



SCOTT McCALLUM

Governor State of Wisconsin

To the Honorable Members of the Senate:

I have approved Senate Bill 55 as 2001 Wisconsin Act 16 and deposited it in the Office of the Secretary of State.

The bill I am signing represents many difficult decisions made by a Legislature that remained focused on concluding a budget in a timely and orderly fashion. I commend the Legislature for its civility and commitment in crafting the most important piece of legislation in this legislative session. Despite constraints in revenue growth and the unfunded costs of new programs adopted in the previous legislative session, significant progress was made in a number of key policy areas, particularly economic growth, educational quality, health care for seniors and lower taxes.

Wisconsin's taxes remain too high. The 1999-2001 state budget took a serious step toward reducing our state's income tax burden by lowering rates eleven percent and this budget continues the trend of lowering the tax burden on Wisconsin citizens. Despite the severe financial constraints faced in developing this budget, taxes are further reduced by eliminating the income tax on military pensions and implementing the federal phase-out of the estate tax. While the Legislature chose to reinstate the estate tax in fiscal year 2003-04, I intend to restore the federal phase-out schedule in my next budget.

Future tax reductions will require continued robust economic growth. This budget includes a number of measures that will propel Wisconsin's economic engine to new heights, including the creation of eight new technology development zones and one agricultural development zone; an airline hub tax exemption for Wisconsin-based airlines, Midwest Express and Air Wisconsin; \$317 million in new biotechnology facilities through the University of Wisconsin's BioStar Initiative; and \$38 million for expanded information technology and biological sciences courses and other economic stimulus initiatives at the University of Wisconsin. All of these measures were included in my budget and represent further investments in Wisconsin's economic renaissance.

This budget also continues the trend of stabilizing the property tax burden by increasing school aids and shared revenue. Property taxes as a percent of ability to pay have dropped fourteen percent since controls on school revenues began in December 1993. This reduction is the result of balancing reasonable school cost growth (that has exceeded the rate of inflation), with continued investments in educational quality.

Since 1994, the first year that the school district allowable revenue formula was in place, the state has invested over \$2.6 billion in our local schools. This funding has served to reduce property taxes and increase educational quality. State taxpayers will spend almost \$100 million in school year 2002-03 to reduce class sizes in early grades through the Student Achievement Guarantee in Education (SAGE) program. School technology has increased exponentially with the \$290 million provided since 1998 for the Technology for Educational Achievement in Wisconsin (TEACH) program. Improved educational attainment for all Wisconsin children is also being supported through an eighteen percent increase in funding for school breakfasts and investments in the private and public school choice and charter school programs.

Many other significant needs are addressed in this budget. We take the lead in health care access for seniors by establishing a new prescription drug benefit for Wisconsin's greatest generation. We provide a significant increase to the Birth to Three and Family Support programs to assist disabled children and their families. We improve the environment and support economic development through expanding the brownfields redevelopment program and providing continued funding for recycling. We have funded additional prison capacity while also supporting community corrections efforts. We fully fund child care subsidies so that low-income individuals can work and seek more educational opportunities. We protect more of Wisconsin's pristine landscape through a \$112 million expansion of the Warren Knowles-Gaylord Nelson Stewardship 2000 Program.

Wisconsin is on the right path, we're reducing taxes and investing in our future. Unfortunately, the budget I received from the Legislature included a number of initiatives that could divert us from this path. First and foremost, the Legislature ignored the significant investments it has made in educational quality and listened instead to calls for a return to unfocused school spending.

Exemptions to school district allowable revenues and modifications to the qualified economic offer for teacher compensation packages will further burden Wisconsin taxpayers with no clearly defined benefit to students. Wisconsin already spends generously on a per student basis, sixth highest in the country. Growth in school district costs has outpaced inflation since the allowable revenue formula was adopted in the 1993-95 budget. Compensation for Wisconsin teachers remains among the highest in the country and our class sizes among the smallest. And, most notably and most importantly, our students are the best and the brightest.

Can more be done? Yes. Should more be done? Absolutely. We must continue to focus on improving educational achievement for all students, from inner city Milwaukee to South Shore on Lake Superior. The bill I am signing includes relief to small school districts that must serve large geographic areas. It also supports the private school choice program, restores state funding for four-year-old kindergarten and expands charter schools. It prudently targets taxpayer dollars toward programs shown to be effective in improving student achievement.

Many school districts continue to offer wage and compensation increases to teachers that exceed the 3.8 percent that constitute a qualified economic offer. According to the American Federation of Teachers, Wisconsin ranks tenth nationally when comparing teacher salaries to annual private sector earnings. In addition, the recent Supreme Court decision upholding changes to the state retirement system will serve to provide school districts with an \$84 million windfall, much of which will translate into enhanced compensation packages for teachers.

My second major concern is the risk to our financial future by using over \$800 million of one-time funding measures to deliver a "balanced" budget. These measures include \$109 million from the intergovernmental transfer program for county and privately-owned nursing homes, \$100 million in borrowing to extend existing debt, \$50 million from reducing the statutory ending balance, \$450 million from the tobacco endowment fund and \$115 million from delaying a school aid payment. While my budget included \$350 million from the tobacco endowment fund as a "bridge" to get us to a firmer financial footing, the bill before me puts us on a bridge to financial risk and uncertainty. Financing the permanent spending supported by these one-time measures will likely consume all of the anticipated revenue growth in fiscal year 2003-04, making it extremely difficult to fund growth in existing programs such as school aids, medical assistance and the University of Wisconsin System.

These one-time measures, combined with payment shifts made in previous budgets and an unwillingness to create meaningful budget reserves, have weakened the state's standing in the eyes of financial markets. That weakness has manifested itself in a lower rating of creditworthiness on the state's bonds, raising the potential for higher borrowing costs. The financial cost of this lower rating pales in comparison to the perception that Wisconsin's finances are inherently unstable. This is not the message we want to deliver to businesses looking to expand operations or venture capitalists looking for fertile ground to grow high tech enterprises. We must act decisively to right our financial ship and keep our economy on a direction toward high wage, high skill employment.

To begin this transformation toward financial stability, I have used my veto power to eliminate the \$115 million school aid payment delay, and I have increased the statutory ending balance to 1.2 percent of appropriations and compensation reserves. We must live within our means. Just as a family cannot delay a mortgage payment without risking foreclosure, the state cannot continue to ignore today's obligations with promises to pay tomorrow.

In this budget, I remain committed to controlling school property taxes through the school district allowable revenue formula and to meeting the state's commitment to fund two-thirds of school costs. These goals must be accomplished honestly by paying the bills, as they come due, not by further shifts in paying school aids. We cannot responsibly meet these goals at the expense of the state's fiscal health and by extension threatening the stability of local government finances. While I cannot use my veto authority to restore the full 2002-03 school year payment, by law the Joint Committee on Finance must meet in June 2002 to review estimated school costs and set the school aid funding level.

I remain confident that our economy will show renewed vigor in the next two years, providing additional revenues for schools without the need to resort to budget gimmicks. However, even without further growth in revenues, I have aggressively vetoed spending increases and prudently built up the required general fund balance to ensure that the state's two-thirds school funding commitment will be met in full as it comes due.

In addition to vetoing the school aid payment delay and restoring the required general fund balance, I am acting to further improve the state's fiscal situation by directing the secretary of the Department of Administration to monitor the need for the \$100 million in debt restructuring authorized by the Legislature. We cannot afford to borrow money instead of making difficult decisions on budget priorities. In the event revenues grow faster than expected, the secretary of the Department of Administration will decide whether the issuance of these bonds is necessary.

I have also used my veto power to restore a four percent budget reduction for the Department of Public Instruction and a five percent reduction for the State Public Defender. When all state agencies, the Legislature and the courts are making budget reductions, we should not shield any administrative operations appropriations from sharing the burden. The reduction for the Department of Public Instruction exempts the state residential schools to reflect their direct service responsibilities.

The budget, as passed by the Legislature, also tapped questionable funding sources to support certain programs. For instance, use of growth in revenues from fines and forfeitures retained by counties is neither a stable nor realistic funding source for new district attorney positions. District attorneys face real world work load issues that are not addressed through unreliable

funding sources. I support an increase in district attorney positions to address critical work load needs, but cannot agree to the funding source proposed by the Legislature. I urge the Joint Committee on Finance to consider meeting this need from a different source of funding through its authority under s. 13.10.

My third major concern is the amount of bonding authorized in this budget. My proposed budget authorized \$522 million in new GPR-supported general obligation bonding in the 2001-03 biennium, a level calculated specifically to ensure that debt service payments would remain at 3.5 percent of total GPR revenue over the next decade. The budget passed by the Legislature contains \$564 million in new GPR-supported bonding authorizations for the 2001-03 biennium. This level of bonding means that debt service will increase as a percentage of total revenue. We should not incur new long-term debt of this magnitude. Debt service payments will increase by 9.4 percent in fiscal year 2002-03, while our GPR revenue will increase less than 4.5 percent. Therefore, my vetoes have reduced the total new bonding authorization amount by \$9 million to reduce the new debt we will incur to a more affordable level.

To improve the ending balance, I vetoed a total of \$62 million in additional GPR spending items approved by the Legislature. This is the largest amount of GPR budget savings ever realized in a biennial budget through gubernatorial vetoes and reflects the critical need to restore fiscal responsibility and stability. I also exercised a veto to increase the size of the balance we are required to maintain from 0.7 percent to 1.2 percent of GPR spending. Since many states maintain balances of at least five percent, we must continue toward the current law goal of 2 percent. The required balance is scheduled to grow to 1.6 percent as we enter the next biennium and we need to honor this commitment. Meeting this responsibility will require fiscal discipline and prudent management of resources. Therefore, I am very pleased that the budget

I am signing takes a step in this direction by including a meaningful budget stabilization fund that will set-aside fifty percent of unanticipated revenues to help us avoid future budget crises.

From general purpose revenue, net spending will be \$11.4 billion in fiscal year 2001-02 and \$11.6 billion in fiscal year 2002-03, for a biennial total of \$23.0 billion. These figures represent annual spending increases of 3.0 percent and 1.7 percent, primarily due to increases in spending to meet our commitment to fund two-thirds of school costs, to reduce class sizes in early grades, to return inmates housed in out-of-state prisons to Wisconsin facilities, to implement a new prescription drug subsidy for seniors, to pay for increased child care and medical assistance costs for our low-income citizens, and to make investments in our higher education system. Total spending under the 2001-03 budget, as passed, is \$23.3 billion in fiscal year 2001-02 and \$23.5 billion in fiscal year 2002-03, for a biennial total of \$46.8 billion.

I am signing this budget with a total of 315 vetoes. Many of these vetoes were needed to reduce spending by a total of \$62 million GPR. These vetoes will also reduce the structural deficit confronting the state in the next biennium. A number of these vetoes are technical in nature and were required to make provisions workable. A number of these vetoes curb the Legislature's involvement in the day-to-day management of state agencies by eliminating the most burdensome new reporting requirements. The Legislature has a legitimate interest in knowing how state programs are working, but it should not micromanage agencies or dictate agency work load through the budget bill.

The budget I introduced in February, and the Legislature passed, keeps Wisconsin moving ahead: growing our economy through lower taxes and targeted investments, improving

educational quality through innovative programs, and ensuring all citizens can access jobs, education and health care. Among the highlights are the following items:

Tax and Local Government Finance

- Eliminates the state income tax on military pensions and reduces the estate tax in fiscal year 2002-03. These changes reduce taxes by over \$37 million.
- Provides a property tax exemption for air carrier hub facilities.
- Increases the state cigarette tax by 18 cents to provide prescription drug benefits for eligible lower-income seniors.
- Provides an exemption from the sales tax for electricity sold to utilities by merchant power plants to encourage the development of adequate energy supplies in Wisconsin.
- Holds the total property tax burden per \$1,000 of personal income to 14 percent below December 1993 rates.
- Increases shared revenues, expenditure restraint payments, county mandate relief payments and small municipalities shared revenues by one percent annually in fiscal year 2002-03 and fiscal year 2003-04.
- Restores the municipal shared revenue formula in 2004 to ensure that state aid is delivered to communities with the greatest needs.

- Provides \$5.6 million in fiscal year 2001-02 and \$7.4 million in fiscal year 2002-03 to fully fund the personal property tax exemption for computer equipment. Business taxes are reduced by retaining exemptions for automated teller machines and expanding exemptions to copier and fax machines.
- Establishes a state spending cap to limit annual noneducation GPR spending increases to the increase in state personal income.
- Requires that fifty percent of unanticipated revenues be set aside in the state's budget stabilization fund to help avoid future budget crises and reduce Wisconsin's deficit under generally accepted accounting principles.
- Maintains the state's budgetary balance at 1.2 percent of spending instead of reducing the balance to a sixteen-year low of \$90 million.
- Creates a permanent endowment fund from tobacco securitization proceeds to support tobacco cessation and prevention efforts, provide interest earnings to the general fund and provide an offset to the state's \$1.2 billion deficit under generally accepted accounting principles.
- Implements full disclosure in budgeting by requiring state budget documents to state the impact of the proposed budget on future state finances and to report the estimated budget balance under generally accepted accounting principles.

Economic Development and Transportation

- Protects state residents from unwanted telephone sales calls by prohibiting telephone solicitors from calling those listed in a statewide no-call database.

- Preserves the application of the Wisconsin Consumer Act to rental purchase agreements.
- Improves highway safety and enhances economic development by increasing state and federal support for highway construction projects and local transportation aids by over \$300 million over the biennium.
- Enumerates three new major highway projects: STH 17 in Oneida County; I-39/USH51 in Marathon County (Wausau Beltline); and STH 26 in Rock, Jefferson and Dodge counties.
- Provides over \$160 million over the biennium for reconstruction of the Marquette Interchange in the city of Milwaukee.
- Increases the basic allocations for local road improvement funding by providing a six percent annual increase for critical transportation infrastructure projects.
- Increases local transportation aids by four percent in calendar year 2002 and three percent in calendar year 2003 to meet rehabilitation and maintenance costs and to limit growth in property taxes.
- Increases state assistance to local transit systems by four percent in calendar year 2002 and two percent in calendar year 2003.
- Provides \$14 million over the biennium for brownfields assessment, remediation and redevelopment efforts.
- Creates technology development zones to enhance investment in high technology and create high-skill, high-wage jobs by providing credits against income, sales and property taxes for qualified businesses.

