otherwise due under this chapter, up to the amount of those taxes, an amount equal to 5% of the costs of qualified rehabilitation expenditures, as defined in section 47 (c) (2) of the internal revenue code, for certified historic structures on property located in this state if the physical work of construction or destruction in preparation for construction begins after December 31, 1988, and the rehabilitated property is placed in service after June 30, 1989.

**Vetoed In Part** SECTION 2277n. 71.28 (6) (a) of the statutes is amended to read:

71.28 (6) (a) Any person may credit against taxes otherwise due under this chapter, up to the amount of those taxes, an amount equal to 5% of the costs of qualified rehabilitation expenditures, as defined in section 47 (c) (2) of the internal revenue code, for certified historic structures on property located in this state if the physical work of construction or destruction in preparation for

construction begins after December 31, 1988, and the rehabilitated property is placed in service after June 30, 1989.

SECTION 2287mn. 71.47 (6) (a) of the statutes is amended to read:

71.47 (6) (a) Any person may credit against taxes otherwise due under this chapter, up to the amount of those taxes, an amount equal to 5% of the costs of qualified rehabilitation expenditures, as defined in section 47 (c) (2) of the internal revenue code, for certified historic structures on property located in this state if the physical work of construction or destruction in preparation for construction begins after December 31, 1988, and the rehabilitated property is placed in service after June 30, 1989.

SECTION 9343. Initial applicability; revenue.

(10ia) REHABILITATION CREDIT. The treatment of sections 71.07 (9m) (a), 71.28 (6) (a) and 71.47 (6) (a) of the statutes first applies to taxable years beginning on January 1, 1989.

**Vetoed In Part**

**Vetoed In Part**

Item F-5. Penalty for Capital Gains on Business Assets Sold to Family Members

Governor's written objections

Section 2332v

This section provides a penalty for anyone who purchases business or farming assets from a family member and sells those assets within two years. I am partially vetoing this section because I believe the penalty imposed is too harsh. Currently the penalty is equal to the amount of the exclusion allowed under this new law (40% of capital gains) plus that amount again, prorated based on the amount of time the business was held by the purchaser. My veto will reduce the penalty so that it equals only the prorated portion of the penalty.

Cited segments of 1997 Assembly Bill 100:

SECTION 2332v. 71.83 (1) (d) of the statutes is created to read:

71.83 (1) (d) Sale of certain business assets or assets used in farming.

**Vetoed In Part** 2. The penalty described under subd. 1. shall be equal to the sum of all of the following:

a. The amount of the capital gains exclusion received by the transferor under s. 71.05 (6) (b) 25. in the transac-

tion described in subd. 1.

b. The amount calculated under subd. 2. a. multiplied by a fraction, the denominator of which is 24 and the numerator of which is the difference between 24 and the number of months between the date on which the person who is liable for the penalty purchased or otherwise received the assets described in subd. 1. and the month in which the person sells or otherwise disposes of the assets.

**Vetoed In Part**

**Item F-6. Tax Amnesty**

**Governor's written objections**

*Section 9143 (2mf)*

This section requires the Department of Revenue to develop a proposal for a tax amnesty program to be conducted in fiscal year 1997-98. The provision specifies that the department's proposal be developed and presented to the Joint Committee on Finance for its consideration at the committee's fourth quarterly meeting in 1997 under s. 13.10. I am vetoing the portion of the provision that specifies that the amnesty program must be conducted during fiscal year 1997-98 and that a proposal for the program be presented to the Joint Committee on Finance at the committee's fourth quarterly meeting in 1997 under s. 13.10. Due to the delay in passage of the budget, I believe it would be difficult if not impossible for the department to conduct a tax amnesty program during fiscal year 1997-98. With this veto I intend that the department conduct an amnesty program during fiscal year 1998-99.

**Cited segments of 1997 Assembly Bill 100:**

**Vetoed In Part** SECTION 9143. **Nonstatutory provisions; revenue.** (2mf) TAX AMNESTY. The department of revenue shall submit a proposal for a tax amnesty program to be conducted during the 1997-98 fiscal year to the joint committee on finance at the committee's 4th quarterly meeting in 1997 under section 13.10 of the statutes. This

proposed tax amnesty program shall be materially similar to the tax amnesty program conducted in 1985. The joint committee on finance may modify the department's proposal to ensure that it is materially similar to the tax amnesty program conducted in 1985.