- Authorizes \$25 million in bonding for a biomedical technology research incubator at the Medical College of Wisconsin.
- Protects Wisconsin's critical animal agriculture industry by providing a 150 percent increase for the Johne's disease control program.
- Promotes economic development in the city of Beloit by designating a development opportunity zone and allocating \$4.7 million in tax credits to reward job creation and capital investment.
- Protects Wisconsin's agricultural and biotechnology industries by providing felony penalties for the intentional introduction of contagious disease into livestock or the intentional destruction of plants grown for commercial or research purposes.

Environmental Protection and Resource Management

- Supports efforts to protect children from pesticide exposure in schools by increasing notification requirements, ensuring pesticides are applied by licensed individuals and providing 1.0 FTE SEG position to continue and expand the Integrated Pest Management training program for school districts.
- Creates a Fox River Navigational System Authority governed by a nine-member board to repair and manage the system of locks on the Fox River.
- Enhances protection of Wisconsin's pristine natural resources by increasing bonding authorization for the Warren Knowles-Gaylord Nelson Stewardship 2000 Program by \$112 million.

- Increases funding and positions for forestry operation and private forest landowner assistance by approximately \$4.5 million SEG and 15.0 FTE SEG positions in fiscal year 2001-02 and designates a chief state forester.
- Enhances control of invasive aquatic plants and animals by providing stronger enforcement authority and additional funding to the Department of Natural Resources.
- Enhances wetland protection efforts by providing \$196,900 SEG and 2.5 FTE positions over the biennium to implement the Wetlands Compensatory Mitigation program.
- Enhances local land use planning by providing additional funding for land information systems.
- Prohibits oil and gas drilling beneath the Great Lakes.
- Creates an Adopt-a-River program to encourage volunteers to oversee a section of a lake, river, wetland or ravine; conduct annual clean-ups; and ensure the long-term environmental health of the area.

Education and Training

- Provides \$380 million over the biennium to increase state aid to Wisconsin's elementary and secondary schools.
- Eliminates the delayed payment of \$115 million in general equalization aid to help restore sound fiscal practices to the state.
- Provides \$53.5 million GPR in additional funding to support full implementation of the Student Achievement Guarantee in Education (SAGE) program, which reduces class size in grades kindergarten through three, bringing the total funding of SAGE to \$95 million.

- Maintains existing level of state support for four-year-old kindergarten programs in public and choice schools.
- Provides an 18 percent increase in funding for the school breakfast program, which will allow for a significant expansion of participation rates.
- Provides a 10 percent increase in funding for the minority precollege scholarship program for middle and high school students to participate in challenging academic programs at Wisconsin's public and private colleges and universities.
- Creates a revenue limit adjustment for low enrollment districts with large geographical areas, which are experiencing declining enrollments.
- Provides \$195,000 GPR to support student organizations related to career and technical education.
- Authorizes the University of Wisconsin-Parkside to create a charter school in the Racine school district.
- Provides \$77.5 million in new GPR funding to the University of Wisconsin System, including \$38 million GPR to support initiatives for the Madison and Milwaukee campuses and to make systemwide investments that will expand enrollments in information technology and biotechnology.
- Authorizes a BioStar initiative and \$317 million in general fund supported borrowing over a ten-year period to attract federal and private funds for construction of biological sciences education and research activities at the University of Wisconsin-Madison.

- Provides \$6.4 million GPR to the Higher Educational Aids Board and the University of Wisconsin System to increase need-based financial aid programs.
- Provides \$500,000 to the University of Wisconsin Medical School for the purchase of a digital mammography machine.
- Authorizes the board of regents to use base funding to create GPR-funded faculty and academic staff positions.
- Provides an additional \$500,000 GPR over the biennium to the Wisconsin Technical College System to increase the availability of high demand courses.
- Increases funding for vocational rehabilitation services by \$2 million over the biennium, which will enable more of Wisconsin's disabled citizens to become part of Wisconsin's work force.

Human Resources

- Provides \$2 million GPR in fiscal year 2001-02 and \$49.9 million GPR in fiscal year 2002-03 to implement the new Senior Care program, beginning September 1, 2002. Senior Care is the new prescription drug assistance program for Wisconsin residents who are 65 years of age or older and who meet certain eligibility criteria. An estimated 260,000 individuals will be eligible, making the program one of the most generous in the country.
- Provides a \$218 million increase to fully fund child care for both W-2 clients and for low-income working families.
- Provides \$17.3 million GPR over the biennium to increase funding for the Community Option Program (COP) and Community Integration Program (CIP).

- Provides a \$5 million GPR increase over the biennium for the Family Support and Birth to Three programs, which serve disabled children and their families.
- Provides an additional \$32 million GPR over the biennium to fully fund the BadgerCare program, which is available to all low-income children and their parents not covered by Medical Assistance.
- Provides an additional \$53 million SEG in fiscal year 2001-02 and \$70 million SEG in fiscal year 2002-03 to nursing homes due in large part to their efforts to enhance the amount of federal intergovernmental transfer (IGT) funds received by the state.
- Provides an additional \$13.4 million SEG for hospitals and \$12.3 million SEG for noninstitutional providers over the biennium as a result of the receipt of the new IGT funds.

Justice

- Provides funding to staff the following new and expanded correctional facilities: Stanley, New Lisbon, an expansion at Taycheedah, two inmate workhouses (located at Winnebago and Sturtevant), an addition to the Oshkosh segregation unit and the new Sturtevant Probation and Parole Holding Facility.
- Provides \$4.6 million GPR to increase purchase of services for offenders in the community.
- Provides \$4.2 million GPR to add 56.5 FTE probation and parole agents. The additional agents will provide an average agent to offender ratio of one agent to supervise 47 offenders.
- Provides additional resources for inmate health care needs including: the new Highview geriatric facility for male inmates, a new mental health unit for female inmates at the

Taycheedah Facility, twenty additional nursing positions and staffing for 24-hour nursing coverage at the Columbia, Oakhill and Taycheedah facilities.

- Provides \$3 million GPR to increase funding for Youth Aids payments to counties. Youth Aids fund the cost of placements to juvenile correctional facilities and other juvenile delinquency related services.
- Provides \$3.5 million to improve the state's Automated Fingerprint Identification System (AFIS).
- Provides \$450,000 GPR to increase reimbursement to counties for court interpreter services.
- Provides \$1.2 million of federal Byrne grant funds for a diversion program to encourage criminal justice agencies to collaboratively develop alternatives to incarceration for certain types of offenders.

State Government Operations

- Creates a new agency, the Department of Electronic Government, to strengthen the state's ability to plan and manage its information technology resources.
- Provides \$180 million to the general fund through eliminating vacancies, realizing savings from recent changes to the state retirement system and implementing five percent reductions in state operations appropriations to ensure a balanced budget.
- Enhances recruitment and retention in the Wisconsin National Guard by retaining a 100 percent tuition reimbursement program through a partial veto.
- Adds funding and positions to improve veterans benefits counseling.

- Provides \$45,000 annually for additional veterans benefits fairs and promotions.
- Increases tuition and fee reimbursement from 65 percent to 85 percent for veterans college and part-time study grant programs.
- Increases veterans emergency assistance grants funding by \$755,100.
- Authorizes 28.0 FTE positions and funding to staff the Southern Wisconsin Veterans Retirement Center.
- Expands veterans assistance centers by funding a new facility in Madison and expanding those at King and Southern Wisconsin Veterans Retirement Center.
- Increases funding by \$400,000 to support transportation services for disabled veterans.
- Funds a grant of \$200,000 to help establish a Milwaukee Veterans War Memorial Education Center.
- Adds 3.0 FTE and funding to strengthen enforcement in regulation and licensing.

There are also several budget provisions I did not veto that warrant discussion.

1. Shared Revenue – The budget bill includes one percent annual increases in each of the next two years for local government shared revenue and related programs. Specifically, the bill includes a one percent increase for the 2002 payments for shared revenue, expenditure restraint, small municipality shared revenue and county mandate relief. Another one percent increase is provided to these same programs for the 2003 payments. The municipal shared revenue increases will be distributed across-the-board. Each municipality in 2002 and 2003 will receive a one percent increase over its prior year payment.

While I am approving these increases, we must not diminish our efforts to restructure the shared revenue formula. Instead, we should continue the rethinking of this billion dollar program begun by the Governor's Blue Ribbon Commission on State-Local Partnerships under Professor Don Kettl's visionary leadership. Consistent with the commission's goals, we must remake shared revenue to reward performance, increase accountability, eliminate incentives to spend, encourage cooperation and move Wisconsin toward a more competitive tax environment.

2. Property Tax Exemptions and Municipal Services – The budget bill includes a provision that clarifies exemptions for YMCA and YWCA facilities from local property taxes due to their status as charitable organizations. While I am very supportive of the services provided by these organizations, I am also very concerned about the impact these exemptions have on a competitive business environment. The budget also authorizes local governments to assess charges on tax-exempt organizations for certain services provided by a municipality, such as fire protection. I have used my veto power to remove this provision because it was

meant to work within the broader package of reforms offered by the Kettl Commission and included in my budget, but not adopted by the Legislature. We must make progress on assigning appropriate tax status to certain organizations and implementing cost recovery mechanisms for local governments. I hope to build on the important progress made by the Kettl Commission in these policy areas and move toward meaningful change on issues of property tax exemptions, free market competition and municipal cost recovery issues.

3. Prescription Drugs – This budget includes a new prescription drug benefit for Wisconsin seniors that leads the nation. Clearly, the prescription assistance program will meet a critical need for many low-income seniors. However, given the deficit we face in developing the 2003-05 budget, I am concerned about the program being considered an entitlement requiring increased funding every biennium. The Legislature designed the program so that if funding is insufficient to meet demand in any given year, the Department of Health and Family Services is required to create waiting lists. I am directing the department to lay out a clear and equitable process to address this legislative mandate in its administrative rules.

4. Chiropractic Claims – The budget bill includes a provision that defines claims for payment of chiropractic services, with certain exceptions, as being overdue if not paid within thirty days after the insurer receives clinical documentation. My understanding is that property and casualty insurance or workers' compensation claims should not have been included in this requirement. I have requested the Commissioner of Insurance to work with affected parties to introduce separate legislation to clarify that this provision only applies to health insurance claims and not to property and casualty insurance or workers' compensation claims.

5. Child Care Subsidies – Child care assistance is one of the key priorities for use of Temporary Assistance for Needy Families (TANF) funding. However, we must not forget that the top priority for TANF funding is the Wisconsin Works (W-2) program. I am concerned that we may not always be able to fund growth in child care subsidies at the expense of the W-2 contracts and other related W-2 programs. In order to set priorities, the Legislature will, at some point, have to adopt the language I proposed allowing the administration to control child care expenditures through administrative means if the need arises.

6. Recycling – The budget bill increases the state recycling tipping fee to \$3.00 and provides \$24.5 million annually for municipal recycling grants in the 2001-03 biennium. At this level of support for local recycling programs, Wisconsin has the most generous subsidy in the country. While I do not believe that tipping fees are the best funding source to support recycling costs, I am concerned that many out-of-state communities neighboring Wisconsin view our state as a dumping ground. A review of the average total tipping fees at out-of-state landfills located near Wisconsin's borders point to these landfills using tipping fees to discourage the dumping of Wisconsin waste. Wisconsin's average total tipping fee is \$38 per ton, and ranges from \$16 per ton to \$80 per ton. Average total tipping fees in Minnesota, Illinois and Michigan landfills near our state lines are \$54, \$44 and \$63 per ton, respectively. The range of tipping fees in Illinois varies from \$25 to \$152, with many of the higher cost landfills close to our border. I have retained the increase in the tipping fee to discourage other states from viewing Wisconsin as a dumping ground for their garbage.

However, I am not convinced that increasing expenditures for the current recycling program will automatically lead to improvements in the amount of waste being recycled. Several other states have produced better results with less state support. I encourage the Department of Natural Resources to carefully review the recycling program here, and in other states, and develop a proposal for the 2003-05 biennial budget that will lead to better results without increasing expenditure levels.

7. Light Rail – The budget bill contains an extension of the prohibition on use of state or federal Interstate Cost Estimate (ICE) funds for costs related to light rail to June 30, 2002. I am not vetoing this provision, but I expect that the extension of this sunset will not affect the completion of the Kenosha-Racine-Milwaukee Transit Corridor Alternatives Analysis study that is being undertaken by the Southeastern Wisconsin Regional Planning Commission. The use of the federal ICE funds allocated to several of the local governments in southeastern Wisconsin is governed by an agreement signed by those local governmental units. The state is not a party to those agreements and should not prevent implementation of those agreements.

I also want to commend the Legislature for improving its timeliness in completing a budget, limiting growth in spending and adopting measures I proposed to improve the state's fiscal stability. However, there is much more we can do to improve the budget process to ensure taxpayer dollars are used more efficiently to grow our economy, improve educational quality and create high skill, high wage employment. I will carefully consider such changes in my next budget.

Our state is rich in so many ways: abundant natural resources, a world class higher and elementary education system, a burgeoning technology economy, and an excellent quality of life. Wisconsin citizens also provide considerable resources to support programs at the state and local level. The bill I am signing seeks to ensure that we use those resources wisely now and in the future.

Respectfully submitted,

SCOTT McCALLUM
Governor

Date: August 30, 2001

2001-03 BUDGET VETO MESSAGE

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A. EDUCATION AND TRAINING

HIGHER EDUCATIONAL AIDS BOARD

1. Minority Undergraduate Retention Grant Program

Section 1382r

This section amends 39.44 (1) (b) by expanding the eligibility requirement for the Minority Undergraduate Retention Grants program to include freshmen.

I am vetoing this section because the original intent of this program is to retain students who are making satisfactory progress at postsecondary institutions. Expanding the program to freshmen significantly alters this intent and is likely to reduce grants to those students who are meeting the original intent of the program. Furthermore, freshmen students are eligible to receive grants from the Wisconsin Higher Education Grant and Tuition Grant programs, as well as the federal Pell Grant program.

2. Study on State Payment of Two Years of Postsecondary Education

Section 9101 (21g)

This section would require the Department of Administration to study the development and implementation of a tuition grant program that would pay the cost of two years of postsecondary education.

I am vetoing this provision because the Legislature does not need to create a statutory mandate to study this issue. The Legislature has the authority to direct the Joint Legislative Council, Legislative Fiscal Bureau or the Legislative Audit Bureau to undertake such a study.

3. Academic Excellence Scholarships for International Baccalaureate Degree Students

Section 1381m

This provision would permit local school boards and the governing board of each private high school to award an Academic Excellence Scholarship to the senior with the highest grade point average in the International Baccalaureate Degree program.

I am vetoing this provision because it could potentially deny Academic Excellence Scholarships to students who have higher grade point averages in demanding curricula other than the International Baccalaureate Degree program. The intent of the scholarships is to reward students with the highest grade point average in their respective schools. Although I support participation in the International Baccalaureate Degree program and recognize its challenging curriculum, I do not believe it is fair to single out one program in state statute for favored treatment.

MEDICAL COLLEGE OF WISCONSIN

4. Domestic Abuse Training Requirements

Section 1379t

This provision requires the Medical College of Wisconsin to increase the amount of domestic abuse training it provides to medical students.

I am vetoing this provision because the Medical College of Wisconsin already provides domestic abuse training to medical students. The provision also does not define increased training or demonstrate that current training by the Medical College is inadequate. This provision could have an unintended impact on curriculum development that could raise accreditation concerns.

In addition, the provision was apparently added to the budget bill without the involvement of the Wisconsin Coalition Against Domestic Violence, the Wisconsin Women's Health Foundation or the Department of Health and Family Services. These organizations are currently involved in a two-and-one-half year project to review domestic violence standards and protocols. It is appropriate to wait until the project is completed before considering changes to existing training efforts.

PUBLIC INSTRUCTION

5. Delay of \$115,000,000 of School Aids to July 2003

Sections 395 [as it relates to s. 20.255 (2) (am)], 546m, 2767f, 2767m, 2777g, 2777r, 2779 [as it relates to s. 20.255 (2) (am)] and 2779m [as it relates to s. 20.255 (2) (am)]

These sections delay \$115,000,000 of school aids that should be paid in fiscal year 2002-03 until fiscal year 2003-04. In addition, \$700,000 GPR is appropriated for interest due on the delayed aid payment.

I am vetoing these provisions because the Legislature cannot increase the amount of delayed payments without placing the state's financial future at considerable risk. Previous budgets have delayed over \$940,000,000 in payments to local governments to allow for more spending. Further increasing the amount of delayed payments weakens our standing in the eyes of financial markets, increasing the potential for higher interest costs to state and local governments due to downgrading of the creditworthiness of the state's general obligation bonds.

The payment delay reflects an inability to prioritize spending. It conceals an unwillingness to fund two-thirds of local school costs within the state's fiscal year in order to allow more spending in other areas. As difficult as the choices in this budget have been, future budget choices will be much tougher if the delay is accepted.

We should not worsen our financial fundamentals by accepting this payment shift. According to generally accepted accounting principles, Wisconsin already has the worst budget imbalance in the country. The general fund must now regularly borrow hundreds

of millions of dollars for operations just to pay bills on time. We have reached the point where further payment shifts place the state's finances at extreme risk.

Jeopardizing our financial future does a disservice to Wisconsin's local governments and its citizens. Delaying decisions on the tough choices only makes those choices more difficult. This puts those dependent on state government at even greater risk in the future. All are better served by truth-in-budgeting and ensuring the state can pay its bills on time.

While I cannot use my veto authority to increase school aid, I am still committed to meeting two-thirds of local school costs. Under current law, the Joint Committee on Finance is required to set the school aid funding level for fiscal year 2002-03 by June 30, 2002. I remain convinced that the state's economy will show increased vigor in the months ahead. However, in the event that revenues do not change from current estimates, the significant savings generated by my vetoes provides sufficient revenues for the Joint Committee on Finance to buy back the school aid payment delay.

6. Revenue Limit Flexibility

Sections 395 [as it relates to s. 20.255 (2) (ac)], 2798s and 9340 (14c)

This provision allows any school board, on a two-thirds vote, to increase its allowable revenue per student above the amount that would be permitted under current law. The provision also includes an adjustment linking the maximum size of the allowable increase, measured on a percentage basis, to a district's equalized property value per pupil; the lower the property value, the larger the increase. On a statewide basis, the average increase would equal 0.78 percent of the allowable revenue per student.

I am vetoing this provision because it is likely to be inadequately funded, and it will have a negative effect on the state's overall fiscal condition. The Legislature included \$15,000,000 in fiscal year 2001-02 and \$30,000,000 in fiscal year 2002-03 to support this provision. The increase is based on the assumption that 37.5 percent of the available revenue limit flexibility will be used in 2001-02 and 75 percent in 2002-03. However, if the school boards representing the seventeen districts receiving the largest allowable increases make full use of their flexibility, the \$15,000,000 provided in 2001-02 to cover the state's two-thirds share will be exceeded. Any shortfall could increase local property taxes. If all districts make full use of the available flexibility in both years, the state would fall \$33,000,000 short of its commitment to fund two-thirds of the added spending. In addition, districts already have the authority to exceed limits through the referendum process.

This budget will include a \$53,450,000 increase in funding for the Student Achievement Guarantee in Education (SAGE) program, which will greatly expand the state's efforts to reduce class size in grades kindergarten through three. This will bring total funding of the SAGE program to \$95,029,600 in the 2002-03 school year. In addition, my veto of the provision that would have reduced funding for four-year-old kindergarten programs (see Department of Public Instruction, Item #7) will put more state resources into this important early learning program. Furthermore, the per student inflationary increases allowed under current law will add almost \$600,000,000 in state and local school spending over the biennium. School districts will also be receiving an estimated

\$84,000,000 in credits under a premium holiday related to unfunded accrued liabilities within the Wisconsin Retirement System, authorized in 1999 Wisconsin Act 11. In addition, I have approved funding to allow small districts serving large geographic areas to exceed the allowable school revenue limits.

The most recent national survey of school spending by *Education Week* magazine ranks Wisconsin sixth in spending per student. Clearly, this budget increases the state's already strong commitment to elementary and secondary education. Funding additional revenue limit flexibility, beyond these commitments, would severely strain the state's resources and increase local property taxes. By lining out the Department of Public Instruction's s. 20.255 (2) (ac) appropriation for general equalization aids and writing in a smaller amount that deletes \$15,000,000 GPR in fiscal year 2001-02 and \$16,000,000 in fiscal year 2002-03, I am partially vetoing the part of the bill which funds this provision. This partial veto retains \$14,000,000 in fiscal year 2002-03 to fund the cost of my veto of changes to the four-year-old kindergarten membership count (see Department of Public Instruction, Item #7). I am also requesting the Department of Administration secretary not to allot these funds.

7. Four-Year-Old Kindergarten Membership

Sections 2749m, 2761d, 2761g, 2764m, 2779 [as it relates to the amount of any revenue limit increase], 2788m, 2798L, 9140 (10f) and 9340 (8h)

This provision reduces state funding for four-year-old kindergarten programs, beginning in the 2002-03 school year, by reducing the maximum full-time equivalent (FTE) enrollment count that is eligible for state aid from 0.5 FTE to 0.3 FTE per enrolled pupil in a regular program and from 0.6 FTE to 0.4 FTE in an expanded program. The provision also includes a revenue limit exemption that would authorize school boards to increase local property taxes to offset the loss in state support.

I am vetoing this provision to restore the current level of state support for four-year-old kindergarten. Research has shown that early education is an important factor in academic achievement as students progress through the educational system. This is especially true for pupils from economically disadvantaged backgrounds. As we expect our children to learn more, we need to give them more opportunities to learn. Four-year-old kindergarten programs can serve as a valuable companion to the Student Achievement Guarantee in Education (SAGE) program, which reduces class size in grades kindergarten through three. Working together these programs can provide children with a solid foundation for continued achievement.

Under a separate veto of the revenue limit flexibility provision (see Department of Public Instruction, Item #6), I have also reversed the \$14,000,000 reduction in general equalization aids related to this provision. By deleting only \$16,000,000 of the \$30,000,000 included by the Legislature to fund the revenue limit flexibility provision in fiscal year 2002-03, \$14,000,000 is available to maintain the current level of support for four-year-old kindergarten programs.

While this lower reduction restores the funding to reflect the costs of these programs, it is not possible through a veto to properly split the funding between the appropriations affecting public schools and the Milwaukee Parental Choice program for four-year-old

kindergarten programs. Based on current estimates of fiscal year 2002-03 costs, \$700,000 of the \$14,000,000 restored through this veto should be added to the appropriation for the Milwaukee Parental Choice program. The proper distribution of these funds can be addressed when the Joint Committee on Finance meets in June 2002 to determine the general equalization amount for fiscal year 2002-03.

8. High School Graduation Test

Sections 2703m, 2707m and 2718m

This provision delays implementation of the high school graduation test from the 2002-03 school year to the 2004-05 school year.

I am vetoing this provision to restore the implementation date to the 2002-03 school year. The Department of Public Instruction has been developing the high school graduation test for the past several years and is nearing completion of a version that it planned to pilot in the 2001-02 school year. School districts and pupils have also been preparing for implementation. To delay the test at this late date is unfair to those who are expecting implementation in 2002-03. It also damages the state's credibility with the educational community, which has made a considerable investment in getting ready for the test.

In addition, a two-year delay would require the department to repeat much of the work that has already been done at an additional cost to state taxpayers. Finally, it is critically important that greater accountability at a statewide level be expected from a system educating over 850,000 pupils at a cost that will exceed \$8 billion by the 2002-03 school year. The high school graduation test is an important part of that accountability.

It is not possible, through a veto, to restore the \$9,300,000 included in my original budget request for continued development and implementation of the test. However, the federal government is currently considering funding to support the federal testing initiative in grades three through eight. Should that funding become available, the department should be able to reallocate existing state support for testing in the elementary grades to the high school graduation test. If additional federal funding is not forthcoming, I will propose separate legislation to address the implementation of the high school graduation test.

9. Calculator Use on Statewide Fourth-Grade Examination

Sections 2709m and 9340 (16c)

This provision prohibits pupils, beginning in the 2002-03 school year, from using calculators while taking the statewide fourth-grade examination.

I am vetoing this provision because one of Wisconsin's model academic standards, which were developed under a process approved by the Legislature, requires fourth-grade pupils to "select and efficiently use appropriate computational procedures such as . . . using a calculator." The current fourth-grade examination already includes a mathematical section where calculator use is prohibited. While I fully support the

development of strong mathematical skills that do not rely on the use of a calculator, I also recognize that being able to use a calculator properly is both necessary in today's society and allows pupils to solve more complicated and interesting problems.

10. Study on School Financing

Section 9140 (10k)

This provision requests the Joint Legislative Council to conduct a study of school financing.

I am vetoing this provision because the Legislature already has the authority to request a study without a nonstatutory provision.

11. Special Education Study

Section 9140 (10fm)

This provision requests the Joint Legislative Council to conduct a study of the criteria used to determine a pupil's need for special education services.

I am vetoing this provision because the Legislature already has the authority to request a study without a nonstatutory provision.

12. University of Wisconsin Special Education Study

Sections 1351zb and 2638m

This provision requires the board of regents to direct the University of Wisconsin-Madison's School of Education and Department of Neurology to study methods of identifying and remediating special education pupils with dyslexia and irlen syndrome and to distribute the completed report to each school district.

I am vetoing these provisions because the Legislature and the university have the authority to conduct a study without a budget provision. Furthermore, while I believe this research could be of significant value, the University of Wisconsin does not require statutory language to conduct studies. In light of the potential value of research on dyslexia and irlen syndrome, I strongly encourage the board of regents to direct that such a study be done.

13. Minority Group Pupil Scholarships

Section 395 [as it relates to s. 20.255 (3) (fz)]

This provision increases funding for minority group pupil scholarships by \$450,000 GPR in fiscal years 2001-02 and 2002-03.

I am partially vetoing this provision because I object to providing a 29.5 percent increase to this program at a time when the state faces significant fiscal constraints. By lining out the Department of Public Instruction's s. 20.255 (3) (fz) appropriation for minority group pupil scholarships and writing in smaller amounts that delete \$450,000 GPR in fiscal year 2001-02 and \$297,500 GPR in fiscal year 2002-03, I am vetoing the part of the bill which funds this provision. This will still provide the Minority Group Pupil Scholarship program with a ten percent increase in fiscal year 2002-03. The program also received a 45 percent increase in the 1999-2001 biennial budget.

14. Wisconsin Educational Opportunity Program Study

Section 395 [as it relates to s. 20.255 (1) (a)]

This section provides \$50,000 GPR in fiscal year 2002-03 to the Department of Public Instruction to study the effectiveness of the programs that comprise the Wisconsin Educational Opportunity Program.

I am vetoing this provision because the department can conduct this study without being required to do so by statute.

Although there is no language in the budget bill that authorizes this increase, the purpose of this funding was included in the Conference Committee amendment to the bill. By lining out the department's s. 20.255 (1) (a) appropriation and writing in a smaller amount that deletes the \$50,000 GPR provided for this purpose in fiscal year 2002-03, I am vetoing that part of the bill which funds the Wisconsin Educational Opportunity Program study. The appropriation under s. 20.255 (1) (a) is also reduced by my veto of the department's exclusion from base budget reductions (see Department of Public Instruction, Item #18). Furthermore, I am requesting the Department of Administration secretary not to allot these funds.

15. Aid to Public Library Systems

Section 395 [as it relates to s. 20.255 (3) (e)]

This provision increases funding for public library systems by \$250,000 GPR in fiscal year 2002-03.

I am vetoing this provision because it increases expenditure authority for this appropriation at a time when the state is experiencing significant financial constraints. In addition, aid to public library systems received an 11.3 percent increase in the 1999-2001 biennial budget.

Although there is no language in the budget bill that authorizes this increase, the purpose of this funding was included in the Conference Committee amendment to the bill. By lining out the Department of Public Instruction's s. 20.255 (3) (e) appropriation and writing in a smaller amount that deletes the \$250,000 GPR provided for this purpose in fiscal year 2002-03, I am vetoing that part of the bill which funds the increase to public library system aids. Furthermore, I am requesting the Department of Administration secretary not to allot these funds.

16. Library Service Contracts

Section 395 [as it relates to s. 20.255 (3) (ea)]

This provision increases funding for library service contracts by \$97,300 GPR in fiscal year 2001-02 and \$125,300 GPR in fiscal year 2002-03.

I am vetoing this provision because it increases expenditure authority for this appropriation at a time when the state is experiencing significant financial constraints. In addition, payments for library service contracts received a 7.6 percent increase in the 1999-2001 biennial budget.

Although there is no language in the budget bill that authorizes this increase, the purpose of this funding was included in the Conference Committee amendment to the bill. By lining out the Department of Public Instruction's s. 20.255 (3) (ea) appropriation and writing in smaller amounts that delete the \$97,300 GPR in fiscal year 2001-02 and the \$125,300 GPR in fiscal year 2002-03, I am vetoing that part of the bill which funds the increase to library service contracts. Furthermore, I am requesting the Department of Administration secretary not to allot these funds.