**Item F-7. Sales Tax on Prepaid Calling Cards**

**Governor's written objections**

*Sections 2387 and 9443 (13)*

These sections apply the sales tax to prepaid calling cards at the point of sale. Phone calls made with these cards would be exempt from the Wisconsin sales tax.

I am vetoing this provision because these cards are similar to gift certificates, which are currently not taxed at the point of sale, and also because this provision would tax calls made with prepaid phone cards differently than calls made with credit cards. Also, additional amounts added to prepaid phone cards are likely to escape taxation, and there would be inequitable taxation in cases where cards were bought in states which don't impose a sales tax on them and then used in Wisconsin.

**Cited segments of 1997 Assembly Bill 100:**

SECTION 2387. 77.52 (2) (a) 5. of the statutes is amended to read:  
77.52 (2) (a) 5. The sale of telecommunications services that either originate or terminate in this state; except services that are obtained by means of a toll-free number, that originate outside this state and that terminate in this state; and are charged to a service address in this state, re-

gardless of the location where that charge is billed or paid, and the sale of telecommunications services that are paid for before the services are rendered.

SECTION 9443. **Effective dates; revenue.**  
(13) INTERSTATE TELECOMMUNICATIONS AND CALLING CARDS. The treatment of section 77.52 (2) (a) 5. of the

**Vetoed In Part**

**Vetoed In Part**

statutes takes effect on the first day of the 2nd month beginning after publication.

**Item F-8. Sales Tax on University Food Contracts**

**Governor's written objections**

*Section 2393nq*

This section modifies the current sales tax exemption for meals, food, food products and beverages furnished in accordance with any contract of an institution of higher education by providing that the exemption applies only if these items are furnished to a student enrolled for credit at that institution. In addition, this section provides that the sales tax exemption can not be used for purchases of meals by faculty members or continuing students. In the case of National Football League teams that have training camps at University of Wisconsin campuses, these provisions would first apply to any National Football League team purchasing these items under a contract entered into on or after January 1, 1998.

I am partially vetoing this section to delete the reference to January 1, 1998 because I believe Wisconsin should encourage NFL teams to train in Wisconsin. These teams bring significant tourism and economic development benefits to several areas of our state. I would like to note that implementation of this modification does not affect groups that are otherwise tax exempt such as some summer groups housed at the University for education and training.

**Cited segments of 1997 Assembly Bill 100:**

**SECTION 2393nq.** 77.54 (20) (c) 5. of the statutes is amended to read:

77.54 (20) (c) 5. Taxable sales shall not include meals, food, food products or beverages furnished in accordance with any contract or agreement by a public or private institution of higher education to an undergradu-

ate student, a graduate student or a student enrolled in a professional school if the student is enrolled for credit at that institution and if the goods are consumed by that student and meals, food, food products or beverages furnished to a national football league team under a contract or agreement entered into on or before January 1, 1998.

**Vetoed  
In Part**

**Item F-9. Sales Tax Exemption for Internet Access**

**Governor's written objections**

*Section 2386j*

This section provides that access to the Internet would not be subject to the sales and use tax. I am vetoing this section because it creates different tax treatment of similar communications services. Communications through e-mail, bulletin boards and Internet chat groups would be exempt, while telephone calls and other telecommunications would be taxable. I plan to examine all sales tax exemptions during the upcoming biennium and make recommendations to equalize our tax treatment.

**Cited segments of 1997 Assembly Bill 100:**

**Vetoed In Part** **SECTION 2386j.** 77.51 (21m) of the statutes is amended to read:

77.51 (21m) "Telecommunications services" means sending messages and information transmitted through

the use of local, toll and wide-area telephone service; channel services; telegraph services; teletypewriter; computer exchange services; cellular mobile telecommunications service; specialized mobile radio; stationary

**Vetoed  
In Part**

**Vetoed In Part** two-way radio; paging service; or any other form of mobile and portable one-way or two-way communications; or any other transmission of messages or information by electronic or similar means between or among points by wire, cable, fiber optics, laser, microwave, radio, satellite or similar facilities. "Telecommunications services" does not include sending collect telecommunications that

are received outside of the state. In this subsection, "computer exchange services" does not include providing access to or use of the internet. In this subsection, "internet" means interconnecting networks that are connected to network access points by telecommunications services.