17. Wisconsin Educational Services Program for the Deaf and Hard of Hearing

Sections 181m, 371b, 395 [as it relates to s. 20.255 (1) (b), s. 20.255 (1) (c), s. 20.255 (1) (gb), s. 20.255 (1) (gh), s. 20.255 (1) (gL), s. 20.255 (1) (gs) and s. 20.255 (1) (gt)], 541r, 542, 545d, 545f, 545h, 545j, 545L, 1381g, 1381p, 1381r, 1416 [as it relates to the Wisconsin Educational Services Program for the Deaf and Hard of Hearing], 1489m, 1789b, 1789c, 1789d, 2639m, 2660m, 2660r, 2660t, 2661m, 2661p, 2661r, 2661t, 2662g, 2764c, 2779s, 3938s and 9140 (3q)

These provisions would expand the mission of the Wisconsin School for the Deaf by creating the Wisconsin Educational Services Program for the Deaf and Hard of Hearing. The purpose of this program would be to serve as a statewide educational resource for children with hearing impairments and their families.

I am vetoing these provisions because they would create future funding expectations at a time when the state is experiencing significant financial constraints. Any expansion of the Wisconsin School for the Deaf's mission would necessitate additional financial input from the state to implement. I am reluctant to commit in advance to such a use of state resources given current state financial trends.

In addition, this proposal was included in the budget without the type of full legislative study conducted by the Joint Legislative Council prior to the expansion of the Wisconsin School for the Visually Handicapped's mission in the 1999-2001 biennial budget. I do not oppose a legislative analysis of expanding the Wisconsin School for the Deaf's mission.

The effect of this veto will be to delete any changes to current law and to restore the Wisconsin School for the Deaf's existing mission.

18. Base Budget Reduction

Section 395 [as it relates to s. 20.255 (1) (a)]

This provision provides \$12,502,400 in fiscal year 2001-02 and \$12,747,400 in fiscal year 2002-03 for the Department of Public Instruction's central office operations. Although there is no language in the bill that authorizes this level of funding, the restoration of the five percent base reduction proposed in my budget request was included in Conference Committee amendment to the bill.

By lining out the department's s. 20.255 (1) (a) appropriation and writing in a smaller amount that deletes \$723,000 in fiscal year 2001-02 and \$723,000 in fiscal year 2002-03, I am vetoing section 395 [as it relates to s. 20.255 (1) (a)] to provide for a base budget reduction of four percent in each year of the biennium. The appropriation under s. 20.255 (1) (a) is also reduced by my veto of the Wisconsin Educational Opportunity Program study (see Department of Public Instruction, Item #14). There is no compelling reason to exclude the department's central office operations from any base budget reductions. A base budget reduction to the department's central operations will have no impact on the financial resources available to individual school districts. This veto retains the exemption from base reductions for the two residential schools operated by the department and requires a smaller reduction to the department's central operations than what is required of most other state agencies. I am also requesting the Department of Administration secretary not to allot these funds.

TEACH WISCONSIN

19. Museum Eligibility for Telecommunications Access Program Services

Section 1416 [as it relates to museums]

This provision would allow museums to participate in TEACH's telecommunications access program, which is funded by the universal service fund.

I am partially vetoing this provision because the cost of the expansion would lead to additional charges on consumers' monthly phone bills at a time when universal service fund charges to consumers are significant. In addition, the definition of museum is vague and overly broad. The effect of this veto will be to delete museum eligibility for TEACH's telecommunications access program.

UNIVERSITY OF WISCONSIN SYSTEM

20. Nonresident Student Tuition and Base Reduction

Sections 395 [as it relates to s. 20.285 (1) (a)] and 9156 (3pn)

Section 9156 (3pn) requires the board of regents to increase nonresident undergraduate tuition by 2.5 percent in each year of the 2001-03 biennium in addition to the regular tuition increases approved by the board.

I am partially vetoing this provision to increase the amount of the surcharge to five percent in each year. I believe the high quality of a University of Wisconsin education justifies increasing tuition for nonresident undergraduates. For example, the University of Wisconsin-Madison's nonresident undergraduate tuition is currently \$6,000 less than the nonresident tuition charged at the University of Michigan. Even with a five percent annual surcharge, the difference would still be approximately \$4,500.

The increased revenue obtained from the five percent surcharge will allow for additional reductions to the state's general purpose revenue spending, thereby helping to improve the state's overall fiscal condition. By lining out the University of Wisconsin System's s. 20.285 (1) (a) appropriation and writing in a smaller amount that deletes \$2,000,000 GPR in fiscal year 2001-02 and \$4,000,000 GPR in fiscal year 2002-03, I am vetoing the part of the bill that reflects my intent to use the additional revenue from increasing the nonresident undergraduate tuition to replace GPR. I am also requesting the Department of Administration secretary not to allot these funds.

21. Transfer of Credits Between the University of Wisconsin and the Wisconsin Technical College System

Sections 1351x and 1370m

Section 1351x requires the University of Wisconsin System institutions to accept all general education credits transferred from both the Wisconsin Technical College System and from within the University of Wisconsin System, as well as credits included in cooperative agreements between the two systems. The provision also authorizes the Assembly and Senate Committees on Higher Education to block credits on a case-by-case basis, by a majority vote. Section 1370m requires the Wisconsin Technical College System to accept credits transferred between its campuses and from the University of Wisconsin System institutions.

I am vetoing sections 1351x and 1370m because I believe the University of Wisconsin System and Wisconsin Technical College System should continue to expand the number of transferable credits through the plan developed under the 1999-2001 biennial budget act. I fully support increasing the ease of movement between Wisconsin institutions of higher learning. As the economy becomes more knowledge-based, many workers with less than baccalaureate degrees are finding it necessary to pursue additional postsecondary education in order to advance in their careers. However, in order to maintain the academic quality of both systems, I believe it is more appropriate for the decisions to be made through existing negotiations between the two systems than by

legislative mandate. I urge the University of Wisconsin and the Wisconsin Technical College Systems to continue their dialogue toward establishing a credit transfer policy.

I am retaining the provision that requires regular reporting on progress in implementing the credit transfer plan. This should provide policymakers with up-to-date information on credit transfer arrangements.

22. Sex Offender Notification

Sections 1351zd, 3352p, 3352w and 9311 (7c)

Section 3352p requires the Department of Corrections to immediately provide to the board of regents detailed information regarding registered sex offenders who are either employed by the University of Wisconsin or are students attending a University of Wisconsin institution. Section 1351zd requires the board of regents to provide the information received from the Department of Corrections regarding registered sex offenders to students attending the institutions at which the registered sex offenders are employed or attend and to the students' parents or guardians.

I am vetoing this provision in its entirety. While I agree with the intent of this provision to protect the well-being of students at the University of Wisconsin, I am concerned that the provision as drafted may not accomplish its intended purpose. By limiting the information to registered sex offenders who are employed by or attend the University of Wisconsin, the provision does not provide students with information about other registered sex offenders who may live in the same community, but are not associated with the university. Should a registered sex offender be a threat to the safety of students, it is as likely to be someone not affiliated with the University of Wisconsin as it is a fellow student or employee.

Current law authorizes law enforcement agencies to provide other organizations with the same information required under this provision if the law enforcement agencies determine that providing this information is necessary to protect the public. In the case of the University of Wisconsin, the information provided could include registered sex offenders not affiliated with the university. I request that the board of regents make use of the authority under current law to obtain information on registered sex offenders in those communities where the university has a presence.

In addition, I urge the Department of Corrections to consider adding the University of Wisconsin to the list of organizations to which the department can directly provide information on request under the s. 301.46 (4) (a) 14. If the department has legal concerns about its authority under this provision, I will support the introduction of legislation to include the board of regents on the statutory list. The effect of this veto will be to provide students with more comprehensive information on registered sex offenders than would be provided under this provision.

23. Resident Tuition for Certain Undocumented Persons

Section 1360m

This section provides an exemption from nonresident tuition to citizens of other countries who are not citizens of the United States, if they graduate from a Wisconsin high school (or receive a Wisconsin graduation equivalency), reside in the state for three years following high school graduation and submit an affidavit of their intent to apply for permanent residency as soon as they are eligible.

I am vetoing this provision because under the federal Illegal Immigration Reform and Immigrant Responsibility Act of 1996, aliens who are not lawfully present in the United States are not eligible for any postsecondary education benefit based on residency in a specific state unless all legal residents of the United States are eligible for the same benefit. Under this act, all nonresident students would be eligible for resident tuition if that benefit is provided to persons living in Wisconsin who are not citizens or permanent residents of the United States. I object to potentially obligating state taxpayers to subsidize the tuition of out-of-state students.

Similar legislation passed by the California Legislature was recently vetoed by Governor Gray Davis due to concerns about the requirements of federal law and the potential cost to the state. While I appreciate the academic accomplishments many noncitizens have made in Wisconsin high schools, until Congress changes the eligibility status of undocumented persons for this benefit, the focus of taxpayer subsidized postsecondary education needs to remain on students who are legal residents of the state.

24. Provide Full Fringe Benefits to Certain Limited Term Appointments at the University of Wisconsin-Madison

Section 9156 (3e)

This section requires the University of Wisconsin-Madison to provide paid vacation and sick leave benefits to limited term appointment employees (LTEs) who meet the requirements of participating employees as defined in section 40.02 (46).

While I support the pilot program to convert fifty long-term LTE positions to permanent status, included under another provision of this bill, I am vetoing the extension of benefits to other LTE employees who are not granted permanent status. Extending benefits to these employees raises issues with respect to the classified civil service system, to LTE positions in other state agencies, which are excluded by this provision, and to the cost of this expansion. This is an issue that should only be considered after a complete and objective analysis, including a review of the results of the fifty LTE conversion pilot program.

25. Tribal Logo Development

Section 1351t

This provision creates a requirement that the Robert M. La Follette Institute of Public Affairs at the University of Wisconsin-Madison develop a tribal logo that is representative of federally recognized American Indian tribes and bands in Wisconsin for use on official state notifications of grants funded all or in part by Indian gaming receipts.

I am vetoing this provision because it is unnecessary. It is not appropriate to assign the task of developing a tribal logo to a school of public policy. In addition, the development of and use of a tribal logo for state notifications does not require a statutory mandate.

26. Domestic Abuse Training Requirements

Section 1351za

This provision requires the University of Wisconsin System board of regents to increase the amount of domestic abuse training it provides to medical and nursing students.

I am vetoing this provision because the University of Wisconsin already provides domestic abuse training to medical and nursing students. The provision also does not define increased training or demonstrate that current training by the university is inadequate.

In addition, the provision was apparently added to the budget bill without the involvement of the Wisconsin Coalition Against Domestic Violence, the Wisconsin Women's Health Foundation or the Department of Health and Family Services. These organizations are currently involved in a two-and-one-half year project to review domestic violence standards and protocols. It is appropriate to wait until the project is completed before considering changes to existing training efforts.

27. Study of Postsecondary Education Commission

Section 9101 (21jm)

This section requires the Department of Administration to conduct a study of the feasibility of creating a Postsecondary Education Commission to provide a comprehensive and coordinated framework for all postsecondary education and training and report the study results to the Legislature by January 1, 2003.

I am vetoing this provision because the Legislature does not need a statutory mandate to study this issue. The Legislature has the authority to direct the Joint Legislative Council, Legislative Fiscal Bureau or the Legislative Audit Bureau to undertake such a study.

28. Aquaculture Demonstration Facility

Section 1349v

This provision prohibits any person from releasing sturgeon raised in an aquaculture demonstration facility into any natural body of water in the state.

I am vetoing this provision because it is unnecessary and may inhibit research. Under existing law, the rearing of lake sturgeon in an aquaculture facility is limited to the Department of Natural Resources. In addition, current law prohibits any person from releasing fish into the waters of the state without a permit from the department and also explicitly prohibits the release of any species of lake sturgeon. I believe these existing provisions adequately protect the state's natural fish stock.

The original intent of the Joint Committee on Finance was to limit the prohibition to commercially-bred sturgeon. However, as drafted, the provision applies to all sturgeon. Given the broad wording of the initiative, concerns have been raised that it could have a chilling effect on the ability of researchers in their efforts to improve the quality and productivity of fish farming in the state. The effect of this veto will be to maintain current law. I would consider legislation that was more narrowly drafted.

WISCONSIN TECHNICAL COLLEGE SYSTEM

29. Funding for Assistive Technology Grants

Sections 395 [as it relates to s. 20.292 (1) (cs)] and 582w

These sections create a new annual appropriation and provide \$300,000 GPR in the 2001-03 biennium to expand the availability of assistive technology to technical college students and graduates.

While I believe that individuals with disabilities are part of the solution to Wisconsin's skilled labor shortage, I am vetoing these provisions in their entirety because of the fiscal constraints facing the state. In addition, the budget includes a \$2,000,000 GPR increase for vocational rehabilitation services in the Department of Workforce Development. This program was recently praised by federal officials as a national leader in providing vocational rehabilitation services. The additional funding should greatly improve access to assistive technology for those citizens who need it and help more individuals with disabilities enter the state's work force.

30. Funding for Grants for Additional Course Sections

Section 395 [as it relates to s. 20.292 (1) (er)]

Section 395 [as it relates to s. 20.292 (1) (er)] provides \$750,000 GPR annually to increase funding in the Grants for Additional Course Sections appropriation. This program awards grants to help technical college districts add course sections in areas of high demand. Although there is no language in the budget bill that authorizes this

increase, the purpose of this funding was included in the Conference Committee amendment to the budget bill.

I am vetoing this provision to reduce the size of the increase to \$250,000 annually because I object to providing a 34 percent increase to a program that is just completing its first year of operation. I am sympathetic to the frustrations of students who are on waiting lists to take courses that are in high demand. My veto will still provide an 11.4 percent increase in this grant program. This will enable technical colleges to further increase course sections to meet student and employer demands but in a more fiscally prudent way. By lining out the Wisconsin Technical College System's s. 20.292 (1) (er) appropriation and writing in a smaller amount that deletes \$500,000 GPR provided for this purpose in each year, I am partially vetoing the part of the bill which funds this provision. Furthermore, I am requesting the Department of Administration secretary not to allot these funds.

31. Funding for Additional Incentive Grants

Sections 395 [as it relates to s. 20.292 (1) (dc)] and 1374m

Section 395 [as it relates to s. 20.292 (1) (dc)] provides \$750,000 GPR annually for Incentive Grants. Section 1374m requires the Wisconsin Technical College System Board to award this amount to technical college districts that are at or near the 1.5 mill property tax levy limit.

I am vetoing section 395 [as it relates to s. 20.292 (1) (dc)] because I object to increasing GPR spending to support new eligibility categories for Incentive Grants at a time when the state faces significant fiscal constraints. I support expanding the eligible uses of Incentive Grants to include addressing limited fiscal capacity, but this must be done through the efficient and effective management of existing resources. By lining out the Wisconsin Technical College System's s. 20.292 (1) (dc) appropriation and writing in a smaller amount that deletes \$750,000 GPR provided for this purpose in each year, 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.

I am partially vetoing Section 1374m so that the board retains the authority to award Incentive Grants for this purpose, but without the need to promulgate rules. This will provide the state board with additional flexibility in allocating Incentive Grants within the eligible categories.

32. Modify the Composition of the Committee that Appoints the Milwaukee Area Technical College District Board

Section 1369m

Section 1369m modifies the composition of the committee that appoints the Milwaukee Area Technical College district board. This section would require the four appointment committee members selected by the Milwaukee Board of School Directors to be members of the Milwaukee Board of School Directors.

I am vetoing section 1369m because this provision contradicts an existing statutory requirement, which is retained in the budget bill, that Milwaukee Board of School Directors appointments to the committee reflect the distribution of women and minorities within Milwaukee. Since the composition of the elected Milwaukee Board of School Directors does not necessarily always reflect the distribution of women and minorities, requiring the Milwaukee Board of School Directors' four appointments to be board members makes it difficult to meet this goal. The effect of this veto will be to retain the authority of the Milwaukee Board of School Directors to make appointments that do, to the extent possible, reflect the distribution of women and minorities in Milwaukee.

33. Domestic Abuse Training Requirements

Section 1370n

This provision requires the technical college district boards to increase the amount of domestic abuse training they provide to nursing students.

I am vetoing this provision because Wisconsin's technical colleges already provide domestic abuse training to nursing students. The provision also does not define increased training or demonstrate that current training by technical colleges is inadequate.

In addition, the provision was apparently added to the budget bill without the involvement of the Wisconsin Coalition Against Domestic Violence, the Wisconsin Women's Health Foundation or the Department of Health and Family Services. These organizations are currently involved in a two-and-one-half year project to review domestic violence standards and protocols. It is appropriate to wait until the project is completed before considering changes to existing training efforts.

B. ENVIRONMENTAL AND COMMERCIAL RESOURCES

AGRICULTURE, TRADE AND CONSUMER PROTECTION

1. Telephone Solicitation Regulation

Sections 2429d, 2437b, 2439b, 2443b, 2444b [as it relates to the manner of the recipient's request and to contributions, donations, grants or pledges], 2446b, 2446f [as it relates to penalty amounts] and 2819b [as it relates to contributions, donations, grants or pledges]

These provisions relate to new regulations creating a "no-call" database maintained by the Department of Agriculture, Trade and Consumer Protection. Section 2429d establishes a supplemental forfeiture not to exceed \$10,000 for violations of the telephone solicitation regulations involving calls to the elderly or disabled.

Sections 2437b and 2439b define the terms "affiliate" and "nonprofit organization," respectively. Section 2443b prohibits nonprofit organizations or their employees or contractors from making telephone solicitations to residential customers who have provided a no-call request to the nonprofit by telephone, mail or facsimile. Section 2444b [as it relates to the manner of the recipient's request] allows calls in response to the recipient's express written request.

Section 2446b creates a private cause of action for violations of the telephone solicitation provisions. Section 2446f [as it relates to penalty amounts] establishes penalties of not less than \$100 nor more than \$500 for each general violation and not less than \$1,000 nor more than \$10,000 for each violation of the no-call provisions.

Section 2819b [as it relates to contributions, donations, grants or pledges] defines telephone solicitation to include calls made to solicit contributions, donations, grants or pledges.

I am vetoing sections 2439b and 2443b and partially vetoing sections 2444b [as it relates to contributions, donations, grants or pledges] and 2819b [as it relates to contributions, donations, grants or pledges] because I object to the regulation of requests for contributions by nonprofit organizations and charities.

I am vetoing section 2429d and partially vetoing section 2446f [as it relates to penalty amounts] to provide for penalties of \$100 per violation because the penalties included in the bill are excessive. Each call in violation of the law is a separate offense, so with my veto, frequent violators face large total forfeitures while businesses that make occasional mistakes will not face penalties that could threaten their ability to remain in business. Furthermore, the elderly and disabled supplemental forfeiture already applies to a variety of fraudulent and deceptive practices targeted at these individuals. It is not necessary to impose a penalty that would apply to possibly mistaken telephone calls.

I am vetoing section 2437b because the definition is vague, leaves loopholes to the telephone solicitation restrictions and fails to allow legitimate calls by certain businesses. I am requesting the department to define the term "affiliate" in administrative rule in consultation with the Legislature, consumer groups and businesses.

I am vetoing section 2446b because it is unnecessary. The bill allows the department to investigate violations and bring actions to prohibit further violations or collect forfeitures. Since individual monetary damages from telephone solicitation are generally low, the allowance of a private cause of action could encourage frivolous litigation.

I am partially vetoing section 2444b [as it relates to the manner of the recipient's request] because requiring a potential customer to make an "express written" request for a call would prevent businesses from responding to voicemail, email or facsimile messages by potential customers.

My vetoes retain the creation of a no-call database and the ability of the Department of Agriculture, Trade and Consumer Protection to investigate and assess penalties for violations. It is important that individuals be able to control the types of telephone calls they receive, but this must be balanced against the right of organizations and businesses to contact potential contributors and customers. My vetoes create this balance by providing individuals the opportunity to be listed in the no-call database while allowing nonprofit organizations and businesses to continue to operate and determine which method of contacting individuals is most cost-effective.

2. Arsenic in Wood

Sections 2394p [as it relates to the report to the Legislature and the promulgation of rules] and 9104 (2k)

These provisions require the Department of Agriculture, Trade and Consumer Protection and the Department of Commerce, by June 30, 2002, to report to the Legislature the results of their review of the scientific evidence concerning the likelihood that wood treated with arsenic is harmful to the environment or to human health. If the departments determine that there is substantial likelihood of such harm, the departments must jointly promulgate rules restricting the use of arsenic treated wood. Violations of these rules will be subject to a forfeiture of not more than \$500. In addition, the departments must submit a report to the Joint Committee on Finance recommending ways to keep arsenic treated wood from being used in picnic tables, park benches and playground equipment.

I am partially vetoing these provisions to remove the requirements that the departments submit a report to the Legislature and Joint Committee on Finance and promulgate rules. I object to the additional reporting burdens on the departments and to the specific requirements regarding forfeiture amounts and the departments' regulation of arsenic treated wood. Since the departments have not yet studied the issue, it is premature to specify details of future regulation of arsenic treated wood. If the departments find evidence of potential harm, I expect that they will work together and with other affected departments and groups to address the issue.

3. K-12 Integrated Pest Management

Sections 395 [as it relates to ss. 20.115 (7) (rm) and 20.285 (1) (s)], 426p, 582k, 1357k and 2395t [as it relates to school integrated pest management plans, written notice and reporting requirements, prohibitions, and the department reporting requirement]

These provisions require school boards to propose and implement plans for using integrated pest management practices for pest control on school grounds. School boards would be required to provide 72-hour written notice to employees and students who may be present in the application area and to the parents of those students. School boards would be required to maintain detailed records on their pesticide use and to make those records available to the Department of Agriculture, Trade and Consumer Protection and interested persons. School districts would be prohibited from using pesticides unless nonchemical methods of pest control have failed; for routine use; or for aesthetic or cosmetic purposes. School districts would also be prohibited from using pesticide fumigation. The department would be provided 2.0 FTE SEG positions and associated funding from the agrichemical management fund. Finally, the University of Wisconsin-Extension would be provided funding from the agrichemical management fund to give assistance to school districts.

I am partially vetoing these provisions because they will impose an excessive financial and administrative burden on school boards and districts for recordkeeping and reporting. I am concerned that these additional burdens will reduce the success of the K-12 integrated pest management training program that is currently administered by the department. Fifty-four percent of Wisconsin school districts representing approximately 72 percent of students have participated in the program to date. To further improve this program, my vetoes retain the requirements that schools post a notice of pesticide application during and for 72 hours following application and that all pesticide application in schools be performed by licensed applicators.

4. Pet Regulation and Inspection Positions

Sections 395 [as it relates to s. 20.115 (2) (j)], 2881b [as it relates to penalties], 2881d, 2881e [as it relates to license taxes], 2881k and 2881L

These provisions relate to the regulation of pet dealers, pet breeders, animal shelters and kennels. Section 395 [as it relates to s. 20.115 (2) (j)] provides \$135,500 PR in fiscal year 2001-02 and \$271,100 PR in fiscal year 2002-03 for 7.0 FTE PR positions for licensing and inspection. 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 amendment to the bill. Section 2881b establishes penalties for operation without a license and other violations. Sections 2881d, 2881e, 2881k and 2881L change dog license fees.

I am vetoing sections 2881d, 2881k and 2881L and partially vetoing sections 395 [as it relates to s. 20.115 (2) (j)], 2881b and 2881e because the prescribed penalties and taxes are burdensome to pet owners and businesses.

By lining out the Department of Agriculture, Trade and Consumer Protection's s. 20.115 (2) (j) appropriation and writing in a smaller amount that deletes \$135,500 PR in fiscal year 2001-02 and \$271,100 PR in fiscal year 2002-03, I am vetoing the creation of 7.0 FTE PR positions because they are not needed at this time. The inspection and licensing provisions have a delayed effective date. The inspection program will be developed over the next two years and the number of staff needed will not be known until the program is fully established. If necessary, the department may submit a request for additional staff in the next biennial budget. I am also requesting the Department of Administration secretary not to allot these funds and not to authorize the 7.0 FTE PR positions.

5. Johne's Disease Testing

Section 395 [as it relates to s. 20.115 (2) (c)]

Section 395 [as it relates to s. 20.115 (2) (c)] provides an additional \$400,000 GPR annually to subsidize the testing of cattle for paratuberculosis (or Johne's disease).

I object to this increase because it is excessive given the state's fiscal condition. However, I recognize the importance of this critical testing program to animal agriculture and am retaining an increase of \$150,000 GPR in each year over the current funding level of \$100,000 GPR annually (a 150 percent increase in funding). By lining out the Department of Agriculture, Trade and Consumer Protection's s. 20.115 (2) (c) appropriation and writing in a smaller amount that deletes \$250,000 GPR in each year, I am vetoing the part of the bill that funds part of this provision. I am also requesting the Department of Administration secretary not to allot these funds.

6. Drainage District Funding

Sections 395 [as it relates to s. 20.115 (7) (i)], 423g and 2351h

These provisions require the Department of Agriculture, Trade and Consumer Protection to create and maintain a secure Internet site where drainage districts may post engineering projects in order to obtain bids electronically for engineering services. The department must promulgate rules setting fees to cover the costs of the Internet site. Revenues from the fees would be deposited in and expended from a new appropriation.

I am vetoing these provisions to remove the requirement for the department to create and maintain the Internet site and charge fees and to eliminate the associated appropriation. I object to this provision because it increases costs to property owners located in drainage districts and restricts the department's ability to work with drainage districts to best address their needs.

7. Tobacco Minimum Markup Violations

Section 2430L [as it relates to cigarette wholesalers]

This provision allows an association of cigarette wholesalers to bring an action on behalf of a person injured or threatened with injury by a violation of the tobacco minimum markup law. The minimum markup law prohibits tobacco or motor fuel sellers from selling their products below cost.

I am partially vetoing this provision to remove the ability of cigarette wholesalers to bring an action on behalf of the person injured or threatened with injury. With passage of this bill, individual businesses that are injured or threatened with injury may bring an action under the minimum markup law and extending that right to uninjured third party wholesaler associations is unnecessary.

8. Food Advisory Council

Sections 168e and 2403e

These provisions establish a food advisory council within the Department of Agriculture, Trade and Consumer Protection composed of representatives of the department, industry and academia. The council is required to meet quarterly and to advise the department concerning issues related to providing a safe and wholesome food supply in Wisconsin.

I am vetoing this provision because it is unnecessary and duplicative. The department can and does meet regularly with industry and academic representatives regarding food safety in Wisconsin.

9. Producer Security Effective Date

Section 9404 (1) [as it relates to s. 221.0320 (2) (a) (intro.)]

Section 9404 (1) [as it relates to s. 221.0320 (2) (a) (intro.)] establishes an effective date of January 1, 2002, for the provision affecting grain warehouse keepers.

I am partially vetoing section 9404 (1) [as it relates to s. 221.0320 (2) (a) (intro.)] because it establishes the wrong effective date. The correct date of September 1, 2002, is established in section 9404 (4).

10. Producer Security Payment Schedule

Section 2813 [as it relates to s. 126.48 (1), (2) and (4)]

These provisions establish the schedule by which milk contractors, including qualified producer agents, must submit payments to producers. The provisions are part of the comprehensive overhaul of producer security regulation and the new producer security fund.

I am partially vetoing section 2813 [as it relates to s. 126.48 (1), (2) and (4)] because these provisions establish the wrong monthly payment schedule for qualified producer agents. By this veto, qualified producer agents will be subject to the same payment schedule as other milk contractors.

COMMERCE

11. Minority Business Certification Program

Sections 321j, 1111j, 1346t, 1372i, 1406w, 2001r, 2002m, 2003t, 2003vp, 2003vq, 2003wm, 2003wq, 2026k, 2307h, 2307i, 2307j, 2307ji, 2744m, 2760m, 3020h, 3020i, 3020j, 3020k, 3035x, 3037p, 3037q, 3037r, 3095j, 3097e, 3098v, 3141d [as it relates to the awarding of HIV prevention grants to organizations operated by minority group members], 3619sd, 3619sg, 3619sj, 3619sm, 3619sp and 3710j

These provisions extend the Department of Commerce's minority business certification process to make department certification the standard for other units of state and local government, including the State of Wisconsin Investment Board, Department of Transportation, counties, Milwaukee Metropolitan Sewerage District, public libraries and school boards.