**Vetoed In Part**

**Item F-10. Sales Tax on Timeshare Property**

**Governor's written objections**

*Sections 2383g, 2386q, 2393nv and 9443 (18n)*

These sections exempt from the sales tax all flex-time timeshare sales and their associated charges. I am vetoing this provision because it would create a tax inequity. If this provision were to stand, fixed-time timeshare transactions would continue to be subject to the real estate transfer fee but flex-time timeshare transactions would be exempt from paying any sales tax or fees. This is inequitable since there are few, if any, physical differences between the two types of timeshares.

**Cited segments of 1997 Assembly Bill 100:**

**Vetoed In Part** **SECTION 2383g.** 77.51 (4) (c) 6. of the statutes is amended to read:

77.51 (4) (c) 6. Charges associated with time-share property that is taxable under s. 77.52 (2) (a) 1. or 2.

**SECTION 2386q.** 77.52 (2) (a) 1. of the statutes is amended to read:

77.52 (2) (a) 1. The furnishing of rooms or lodging to transients by hotelkeepers, motel operators and other persons furnishing accommodations that are available to the public, irrespective of whether membership is required for use of the accommodations, not including the furnishing of rooms or lodging through the sale of a time-share property, as defined in s. 707.02 (32), if the use of the rooms or lodging is not fixed at the time of sale as to the starting day or the lodging unit. In this subdivision, "transient" means any person residing for a continuous period of less than one month in a hotel, motel or other furnished accommodations available to the public. In this subdivision, "hotel" or "motel" means a building or group of buildings in which the public may obtain accommodations for a consideration, including, without limitation, such establishments as inns, motels, tourist homes, tourist houses or courts, lodging houses, rooming houses, summer camps, apartment hotels, resort lodges and cabins and any other building or group of buildings

in which accommodations are available to the public, except accommodations, including mobile homes as defined in s. 66.058 (1) (d), rented for a continuous period of more than one month and accommodations furnished by any hospitals, sanatoriums, or nursing homes, or by corporations or associations organized and operated exclusively for religious, charitable or educational purposes provided that no part of the net earnings of such corporations and associations inures to the benefit of any private shareholder or individual.

**SECTION 2393nv.** 77.54 (30) (d) of the statutes is amended to read:

77.54 (30) (d) In this subsection "residential use" means use in a structure or portion of a structure which is a person's permanent residence, but does not include use in transient accommodations, as specified in s. 77.52 (2) (a) 1.; time-share property, as defined in s. 707.02 (32); motor homes; or travel trailers or other recreational vehicles.

**SECTION 9443. Effective dates; revenue.**

(18n) TIME-SHARE PROPERTY. The treatment of sections 77.51 (4) (c) 6., 77.52 (2) (a) 1. and 77.54 (30) (d) of the statutes takes effect on the first day of the 2nd month beginning after publication.

**Vetoed In Part**

**Vetoed In Part**

**Item F-11. Sales Tax Exemption for Medicine Samples**

**Governor's written objections**

*Sections 2392no and 9443 (17t)*

These sections would create an exemption from the sales and use tax for medicines furnished without charge to a physician, surgeon, nurse, anesthetist, osteopath, dentist, podiatrist or optometrist if the medicine may not be dispensed without a prescription. I am vetoing this provision because I am not convinced that it would equalize tax treatment. I plan to examine all sales tax exemptions during the upcoming biennium and make recommendations to equalize our tax treatment.

**Cited segments of 1997 Assembly Bill 100:**

**Vetoed In Part** SECTION 2392no. 77.53 (9m) of the statutes is amended to read:  
77.53 (9m) Any person who is not otherwise required to collect any tax imposed by this subchapter and who makes sales to persons within this state of tangible personal property or taxable services the use of which is subject to tax under this subchapter may register with the department under the terms and conditions that the

department imposes and shall obtain a valid certificate under s. 73.03 (50) and thereby be authorized and required to collect, report and remit to the department the use tax imposed by this subchapter.  
SECTION 9443. Effective dates; revenue.  
(17t) MEDICINES. The treatment of section 77.54 (14) (f) of the statutes takes effect on the first day of the 2nd month beginning after publication.