I am vetoing sections 321j, 1111j, 1346t, 1372i, 1406w, 2001r, 2002m, 2003t, 2003vp, 2003vq, 2003wm, 2003wq, 2026k, 2307h, 2307i, 2307j, 2307ji, 2744m, 2760m, 3020h, 3020i, 3020j, 3020k, 3035x, 3037p, 3037q, 3037r, 3095j, 3097e, 3098v, 3619sd, 3619sg, 3619sj, 3619sm, 3619sp and 3710j and partially vetoing section 3141d [as it relates to the awarding of HIV prevention grants to organizations operated by minority group members] to maintain the current minority business certification system.

While I recognize that a uniform statewide minority business certification process would be beneficial, I object to including these provisions in this budget because they leave significant issues unresolved including potential conflicts between federal and state requirements that may result from the expanded scope of the certification program. I am requesting the Departments of Commerce and Administration to perform a thorough review of the process of minority business certification and to propose a uniform certification process in the next biennial budget. The plan should consider all affected groups including businesses; minority organizations; and federal, state and local governments.

12. Joint Committee on Finance Zone Approval Process

Sections 3708m [as it relates to the Joint Committee on Finance] and 3713 [as it relates to the Joint Committee on Finance]

These sections establish a technology zone program and an agricultural development zone program. The Department of Commerce is authorized to designate these zones with the approval of the Joint Committee on Finance.

I am partially vetoing these sections to remove the Joint Committee on Finance approval requirement because it would infringe on executive branch authority to manage programs and would cause unnecessary delays in the designation of the zones.

13. PECFA Interest Cost Reimbursement

Sections 2470p, 2470r and 9310 (1x)

These provisions repeal the two-tier reimbursement structure for PECFA claims and replace it with a maximum interest reimbursement of prime rate minus one percent on all loans.

I am vetoing these provisions to return to the current law two-tier rate schedule because I object to state taxpayers having to absorb significant interest cost subsidies to PECFA claimants. The two-tier schedule reimburses interest costs at the prime rate minus one percent for applicants with gross revenues of less than or equal to \$25,000,000 in the previous tax year, and at four percent for applicants with gross revenues of greater than \$25,000,000 in the previous tax year. With limited PECFA funds available to reimburse claims each year, it is appropriate for the state to focus its limited resources on assisting owners and operators of petroleum storage tanks with fewer financial resources in order to ensure loans can be obtained to conduct environmental remediation. Since large companies are often able to self-finance PECFA cleanup costs, maintaining a lower interest reimbursement rate for these companies will help the fund remain solvent.

14. PECFA Rules for Arbitration and Mediation Recommendations

Sections 9110 (2x) and 9110 (2y)

These provisions direct the Department of Commerce to submit administrative rules for its arbitration process to the Legislative Council staff by May 1, 2002, and to submit recommendations for a process to mediate disputes over PECFA decisions to the Joint Committee on Finance by March 1, 2002.

I am vetoing these provisions because I object to this infringement on executive branch authority to manage programs and because they are unnecessary. Current law already instructs the department to promulgate rules for arbitration. Additionally, if the department determines that mediation is a cost-effective and efficient way to handle disputes, it can study the possibility and suggest solutions.

15. Brownfields Grant Program

Section 3631m

This section requires the Department of Commerce to semiannually consider brownfields grant applications and awards.

I am vetoing this section because I object to the Legislature excessively managing agency programs. The department is best able to assess whether or not it is plausible and/or advisable to award brownfields grants on a semiannual basis.

16. Gaming Economic Development Earmarks

Sections 451 [as it relates to the earmarks for the Lincoln Park Center, the Keyes Peak Recreation Center and the Great Lakes Forestry Museum] and 9110 (1), 9110 (10fk) and 9110 (10p)

These sections earmark or require funding from the Department of Commerce's gaming economic development and diversification program to the M7 Development Corporation for construction of the Lincoln Park Center, to the Keyes Peak Recreation Center for a construction project and to the Great Lakes Forestry Museum to develop a facility for educating the public about the history of forestry in the state.

I am vetoing sections 9110 (1), 9110 (10fk) and 9110 (10p) and partially vetoing section 451 [as it relates to the earmarks for the Lincoln Park Center, the Keyes Peak Recreation Center and the Great Lakes Forestry Museum] because they are inconsistent with the primary focus of the gaming economic development and diversification program, compromise the award selection process and limit the Department of Commerce in its efforts to create and retain jobs in Wisconsin. Local communities, organizations, businesses and individuals associated with the identified programs can continue to compete for funding through the wide array of economic development assistance offered by the department.

While funding for the Lincoln Park Center was included in my budget, I object to removing the requirement that the M7 Development Corporation obtain matching financing from the city of Milwaukee.

17. Wisconsin Development Fund Earmarks

Sections 438m [as it relates to the grant to the Clearwater Lake Distilling Company and the allocation to the Menominee Tribe] and 9110 (10eg)

These provisions earmark or require funding from the Wisconsin development fund for an economic development project for the Menominee Tribe and for a grant to the Clearwater Lake Distilling Company for a project that uses potato waste in vodka distillation.

I am partially vetoing section 438m and vetoing section 9110 (10eg) because they are inconsistent with the primary focus of the Wisconsin development fund, compromise the award selection process and limit the Department of Commerce in its efforts to create and retain jobs in Wisconsin. Local communities, organizations, businesses and individuals associated with the identified programs can continue to compete for funding through the wide array of economic development assistance offered by the department.

18. Minority Business Finance Program Earmark

Section 439c

This section requires funding from the Minority Business Finance program for grants to the Multicultural Center of Greater Green Bay for programming to educate community businesses and nonprofit organizations in recruiting and retaining a multicultural work force.

I am vetoing this section because it compromises the award selection process and limits the Department of Commerce in its efforts to promote minority business development in Wisconsin. I support minority business development in the state and feel that all minority businesses should have equal chance to receive funding. Local communities, organizations, businesses and individuals associated with the identified program can continue to compete for funding through the wide array of economic development and minority business assistance offered by the department.

19. Community-Based Economic Development Earmarks

Sections 439, 9110 (8x) and 9110 (8y)

These sections earmark funding from the Community-Based Economic Development Program for Gateway Technical College for costs related to a consortium for a manufacturing training center and for CAP Services, Inc., to provide technical assistance and management services to small businesses.

I am vetoing these sections because they compromise the award selection process and limit the Department of Commerce in its efforts to promote economic development in Wisconsin. Furthermore, the department already provides training programs and technical and managerial assistance to small businesses. Local communities, organizations, businesses and individuals associated with the identified programs can continue to compete for funding through the wide array of economic development assistance offered by the department.

20. Grant to Westby Fire Department

Section 9110 (10d)

This section requires the Department of Commerce to make a Community Development Block Grant to the Westby Fire Department for costs related to the purchase of a new fire engine and the construction of a new fire station. The grant is to be made only in the event that the Federal Emergency Management Agency does not make a fire grant to the fire department.

I am vetoing this section because it is inconsistent with federal rules and regulations concerning the awarding of Community Development Block Grant funding. The state receives funding from the federal government based on a set of goals and objectives. Applications are then solicited from municipalities and awarded based on a competitive

scoring process that must conform to federal regulations. Earmarking funds from this program is inconsistent with federal law and risks the loss of federal funding.

21. International Division Audit

Section 9132 (5q)

This section requests the Joint Legislative Audit Committee to direct the Legislative Audit Bureau to perform a financial and performance evaluation audit of the Department of Commerce's Division of International and Export Services.

I am vetoing this section because it is unnecessary. The division and its overseas offices have been regularly evaluated by independent consultants. Furthermore, the division is subject to periodic financial audits by the Legislative Audit Bureau, as are other agencies.

22. Office of Economic Strategy Report

Section 9110 (8z)

This section requires the Department of Commerce to submit a report to the Legislature concerning a plan to create an Office of Economic Strategy. The office would be responsible for coordinating all state government efforts and activities related to economic development.

I am vetoing this provision because it creates an unnecessary burden on the department. Furthermore, the department is already charged with the responsibility to foster the growth and diversification of the economy of the state and to serve as the central agency and clearinghouse for economic development activities.

23. Fire Suppression Grant Program

Section 3664m

This section creates a fire suppression grant program in the Department of Commerce. Under the program, the department may award up to \$250,000 from Community Development Block Grant funds annually to first-responder fire departments that serve areas with populations under 6,000. The grants may be used for equipment and training materials.

I am vetoing this provision because it is unnecessary. The department is currently authorized to make such grants to fire departments under the Community Development Block Grant program. Most awards already go to areas with populations under 6,000. Imposing additional population and funding restrictions unnecessarily reduces administrative flexibility.

24. Certified Capital Companies Administration Lapse

Section 442g

This section lapses the unencumbered balance in the certified capital companies administration appropriation to the general fund at the end of each fiscal year. Funds in the appropriation derive from fees charged to certified capital companies for administration of the program.

I am vetoing this section because the fees have been collected for the purpose of administering the certified capital companies program, and the proposed transfer would limit the resources available for this purpose.

25. Certification of Crane Operators

Sections 2447x, 2490b, 2490f, 9110 (9q), 9110 (9qq), 9110 (9qr), 9310 (2q) and 9410 (2q)

These sections prohibit the operation of cranes over fifteen tons without a valid operator certificate and require the Department of Commerce to certify private crane operator certification programs. The sections include exceptions for training, the uniformed services, personal use, emergencies and public utilities. The requirements do not apply where they are inconsistent with a collective bargaining agreement. Operation of a crane without a certificate is punishable by a \$500 fine or up to three months imprisonment.

I am vetoing these sections because they are unnecessary. Crane operators are subject to regulation by the federal Occupational Safety and Health Administration. Costly and duplicative state training requirements would not improve safety. Furthermore, the regulation has the potential to increase construction costs and reduce employment opportunities in the construction trades by prohibiting otherwise properly trained and qualified tradespersons from operating crane equipment.

26. Fire Dues Distribution

Sections 2490r, 2495m and 2497m

These sections prohibit the Department of Commerce from withholding fire dues payments from a municipality because of the municipality's failure to meet eligibility requirements. The prohibition will be removed after the department promulgates rules modifying the eligibility requirements. The rules must be approved by the Joint Legislative Audit Committee and must be based on the recommendations of a forthcoming Legislative Audit Bureau performance evaluation of the fire dues program.

I am vetoing these sections because they are unnecessary. The department has been examining the fire dues distribution program independently and is able to promulgate necessary rule changes without a formal requirement to do so. The ability to withhold fire dues payments is required for the department to oversee the fire safety efforts of municipalities.

27. Storage and Handling of Ammonia

Section 2449d [as it relates to pollution control devices]

This provision exempts facilities where ammonia is used in pollution control devices from the Department of Commerce's rules regarding the safe storage and handling of ammonia.

I am vetoing this provision because these facilities often store large quantities of ammonia. Exempting them from regulation would create an excessive safety hazard.

28. Milwaukee Development Opportunity Zone

Sections 2146, 2147p, 2177, 2178p, 2191 and 2192p [as they relate to the use of credits to offset the income from partnerships', companies' or corporations' business operations or directly related business operations]

These provisions limit partners, members of limited liability companies and shareholders of tax-option corporations to using the tax credits available in the Milwaukee Development Opportunity Zone to offset taxes attributable to their income from all of the partnership's, company's or corporation's business operations or directly related business operations.

I am vetoing these provisions to allow partners, members of limited liability companies and shareholders to use the affected tax credits to offset all of their income. This change removes an unintended limitation on the use of the tax credits and is in keeping with the original intent of the Milwaukee Development Opportunity Zone.

LAND USE

29. Land Information Board and Land Council Changes

Sections 163, 164, 165, 166, 167, 200b, 201c, 1999n, 2001n, 4039b, 4041b [as it relates to the effective date], 4059b, 4059g and 9459 (5r)

These provisions add members to the Wisconsin Land Council, extend the deadline for submission of a report concerning the continuation and combination of the council and the Land Information Board, and extend the sunset of both the council and the board to September 1, 2007.

I am vetoing these provisions because I object to the extension of the report deadline. The report was required in 1997 Wisconsin Act 27, and the council and board have sufficient time to begin and complete the required report by September 1, 2002. I object to the addition of three members to the council and the extension of the sunset for both the council and the board prior to receipt of the required report. After reviewing the report, I will consider the future of the council and board.

30. Wisconsin Land Information System

Sections 342m, 342n, 343r and 4041b [as it relates to s. 16.966 (5)]

These provisions require the Land Information Board to promulgate rules to create and maintain a land information system and require the Department of Administration to contract for operation and maintenance of such a system.

I am vetoing these provisions because they put an administrative burden on the Land Information Board and infringe on executive branch authority to manage programs. Under this budget bill, the staff provided to the Land Information Board is reduced by 2.0 FTE PR positions. In addition, the board and the Wisconsin Land Council are required to submit, no later than September 1, 2002, a report concerning the issue of continuation and the feasibility of combination of their function.

31. Release of Smart Growth Data

Section 9101 (19b)

This section requires the Department of Administration to make the initial release of state land information submitted to the Land Information Board by May 31, 2002.

I am vetoing this section because the deadline is unrealistic. The board would receive the information by March 31, 2002, and the department would not be able to prepare the information for release until the board has determined how the information should be integrated and presented to the public. In addition, the budget bill reduces funding and positions allocated to the Land Information Board. I am requesting that the board and the department strive to make this information available in a reasonable timeframe.

32. Comprehensive Planning Grants

Sections 332 [as it relates to establishing a deadline and opening applications to public inspection] and 395 [as it relates to s. 20.505 (1) (cm)]

These provisions increase funding to the Department of Administration for comprehensive planning grants by \$157,900 GPR annually. The provisions also require the department to establish a deadline for receipt of applications and to open all applications received by the department to public inspection after the deadline.

I am vetoing these provisions because they increase expenditure authority for this appropriation at a time when the state is experiencing significant financial constraints. Furthermore, I object to legislative interference in the way the department currently conducts the application process.

The effect of this veto will be to delete the provisions allocating additional funding to the department for comprehensive planning grants and establishing further administrative requirements. Although there is no language in the budget bill that authorizes the funding increase, the purpose of this funding was included in the Conference Committee amendment to the bill. By lining out the Department of Administration's

s. 20.505 (1) (cm) appropriation and writing in a smaller amount that deletes \$157,900 GPR provided for this purpose annually, I am vetoing that part of the bill which funds the increase to comprehensive planning grants. Furthermore, I am requesting the Department of Administration secretary not to allot these funds.

33. Property Development Rights

Sections 3862w and 9309 (5z)

These provisions allow the seller of property development rights lasting longer than thirty years to bring an action to recover the difference in the sale price of the property development rights and value of those rights.

Retaining and protecting Wisconsin's agricultural, natural, recreational and open spaces has become a very important issue in recent years. The purchase of property development rights is a voluntary agreement that places deed restrictions on a property to ensure that the parcel will remain agricultural or open space. I am vetoing these provisions because of the potential dampening effect they could have on the purchase of property development rights, especially by nonprofit organizations and local units of government.

34. Dane County Regional Planning Commission Sunset

Section 4046s

This section repeals the October 1, 2002, sunset date of the Dane County Regional Planning Commission as established by 1999 Wisconsin Act 9.

I am vetoing this section because I object to the repeal of the sunset prior to receipt of the task force report required by 1999 Wisconsin Act 9. The task force is to study and make recommendations regarding the creation of a multicounty regional planning commission. I will review the continuation or modification of the Dane County Regional Planning Commission after receiving that report.

NATURAL RESOURCES

35. Creation of a Department of Forestry

Sections 1bg, 1br, 99m, 178f, 179t, 183m, 343p, 394 [as it relates to s. 20.375], 395 [as it relates to ss. 20.370 (1) (mv) and (mx) and 20.375], 425c, 458m, 582i, 582j, 584d, 584h, 584p, 584t, 585gm, 585hm, 585im, 589g, 591m, 591q, 591r, 591s, 600p, 603i, 603m, 603p, 603rd, 603rf, 603rk, 603rn, 603rp, 603rs, 603rw, 603ub, 603x, 604m, 608e, 608m, 608s, 621b, 621hc, 621hL, 621hx, 629db, 629dj, 629dk, 629dL, 629dm, 629dn, 629do, 629dom, 629dp, 629dq, 629ds, 629dsm, 629dt, 629dy, 629dz, 629dzb, 629dzd, 629dzi, 629fb, 629fd, 629fg, 629fj, 629fm, 632g, 753m, 759p, 962b, 969eg, 988m, 1034fb, 1034fd, 1034fg, 1034fh, 1034fj, 1034fk, 1034fL, 1034fn, 1034fp, 1034fq, 1034fr, 1034fs, 1034ft, 1034fu, 1034fv, 1034fw, 1034fx, 1034fy, 1034hm, 1034r, 1036b, 1036bb,

Prior to July 1, 2002, the Governor, with the advice and consent of the Senate, could appoint a secretary to head the new department, who could then appoint one unclassified division administrator, a deputy secretary and an executive assistant. The number of division administrators within the Department of Natural Resources would be reduced from seven to six. The operational budget of the Department of Forestry, excluding aids and debt service appropriations, would be over \$54,100,000 and include 619 positions.

The Department of Forestry would consult and cooperate with other state agencies, especially the Department of Natural Resources. The two departments would confer on funding issues, the Warren Knowles-Gaylord Nelson Stewardship 2000 Program, grant awards, environmental clean-up activities, outdoor recreation policies, proposed laws that affect snowmobiles, approval of National Forest boundaries, leases and treaties with the federal government establishing state forests, the Natural Areas Preservation Council activities and in all other areas where the departments' interests and responsibilities overlap. Like other agencies, the Department of Forestry would be required to keep the Governor informed of its actions and activities, to obtain the Governor's approval before acquiring new lands and to meet set conditions for selling or trading public land.

The Department of Forestry would have the same powers as other state agencies to accept gifts, grants, bequests, devises or donations. The Department of Forestry would have the authority to extend or consolidate lands under its supervision, to grant or acquire easements to areas of state forests, to acquire land to furnish access to state forests, to determine the value of donated lands, to lease lands in state forests and to designate special use areas within state forests. Twice each year, the department would be required to inspect trail signs and designated features. The department would manage forestry fund support of wildlife management and habitat development, private and county forestry, urban land conservation, forest law, fire suppression, county forest administrator grants, and distribution of federal national forest income payments.

The department would pay aids in lieu of taxes for properties under its jurisdiction, as well as debt service, for the acquisition and development of state forests. A forestry land endowment fund would be created to parallel the Department of Natural Resources' natural resources endowment fund.

Responsibilities transferred from the Department of Natural Resources to the Department of Forestry would include gypsy moth eradication, plant protection, forestry education and grants to cooperatives, support of the Wisconsin Conservation Corps, forestry-related environment education grants, reforestation, forestry recording fees, forest fire emergencies and reimbursements related to timber sales contract oversight. The Department of Forestry would support the resource aids and debt service payments formerly provided by the forestry account of the conservation fund.

Under the provisions of the new department, state forest rangers would be classified as law enforcement officers and as such, would have additional general authority.

On July 1, 2002, the staff, assets, liabilities, obligations, rules and orders primarily associated with the Department of Forestry would vest in that agency, as determined by the secretary of the Department of Administration. All incumbent Department of Natural Resources employees relating primarily to the functions of the Division of Forestry would

be transferred to the Department of Forestry. The secretary of the Department of Administration would also determine which incumbent Department of Natural Resources employees that relate primarily to general administration and program support would be transferred to the Department of Forestry. After determining these employees, the secretaries of the Department of Natural Resources and the Department of Forestry could submit a request to the Joint Committee on Finance to transfer monies between the departments' GPR, FED, PR and SEG appropriations to reflect the personnel transfer.

I am vetoing these provisions to retain forestry-related activities and programs in the Department of Natural Resources. I object to the duplication of effort and reduced accountability to the public for management of Wisconsin's abundant natural resources that would result from creation of a separate department. Forests are an important and integral part of Wisconsin's environment, history, culture and economy. In addition to providing valuable timber, Wisconsin's forests also support wildlife, endangered resources, recreational opportunities for residents and visitors, and lake and river ecosystems. These forests improve water quality and aquatic habitat by reducing erosion and regulating water temperatures. In order for a separate Department of Forestry to adequately manage the state's forest resources, staff would need to be reallocated to provide expertise in fish and wildlife, endangered resources and recreational issues. Also, the Department of Natural Resources would need to reallocate staff to address forestry-related management issues on properties such as the Willow, Chippewa and Turtle-Flambeau Flowages.

Separation of forestry management from the Department of Natural Resources would also result in each department having to devote fee and other segregated revenues to activities for which the revenues were not originally collected. Federal regulations restrict the use of fish and wildlife fee revenue to the state agency responsible for fish and wildlife management. Therefore, the Department of Forestry would be required to use forestry revenues or to find an alternative revenue source to complete wildlife-related activities in the forests. Likewise, the Department of Natural Resources would be required to expend fish and wildlife, endangered resources, parks, recreational vehicle and other segregated revenues on forestry-related activities on land under its jurisdiction. The departments could agree to jointly manage these state lands, though this would result in foresters reporting to wildlife managers and vice versa. Creation of a separate department would result in the same problems it is purported to solve.

I also object to the creation of a new state police force, the state forest rangers. State forest rangers would be the equivalent of conservation wardens. Having two equivalent police forces in the same areas of the state would lead to public confusion and could result in uncoordinated law enforcement. For example, a snowmobiler could be stopped multiple times within a relatively short period of time by a conservation warden for a routine check on land under the Department of Natural Resources' jurisdiction and then by a state forest ranger on land under the jurisdiction of the Department of Forestry. Having separate police forces would also reduce accountability, as the public would have two possible contacts with which to register a complaint. Investigations of complaints would take more time, as each department would need to determine if the complaint is correctly filed against one of its officers, or should have been filed with the other department.

Wisconsin's forests are vital to the well-being of the state, its residents and visitors because of their impact on the state's history, economy (both through timber harvesting and tourism and recreational use), environment and culture. I support the continued improvement in management of this significant component of the quality of life for Wisconsin's citizens. Under the budget bill, funding for forestry activities and programs in fiscal year 2001-02 will increase by \$4,514,400 SEG and 15.0 FTE additional forester positions are authorized. The division administrator of the Division of Forestry will be designated the chief state forester and will be required to be a professional forester. Funds within the Warren Knowles-Gaylord Nelson Stewardship 2000 Program will be set aside to match federal funds for protection of forested lands, and public education and awareness of forestry issues will be increased through a new kindergarten through twelfth grade education curriculum and public education program. Since my veto cannot restore funding in the Department of Natural Resources forestry-related appropriations, I request the Department of Natural Resources to review the funding needs for fiscal year 2002-03 and submit either a request for corrective legislation or a request for supplemental funding to address funding and position needs for forestry-related programs, assistance and activities.

I recognize the serious concerns raised by the forestry industry and other interested groups concerning the diversion of forestry account resources and the lack of adequate attention by the Department of Natural Resources to the importance of a sustainable forest industry in Wisconsin. The bill I am signing includes considerable funding increases to support more positions in the field to meet the planning and management needs of private and industrial forest land owners. To continue to better address these serious concerns, I am directing the secretary of the Department of Natural Resources to increase efforts to serve the needs of forest land owners and Wisconsin's forest industry.

36. Recycling

Sections 395 [as it relates to s. 20.285 (1) (tb) and (tm)], 3222e, 3222f, 3222g, 3222h, 3222m, 3222p, 3222q, 3222r, 3225c, 3225f, 3226k, 3227e, 3619k, 3619m, 3619n, 3619s, 9137 (1k) and 9137 (1km)

These sections make the following changes to Wisconsin's recycling program:

- Convert the existing grant distribution formula to a per capita formula, with a rate of \$5.30 per capita;
- Limit grant amounts to eligible costs incurred two years earlier and prorate grants if available funds are insufficient;
- Create a recycling efficiency incentive grant program, funded with \$1,900,000 SEG in fiscal year 2002-03 and reduce the per capita rate for responsible units ineligible for recycling efficiency incentive grants by \$1.50 per capita;
- Create a pilot program to identify workable alternatives for compliance with the landfill bans which became effective in 1995;

- Modify the Department of Natural Resources' audit requirement to require the department to annually review, in cooperation with the University of Wisconsin-Extension, at least 5 percent of grant recipients for compliance with the landfill bans and effective recycling program criteria and to identify ways for the responsible unit to become more efficient and effective;
- Prohibit solid waste facilities from accepting solid waste from a building containing five or more dwelling units or a facility not providing for collection of recycled materials;
- Require the Recycling Market Development Board to give priority to projects that seek to use materials that either constitute a relatively high volume of solid waste generated in the state or are hazardous to human health and the environment; and
- Allocate up to \$200,000 annually in forgivable loans for projects that have an exceptional potential to meet one of the existing four eligibility criteria but do not comply with fiduciary responsibility criteria established by Recycling Market Development Board or the Department of Commerce

Section 3222m [as it relates to the reporting requirement] requires the Department of Natural Resources to submit two reports concerning the pilot program for compliance with banned materials to the Legislature and the Joint Committee on Finance. The first would be submitted by January 1, 2003, and the second by January 1, 2005. I am partially vetoing this section to remove the reporting requirement because it places an unnecessary administrative burden on the department.

Sections 3222p and 3222q replace the department's current audit requirement with a requirement to review, in cooperation with the University of Wisconsin-Extension, at least five percent of grant recipients to ensure compliance with landfill bans and effective recycling program criteria and to identify activities, methods or procedures that would make the responsible unit's program more efficient or effective. Section 3222r requires the department to annually report to Joint Committee on Finance on the number of recycling programs reviewed. I am vetoing sections 3222q and 3222r and partially vetoing section 3222p to remove the University of Wisconsin-Extension's participation, the list of items for which the review would be conducted and the reporting requirement. I object to the infringement on the executive branch's ability to manage programs. I also object to requiring the University of Wisconsin-Extension to participate in a review that could be viewed as regulatory. The University of Wisconsin-Extension provides technical assistance and educational support to responsible units and creating a situation in which the University of Wisconsin-Extension could be viewed as a regulatory entity could undermine its relationship with responsible units.

Section 3222e allows the Department of Natural Resources to promulgate rules regarding incidental amounts of materials banned from landfills and specifying the minimum elements for coordinated program delivery. Sections 3222f, 3222g and 3222h prohibit solid waste facilities from accepting solid waste with more than an incidental amount of recyclable waste and section 3227e imposes fines for violations. Sections 3226k and 9137 (1k) create a recycling efficiency incentive grant program to provide grants to responsible units which engage in coordinated program delivery. I am vetoing sections 3222f, 3222g, 3222h, 3227e and 9137 (1k) and partially vetoing sections 3222e

and 3226k to remove the solid waste facility enforcement requirements and the recycling efficiency incentive grant program requirements. I object to placing the burden of enforcing recycling laws on solid waste facilities. Enforcement is a governmental responsibility, and it is unfair to punish a solid waste facility or hauler for not knowing all contents of the waste it receives. I also object to the restrictions placed on the department's ability to develop a recycling efficiency incentive grant. My vetoes retain \$1,900,000 for grants under this program, and I am requesting the department to solicit input from the public, responsible units, businesses and other interested groups on development of this program.

Sections 3225c and 3225f establish a per capita grant formula beginning with grants awarded for 2002. Grants would be awarded on a per capita basis at a rate of \$5.30 per capita. Beginning with grant year 2005, recipients that are not eligible for a recycling efficiency grant would be awarded grants at a rate of \$3.80 per capita. I am vetoing these sections because I object to the effect redistribution will have on many communities. Smaller, rural communities in particular would receive less funding than under the current formula; whereas large, urban communities would gain additional funding. This redistribution is not based on the cost-effectiveness and efficiency of the local programs, merely population.

Section 9137 (1km) provides the Department of Natural Resources with 1.0 FTE SEG position to be funded with existing monies. I am vetoing this section because with the significant base budget reductions to the department included in this budget bill, it is inappropriate to require the department to further reallocate funds for this position.

Section 395 [as it relates to s. 20.285 (1) (tb) and (tm)] provides funding for recycling education and solid waste research. I object to this funding because the limited resources for recycling should be focused on implementation of effective programs. By lining out the University of Wisconsin's s. 20.285 (1) (tb) and (tm) appropriations and writing in \$0, I am vetoing the part of the bill which funds this provision. I am also requesting the Department of Administration secretary not to allot these funds.

Sections 3619k, 3619m, 3619n and 3619s require the Recycling Marketing Development Board to give priority to projects that involve recovered materials that constitute a relatively high volume of solid waste generated in the state or that are hazardous to human health or the environment; to annually allocate up to \$200,000 for forgivable loans for projects that have exceptional potential to meet one of the qualifying considerations, but do not comply with the board's or the Department of Commerce's criteria for meeting fiduciary responsibilities; and in consultation with the Council on Recycling, to annually establish a list of materials for which the board may award financial assistance. I am vetoing these sections because they create additional administrative burdens for the board and infringe on the board's authority to determine how to best use its limited resources.