**Vetoed In Part**  
**Vetoed In Part**

**Item F-12. Sales and Use Tax Agreements with Direct Marketers**

**Governor's written objections**

*Section 2363*

**Cited segments of 1997 Assembly Bill 100:**

SECTION 2363. 73.03 (53) of the statutes is created to read:  
73.03 (53) To enter into agreements with direct marketers about the collection of state and local sales taxes

and use taxes. The department of revenue may not implement any agreement under this subsection if the agreement does not conform to the law of this state.

**Vetoed In Part**

**OFFICE OF THE COMMISSIONER OF RAILROADS**

**Item F-13. Office of the Commissioner of Railroads Staff**

**Governor's written objections**

*Section 169 [as is relates to s. 20.155 (2) (g)]*

Section 169 [as it relates to s. 20.155 (2)(g)] provides \$85,100 PR in fiscal year 1997-98 and \$100,100 PR in fiscal year 1998-99 for 2.5 new positions for the Office of the Commissioner of Railroads, which is attached administratively to the Public Service Commission. These positions would include 2.0 FTE regulation compliance investigators and a 0.5 FTE program assistant. Although there is no language in the budget bill that authorizes the funding increase for these positions, the purpose of this funding was included in a Joint Committee on Finance budget motion.

I object to providing an increase of 2.5 FTE positions because this amount of new staff exceeds what the office needs to function efficiently and effectively. By lining out the Office of the Commissioner of Railroad's s. 20.155 (2) (g) appropriation and writing in a smaller amount that deletes \$20,400 PR in fiscal year 1997-98 and \$40,800 PR in fiscal year 1998-99, I am partially vetoing the part of the bill which funds these new staff. My veto deletes funding for 1.0 FTE position and instead provides funding for only 1.0 FTE regulation compliance investigator and a 0.5 FTE program assistant. I am also requesting the Department of Administration Secretary not to allot these funds and not to authorize the 1.0 FTE position.

Cited segments of 1997 Assembly Bill 100:

SECTION 169. 20.005 (3) of the statutes is repealed and recreated to read:

STATUTE, AGENCY AND PURPOSE	SOURCE	TYPE	1997-98	1998-99	
<b>20.155 Public service commission</b>					
(2) OFFICE OF THE COMMISSIONER OF RAILROADS					
(g) Railroad regulation and general program operations	PR	A	435,900	415,500	474,100 433,300

Vetoed In Part

REVENUE

Item F-14. Alcohol Beverage Regulation

Governor's written objections

Sections 2906gg, 2906mg, 2906mr and 9343 (1tu)

Sections 2906gg and 9343 (1tu) prohibit a municipality from enacting or enforcing any rule or ordinance that does not strictly conform to state statutes regulating the sale of alcohol beverages to an underage or intoxicated person, the presence of an underage person in a bar, and the possession of alcohol beverages by an underage person. I am vetoing these sections because I believe municipalities are better suited to determine the alcohol beverage ordinances that are appropriate for their communities.

In addition, sections 2906mg and 2906mr eliminate a citizen's right to file a complaint against a licensed seller of alcohol beverages alleging that the seller maintains an indecent or riotous house or has sold or given away alcohol beverages to known habitual drunkards. I am vetoing these sections to maintain a citizen's right to file such a complaint because I believe it is important for local communities and their citizens to have control over alcohol beverage regulation.

Cited segments of 1997 Assembly Bill 100:

Vetoed In Part SECTION 2906gg. 125.10 (1) of the statutes is amended to read: 125.10 (1) AUTHORIZATION. Any municipality may enact regulations incorporating any part of this chapter

and may prescribe additional regulations for the sale of alcohol beverages, not in conflict with this chapter. The municipality may prescribe forfeitures or license suspension or revocation for violations of any such regulations.

Vetoed In Part

**Vetoed In Part** Regulations providing forfeitures or license suspension or revocation must be adopted by ordinance. No municipality may enact or enforce any regulation relating to providing alcohol beverages to an underage or intoxicated person, to an underage person's presence on premises or to an underage person's possession of alcohol beverages unless the regulation strictly conforms with s. 125.07.

**SECTION 2906mg.** 125.12 (2) (ag) 2. and 3. of the statutes are repealed.

**SECTION 2906mr.** 125.12 (4) (ag) 2. and 3. of the statutes are repealed.

**SECTION 9343. Initial applicability; revenue.**  
(1tu) LOCAL GOVERNMENTAL REGULATION OF ALCOHOL BEVERAGES. The treatment of section 125.10 (1) of the statutes first applies to violations committed on the effective date of this subsection, but does not preclude the counting of prior violations of an ordinance enacted under chapter 125, 1995 stats., when sentencing a person.

**Vetoed In Part**

**Vetoed In Part**

**Item F-15. County Sales Tax Administrative Fee**

**Governor's written objections**

*Sections 717m, 2399f, 2399fm and 9443 (16n)*

These sections reduce the portion of county sales tax collections retained by the Department of Revenue for its costs in administering the tax from 1.5% to 1.3% beginning July 1, 1999. I am vetoing these sections to retain the administrative fee at 1.5% because 1.3% of collections will be insufficient to cover all of the department's county sales tax costs. Beginning in fiscal year 1998-99, the department expects to begin redesigning its sales tax systems. Since the county sales tax constitutes major portions of these systems and since counties will benefit from the simplified forms and faster distributions that the redesigned system will allow, it is appropriate that counties pay a share of the redesign costs. If the amount of county sales tax collections retained by the department is inadequate, the pace of the redesign may be hindered and the state's general fund may be forced to absorb an unfair share of the costs.

**Cited segments of 1997 Assembly Bill 100:**

**Vetoed In Part** **SECTION 717m.** 20.835 (4) (g) of the statutes is amended to read:  
20.835 (4) (g) *County taxes.* All moneys received from the taxes imposed under s. 77.70 for distribution to the counties that enact an ordinance imposing taxes under that section and for interest payments on refunds under s. 77.76 (3), except that ~~1.5%~~ 1.3% of those tax revenues collected under that section shall be credited to the appropriation account under s. 20.566 (1) (g).

**Vetoed In Part** **SECTION 2399f.** 77.76 (3) of the statutes is amended to read:  
77.76 (3) From the appropriation under s. 20.835 (4) (g) the department shall distribute ~~98.5%~~ 98.7% of the county taxes reported for each enacting county, minus the county portion of the retailers' discounts, to the county and shall indicate the taxes reported by each taxpayer, no later than the end of the 3rd month following the end of the calendar quarter in which such amounts were reported. In this subsection, the "county portion of the retailers' discount" is the amount determined by multiplying the total retailers' discount by a fraction the numerator of which is the gross county sales and use taxes payable and the denominator of which is the sum of

the gross state and county sales and use taxes payable. The county taxes distributed shall be increased or decreased to reflect subsequent refunds, audit adjustments and all other adjustments of the county taxes previously distributed. Interest paid on refunds of county sales and use taxes shall be paid from the appropriation under s. 20.835 (4) (g) at the rate paid by this state under s. 77.60 (1) (a). The county may retain the amount it receives or it may distribute all or a portion of the amount it receives to the towns, villages, cities and school districts in the county. Any county receiving a report under this subsection is subject to the duties of confidentiality to which the department of revenue is subject under s. 77.61 (5).

**SECTION 2399fm.** 77.76 (4) of the statutes is amended to read:  
77.76 (4) There shall be retained by the state 1.5% of the taxes collected under this subchapter for special districts and 1.3% of the taxes collected under this subchapter for counties to cover costs incurred by the state in administering, enforcing and collecting the tax. All interest and penalties collected shall be deposited and retained by this state in the general fund.

**Vetoed In Part**

**SECTION 9443. Effective dates; revenue.**

**Vetoed** (16n) COUNTY SALES TAX ADMINISTRATION. The treat-  
**In Part** ment of sections 20.835 (4) (g) and 77.76 (3) and (4) of  
the statutes takes effect on July 1, 1999.

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**Item F-16. Premier Resort Area Tax Administrative Fee**

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**Governor’s written objections**

*Sections 700mm, 719c and 2410m*

These sections establish the portion of premier resort area tax collections that the Department of Revenue will retain for its expenses in administering this new local option tax. Specifically, these sections provide the department with 3% of the premier resort area tax collections for sales subject to the tax before January 1, 2000 and 1.3% of collections thereafter. I am partially vetoing these sections to provide the department with 3% of collections into the future because 1.3% will be insufficient to cover the agency’s costs. Only a few municipalities will likely impose the premier resort area tax. Consequently, it will not have the administrative economies of scale that allowed the county sales tax fee to be reduced below its initial level of 3%. Furthermore, since it is not known when eligible municipalities will adopt the tax, it is uncertain how long the department will receive 3% of collections. At some later date, however, the fee may be reduced if actual experience with collecting the tax demonstrates that a lower fee is feasible.

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**Cited segments of 1997 Assembly Bill 100:**

**SECTION 700mm.** 20.566 (1) (gf) of the statutes is created to read:

20.566 (1) (gf) *Administration of resort tax.* From moneys received from the appropriation account under s. 20.835 (4) (gd), the amounts in the schedule for administering the tax under subch. X of ch. 77. Three percent of those taxes reported for periods beginning before January 1, 2000, and 1.3% of those taxes for periods beginning on or after January 1, 2000, shall be credited to this appropriation account.

**Vetoed**  
**In Part**

**SECTION 719c.** 20.835 (4) (gd) of the statutes is created to read:

20.835 (4) (gd) *Premier resort area tax.* All moneys received from the tax imposed under subch. X of ch. 77, for distribution to the municipality or county that imposed the tax, except that 3.0% of those moneys for periods beginning before January 1, 2000, and 1.3% of those moneys for periods beginning on or after January 1, 2000, shall be credited to the appropriation account under s. 20.566 (1) (gf).

**Vetoed**  
**In Part**

**SECTION 2410m.** Subchapter X of chapter 77 [precedes 77.994] of the statutes is created to read:

**CHAPTER 77**  
**SUBCHAPTER X**  
**PREMIER RESORT AREA TAXES**

**77.9941 Administration.**

(5) From the appropriation under s. 20.835 (4) (gd) the department shall distribute 97% of the taxes under this subchapter reported, for periods beginning before January 1, 2000, for each municipality or county that has imposed the tax; and 98.7% of the taxes reported, for periods beginning on or after January 1, 2000, for each municipality or county that has imposed the tax, minus the municipality’s or county’s portion of the retailers’ discounts, to the municipality or county and shall indicate the taxes reported by each taxpayer, no later than the end of the 3rd month following the end of the calendar quarter in which such amounts were reported. In this subsection, the “municipality’s or county’s portion of the retailers’ discount” is the amount determined by multiplying the total retailers’ discount by a fraction the numerator of which is the gross sales and use taxes payable under this subchapter and the denominator of which is the sum of the gross state sales and use taxes and the sales taxes and use taxes payable under this subchapter. The taxes under this subchapter distributed shall be increased or decreased to reflect subsequent refunds, audit adjustments and all other adjustments of the taxes under this subchapter previously distributed. Interest paid on refunds of sales and use taxes under this subchapter shall be paid

**Vetoed**  
**In Part**

from the appropriation under s. 20.835 (4) (gd) at the rate paid by this state under s. 77.60 (1) (a). Any municipality or county receiving a report under this subsection is sub-

ject to the duties of confidentiality to which the department of revenue is subject under s. 77.61 (5).

**Item F-17. Report on Alternative Methods of Filing**

**Governor's written objections**

*Section 9143 (2m)*

This section requires the Department of Revenue to identify potential savings from implementing alternative methods of filing and paying taxes and to submit a report listing those savings to the Joint Committee on Finance at its first quarterly meeting in 1998 under s. 13.10. I am vetoing this section because a report on this topic so shortly after this budget is signed will not yield any significant information. This budget already reduces the department's budget for savings expected to be realized by the implementation of electronic funds transfers for certain tax filers. Since the department has no plans for further electronic filings at this time, this reporting requirement is premature.

**Cited segments of 1997 Assembly Bill 100:**

**Vetoed In Part** SECTION 9143. Nonstatutory provisions; revenue. (2m) REPORT ON ALTERNATIVE METHODS OF FILING. The department of revenue shall identify potential savings from using alternative methods of filing and paying

taxes and shall submit a report listing those savings to the joint committee on finance at the committee's first quarterly meeting in 1998 under section 13.10 of the statutes.

**Vetoed In Part**

**Item F-18. Property Assessment Manual on CD-ROM**

**Governor's written objections**

*Section 2355m*

This section includes a provision requiring the Department of Revenue to produce the property assessment manual on CD-ROM if the department determines that there is sufficient demand for this format. I am vetoing this provision because it is unnecessary. The department already has sufficient authority to use new technologies to provide information. Furthermore, given the pace of technological change, it is inappropriate to make consideration of one format an ongoing statutory requirement.

**Cited segments of 1997 Assembly Bill 100:**

SECTION 2355m. 73.03 (2a) of the statutes is amended to read:

73.03 (2a) To prepare, have published and distribute to each county having a county property tax assessor system under s. 70.99 and to each town, city and village in the state for the use of assessors, assessment personnel and the public detailed and to others who so request assessment manuals, except that if an assessor is hired by more than one county, town, city or village the depart-

ment shall provide that assessor with only one cost component of the manual rather than providing the cost component of the manual to each county, town, city or village that hires that assessor manuals. The manual shall be produced on CD-ROM if the department of revenue determines that there is sufficient demand for that format. The manual shall discuss and illustrate accepted assessment methods, techniques and practices with a view to more nearly uniform and more consistent assessments of prop-

**Vetoed In Part**

erty at the local level. The manual shall be amended by the department from time to time to reflect advances in the science of assessment, court decisions concerning assessment practices, costs, and statistical and other information deemed valuable to local assessors by the department. The manual shall incorporate standards for the assessment of all types of renewable energy resource systems used in this state as soon as such systems are used in sufficient numbers and sufficient data exists to allow the formulation of valid guidelines. The manual shall incorporate standards, which the department of revenue and the state historical society of Wisconsin shall develop, for the assessment of nonhistoric property in historic districts and for the assessment of historic property, including but not limited to property that is being preserved or restored; property that is subject to a protective easement, covenant or other restriction for historic preservation purposes; property that is listed in the national register of historic places in Wisconsin or in this state's register of historic places and property that is designated as a historic landmark and is subject to restrictions imposed by a municipality or by a landmarks commission. The manual shall incorporate general guidelines about ways to determine whether property is taxable in part under s. 70.11 (8) and examples of the ways that s. 70.11 (8) applies in specific situations. The manual shall state that assessors are required to comply with s. 70.32 (1g) and

shall suggest procedures for doing so. The manual or a supplement to it shall specify per acre value guidelines for each municipality for various categories of agricultural land based on the income that could be generated from its estimated rental for agricultural use, as defined by rule, and capitalization rates established by rule. The manual shall include guidelines for classifying land as agricultural land, as defined in s. 70.32 (2) (c) 1. and guidelines for distinguishing between land and improvements to land. The cost of the development, preparation, publication and distribution of the manual and of revisions and amendments to it shall be borne by the assessment districts assessors and requesters at an individual volume cost or a subscription cost as determined by the department. All receipts shall be credited to the appropriation under s. 20.566 (2) (hi). ~~The department shall, on the 4th Monday in August, certify past-due accounts and include them in the next apportionment of state special charges to counties and municipalities under s. 70.60. If the department provides an assessment manual to an assessor who is hired by more than one unit of government, those units of government shall each pay an equal share of the cost of that manual.~~ The department may provide free assessment manuals to other state agencies or exchange them at no cost with agencies of other states or of the federal government for similar information or publications.

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## SHARED REVENUE AND TAX RELIEF

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### Item F-19. Garbage and Trash Disposal and Collection

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#### Governor's written objections

*Sections 2234m, 9343 (9m) and 9443 (16p)*

These sections remove garbage and trash disposal and collection from the list of municipal services eligible for reimbursement under the Payments for Municipal Services aid program unless the municipality provides the same services to business properties.

I am vetoing this provision because it will adversely impact the University of Wisconsin (UW) System, particularly the Oshkosh and Stevens Point campuses. If garbage and trash disposal services are no longer reimbursable, it is likely that municipalities will charge the UW for this service. Internally funding these services would be difficult for the UW System and could result in segregated fee increases for students.

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#### Cited segments of 1997 Assembly Bill 100:

**Vetoed In Part** SECTION 2234m. 70.119 (3) (d) of the statutes is amended to read:  
 70.119 (3) (d) "Municipal services" means police and fire protection, garbage and trash disposal and

~~collection not paid for under sub. (1) and, subject to approval by the committee, any other direct general government service provided by municipalities to state facilities and facilities of the University of Wisconsin Hospitals~~

**Vetoed In Part**

**Vetoed In Part** and Clinics Authority described in s. 70.11 (38). "Municipal services" includes garbage and trash disposal and collection services not paid for under sub. (1) provided to state facilities and the facilities of the University of Wisconsin Hospitals and Clinics Authority, if the municipality provides the same services to all commercial properties in the municipality.

**Vetoed In Part** SECTION 9343. Initial applicability; revenue. (9m) GARBAGE AND TRASH DISPOSAL AND COLLEC-

TION. The treatment of section 70.119 (3) (d) of the statutes first applies to garbage and trash disposal and collection services provided on the effective date of this subsection.

**SECTION 9443. Effective dates; revenue.**

(16p) GARBAGE AND TRASH DISPOSAL AND COLLECTION. The treatment of section 70.119 (3) (d) of the statutes and SECTION 9343 (9m) of this act take effect on January 1, 1998.

**Vetoed In Part**

**Vetoed In Part**

**Item F-20. Payments for Municipal Services Funding**

**Governor's written objections**

*Section 169 [as it relates to s. 20.835 (5) (a)]*

Section 169 [as it relates to s. 20.835 (5) (a)] increases the funding available for the Payments for Municipal Services (PMS) program, which provides reimbursement to municipalities for the services they provide to state-owned facilities. Specifically, this section provides an additional \$1,236,500 in fiscal year 1997-98 and \$1,236,500 in fiscal year 1998-99 for the PMS Program. Although there is no language in the budget bill that authorizes this funding, the purpose of this funding increase was included in the Legislative Fiscal Bureau's summary of Senate action on AB 100.

I object to providing this increase in funding in fiscal year 1997-98 because I believe the PMS program can function effectively with base-level funds during the first year of the biennium. By lining out the Shared Revenue and Tax Relief s. 20.835 (5) (a) appropriation and writing in a smaller amount that deletes \$1,236,500 GPR in fiscal year 1997-98, I am vetoing the part of the bill which provides this increase. I am also requesting the Department of Administration Secretary not to allot these funds.

**Cited segments of 1997 Assembly Bill 100:**

**SECTION 169.** 20.005 (3) of the statutes is repealed and recreated to read:

STATUTE, AGENCY AND PURPOSE	SOURCE	TYPE	1997-98	1998-99
<b>20.835 Shared revenue and tax relief</b>				
(5) PAYMENTS IN LIEU OF TAXES				
(a) Payments for municipal services	GPR	A	18,065,300 16,828,800	18,065,300

**Vetoed In Part**

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**VETO NOT DESCRIBED OR EXPLAINED**

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**SECTION 4759: Repeal and recreation of s. 565.10 (14) (b) 2.**

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**Governor's written objections**

No information. *Section 4759* is not mentioned in the Governor's written objections to 1997 Assembly Bill 100.

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**Cited segments of 1997 Assembly Bill 100:**

**SECTION 4759.** 565.10 (14) (b) of the statutes, as affected by 1997 Wisconsin Act .... (this act), is repealed and recreated to read:

565.10 (14) (b)

2. The basic compensation to be paid to a retailer for

the sale of a lottery ticket or lottery share described under s. 565.01 (6m) (a) 1. is 6.25% of the retail price of lottery tickets or lottery shares sold by the retailer.

**Vetoed  
In Part**

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