My vetoes retain the increase in the state tipping fee to allow the recycling program to continue and to begin exploring different approaches to the current program. The Department of Natural Resources should closely monitor the pilot program for compliance with landfill bans and the recycling efficiency incentive grant program. The effects of these programs should be considered in the proposal I am requesting the department to submit for the 2003-05 biennial budget.

37. Brownfields Staff

Section 395 [as it relates to s. 20.370 (2) (mq)]

This provision appropriates \$242,400 in fiscal year 2001-02 and \$306,900 in fiscal year 2002-03 for 5.0 FTE SEG two-year project waste management specialist positions to geo-locate brownfields properties and update the Department of Natural Resources' Web-based registry of closed sites. 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 am partially vetoing section 395 [as it relates to s. 20.370 (2) (mq)] because I object to the increase in the number of positions related to this program. The department has received a total of 25.0 FTE positions in the last two budgets (7.0 FTE positions in the 1999-2001 biennial budget and 18.0 FTE positions in the 1997-99 biennial budget) for brownfields program activities and should use those resources as effectively as possible. The department has streamlined the work load at PECFA sites in order to provide additional staff and resources for brownfields work. By lining out the Department of Natural Resources' s. 20.370 (2) (mq) appropriation and writing in a smaller amount that deletes \$242,400 SEG provided in fiscal year 2001-02 and deletes \$306,900 SEG provided in fiscal year 2002-03, I am vetoing the part of the bill which funds this provision. I am also requesting the Department of Administration secretary not to allot these funds and not to authorize the 5.0 FTE SEG positions in fiscal years 2001-02 and 2002-03.

38. Land Recycling Loan Program Site Assessments

Section 3168n [as it relates to site assessments and investigations]

This provision directs the Department of Natural Resources to accept site assessments and investigations as eligible costs under the program for applicants able to demonstrate that remediation will be necessary.

I am partially vetoing section 3168n [as it relates to site assessments and investigations] to remove the requirement that the department accept site assessments and investigations as eligible costs because it is unnecessary. Under the program, reimbursement for previously incurred site assessment expenses is available as part of an overall project loan. Additionally, the department's Site Assessment Grant Program provides grant funding to eligible applicants for initial investigations of contaminated properties.

39. Land Recycling Loan Program Intent to Apply

Sections 3168p and 3168r [as it relates to the notice to apply]

These provisions repeal the requirement that applicants submit a notice of intent to apply for financial assistance under the program to the Department of Natural Resources by December 31 of the preceding fiscal year.

I am partially vetoing section 3168r [as it relates to the notice to apply] and vetoing section 3168p because these provisions are unnecessary. Under current law, the department has the ability to waive this notice requirement if an eligible applicant makes a written request for a waiver.

40. Regulation of High-Capacity Wells

Sections 3160v [as it relates to s. 281.17 (1) (c) 2.] and 9137 (1x)

These provisions direct the Department of Natural Resources to condition approval of high-capacity wells for bottled drinking water based on possible adverse effects to the quality and quantity of state waters, and to prepare an environmental impact statement with each approval of a high-capacity well for bottled drinking water. Additionally, new requirements on high-capacity wells are retroactively applied to all wells approved by the department on or after September 1, 2000.

I am partially vetoing section 3160v [as it relates to s. 281.17 (1) (c) 2.] and vetoing section 9137 (1x) because these provisions are unnecessary and because I object to applying them retroactively. First, the department already has an established environmental analysis and review process. Under this process, an environmental impact statement is prepared for all major actions that will significantly affect the quality of the human environment. Since not all high-capacity wells will significantly impact the human environment, and their potential to do so depends upon the location, aquifer type and rate of withdrawal, conditioning each approval on an environmental impact statement and a study of possible adverse effects is excessive. Second, applying these new restrictions to already issued permits would hurt businesses that have moved forward and based plans around those permits.

I recognize that there are serious concerns about the impact of these wells and believe that the existing Department of Natural Resources' requirements combined with the new permit process for wells that produce water for bottling which I am retaining in this bill will adequately protect the state's interests.

41. Legislative Council Studies

Sections 9132 (1q) and 9132 (2x)

These sections request that the Joint Legislative Council study high-capacity well usage as well as the need to modify state laws to address the impacts of groundwater usage.

I am vetoing these sections because they are unnecessary. The Joint Legislative Council can conduct these studies without a nonstatutory law requiring them to be performed.

42. Residential Well Air Filtration

Sections 3160q and 9437 (6p)

These sections require an owner of a residential well to install an air filter to prevent airborne bacteria from contaminating the well water if the well was constructed on or after January 1, 2003, or if water from the well tests positive for bacteria.

I am vetoing these sections because I object to requiring well owners and the Department of Natural Resources to invest substantial time and effort in a program of unproven value. There is no solid evidence that these filters will bring about the intended public health benefit, or that they will even work correctly. Further research on the public health protection offered by these filters and potential alternatives is needed.

43. Elcho Land Spreading Grant

Sections 395 [as it relates to s. 20.370 (6) (dc)], 615t and 3207v

These provisions provide an annual \$25,000 GPR grant to the Elcho Sanitary District #1 to subsidize wastewater treatment costs for residents of that community. The district received financial hardship assistance in early 1999 from the Clean Water Fund Program for the purpose of constructing a wastewater treatment facility. A portion of the financial assistance was provided as a grant and the remainder as a loan with an interest rate of 0.823 percent.

I am vetoing these provisions because they set a bad precedent. The Clean Water Fund Hardship Program uses formulas that consider costs but will not always result in user rates at exactly the target of 2 percent of median household income. Communities must establish and maintain user charges sufficient to make payments on their obligations even if all forecasted revenues do not materialize or if costs are greater than predicted. The Clean Water Fund Program has over 400 loans to Wisconsin communities and it would be unfair to single out the Elcho Sanitary District #1 for this grant.

44. Municipal Flood Control and Dam Rehabilitation

Sections 395 [as it relates to s. 20.370 (7) (da)], 621h, 962 [as it relates to s. 20.370 (7) (da)], 962b [as it relates to s. 20.370 (7) (da)], 967 [as it relates to municipal flood control and riparian restoration grants], 967e [as it relates to municipal flood control and riparian restoration grants] and 1345cm [as it relates to promulgating rules]

These sections provide \$9,000,000 of general obligation bonding authority in a new appropriation for municipal flood control and riparian restoration cost-sharing grants. The sections also create a new grant program to match federal funds for rehabilitation of flood control dams and allocate \$500,000 of the bonding authority for these grants.

I am vetoing section 621h and partially vetoing sections 395, 962, 962b, 967 and 967e to remove the separate appropriation and bonding authority for municipal flood control and riparian restoration. I object to the separation of funding for municipal flood control from

urban nonpoint pollution abatement issues. Combining the funding for these two programs recognizes the effect of storm water control and pollution abatement measures on flooding and gives the Department of Natural Resources and the Natural Resources Board more flexibility to direct funds to maximize water quality and quantity improvements.

Recognizing the need for rehabilitation of flood control dams in western Wisconsin and around the state, I am retaining the \$500,000 set-aside to match federal funding for dam rehabilitation. To allow the department and counties to maximize the amount of federal funding received by the state and expedite the awarding of grants, I am partially vetoing section 1345cm to remove the requirement that the department promulgate rules for the grant program.

45. Funding Notices of Discharge

Section 3173j

This provision would require the Department of Natural Resources to provide a cost-sharing grant to an animal feeding operation to correct unacceptable practices identified in a notice of discharge.

I am vetoing this provision because I object to singling out animal feeding operations which have violated pollution control laws for special consideration under this program. These animal feeding operations should compete for this funding like any other entity. Furthermore, requiring the department to make cost-sharing grants in this manner would be in direct violation of federal law, which bars this practice in some cases.

46. Watershed Center

Sections 1066d and 1358m

These sections would require the Department of Natural Resources to provide \$150,000 SEG annually to the University of Wisconsin System for the establishment and operation of a watershed management center at the University of Wisconsin-Stevens Point.

I am vetoing these sections because they are unnecessary and are not a cost-effective use of water resources account monies. Given the limited revenues available in the water resources account of the conservation fund, it would not be prudent at this time to expand the uses of this account to support a new center. The university may pursue watershed research or establishment of such a center without a statutory directive.

47. Wisconsin Waters Initiative

Sections 395 [as it relates to s. 20.370 (4) (ax)], 600r and 9137 (2t)

These provisions create an appropriation to receive funds from the environmental fund for providing computer accessible water resources management information and allow the Department of Natural Resources to submit a proposal to the Joint Committee on

Finance concerning the continued development of a system to provide computer accessible water management information. If the committee does not notify the department within 14 days of submittal of the request that a meeting would be scheduled to review the proposal, the new appropriation and the appropriation under s. 20.370 (4) (aq) would each be supplemented by \$100,000 SEG.

I am vetoing these provisions because I object to the infringement on executive branch authority to manage programs. This information is important for water management and planning activities. Therefore, I encourage the department to pursue cost-effective continued development of this system with existing funds allocated for this project.

48. Lake Management Grant for Fish Lake

Section 9137 (8q)

This section requires the Department of Natural Resources to provide a lake management grant to Dane County for water quality and lake level improvements for Fish, Mud and Crystal Lakes. The grant would not be subject to the statutory limitation on the portion of project costs that may be funded.

I am vetoing this section because it infringes on the department's authority to decide which projects, and associated funding, will provide the best management of Wisconsin's lakes. I also object to the waiver of the 75 percent limitation. Dane County can continue to compete for funding through the various assistance programs provided by the department.

49. Stewardship Earmarks

Sections 1034h, 1034hm [as it relates to s. 23.197 (7)], 1034pm, 1039bv, 1039fm, 1039k, 1039km, 1039m, 1039s and 9107 [as it relates to (1) (i) 2.]

These provisions require the Department of Natural Resources to do the following under the Warren Knowles-Gaylord Nelson Stewardship 2000 Program:

- Provide up to \$175,000 SEG for the development of a recreational area on Keyes Lake in Florence County;
- Provide \$60,000 SEG to the city of Hillsboro and waive the 50 percent matching requirement for the development of a camping and recreational area near the Hillsboro and Northeastern Spur Trail;
- Provide \$135,000 SEG to acquire conservation easements along the Plover River in Marathon County and Portage County;
- Provide \$648,100 SEG to Milwaukee County to redevelop the beach at Grant Park;
- Provide \$25,000 to the city of Menasha for the purchase of land to be used for a skateboard park facility in Winnebago County; and

- Provide up to \$200,000 SEG in matching funds for the development of a conservation law enforcement museum.

I am vetoing these provisions because I object to the infringement on executive branch authority to manage programs and because these provisions are unnecessary. The department currently reviews grant applications under several criteria that take into account the importance of the property for recreational and conservation purposes. These criteria and the requirement for a local match for grants ensure that local projects are planned and supported by the communities affected by the projects. Circumventing this process undermines the integrity of the Stewardship 2000 Program.

50. Forest Legacy Program Funding

Section 1034k

This section requires the Department of Natural Resources to set aside not less than \$12,000,000 from the land acquisition subprogram of the Warren Knowles-Gaylord Nelson Stewardship 2000 Program. These funds may be obligated only to provide matching funds for the purchase of land or easements under the federal Forest Legacy Program.

By striking the digit "1", I am partially vetoing this section to limit the set aside amount to not less than \$2,000,000. I object to the amount of funding being set aside because this requirement limits the department's flexibility in determining the best use of the Stewardship 2000 Program funds. In addition, the Forest Legacy Program matching requirement is 25 percent of the program costs. Although I strongly support the conservation of Wisconsin's forested land, the state is not expected to receive enough federal funding for the department to obligate the total amount of the proposed set-aside. If additional federal funding becomes available, I am requesting the department to set aside additional Stewardship 2000 Program funds to maximize the amount of federal dollars coming to the state.

51. Stewardship Appraisal Requirements

Section 1035g

This section requires governmental units or nonprofit organizations to submit at least one appraisal to the Department of Natural Resources if they request a Warren Knowles-Gaylord Nelson Stewardship 2000 Program grant to purchase land which the department estimates has a fair market value exceeding \$200,000. The department is required to also obtain a separate independent appraisal.

I am vetoing this section because it creates an unnecessary burden on the department. The department did not receive any additional resources to obtain and review these appraisals. Requiring the department to manage this requirement with existing funds may result in delays in awarding grants to applicants.

52. Stewardship Purchase Notification

Sections 1038q, 1038qc and 9437 (1z) [as it relates to s. 23.14 (1m)]

These sections require the Department of Natural Resources to notify, in writing, affected local units of government of any acquisition of land or interest in land at least thirty days prior to completion of the acquisition.

I am vetoing sections 1038q and 1038qc and partially vetoing section 9437 (1z) [as it relates to s. 23.14 (1m)] because they unduly limit the department's ability to work with sellers and to expedite the protection of sensitive environmental areas.

53. Chiwaukee Prairie-Carol Beach Acquisition

Section 1038saq

This section prohibits the Department of Natural Resources from promulgating administrative rules or establishing a department policy that imposes a specific maximum purchase price per parcel or per acre for real property that the department acquires within the Chiwaukee Prairie-Carol Beach National Natural Landmark.

I am vetoing this section because it limits the department's flexibility to determine how best to use limited resources to protect and preserve sensitive areas of the state.

54. Signage for Fishing Easements

Section 1038dg

This section requires the Department of Natural Resources to place a sign on any property where the department acquires an easement allowing public access for fishing. The sign must inform the public that the easement allows public access to the body of water for fishing.

I am vetoing this section because it is unnecessary and infringes on the property owner's rights. The department may erect signs on property with fishing easements at its own discretion and in cooperation with the property owner.

55. Forestry Demonstration and Education Center

Sections 1038r, 1038sam and 9437 (1z) [as it relates to s. 23.14 (2)]

These provisions would require the Department of Natural Resources to notify the Joint Committee on Finance of any proposed acquisition, for a forestry demonstration and education center, of rights in lands that are part of Milwaukee County grounds.

I am vetoing these provisions because I object to legislative intrusion in this area. In addition, sufficient oversight procedures already exist in cases where large, expensive land purchases are being made and do not require additional legislative oversight.

56. World Paper Center

Sections 395 [as it relates to s. 20.370 (5) (ax)], 603rb and 9137 (8mk)

These provisions would allocate \$250,000 SEG in fiscal year 2001-02 to the Paper International Hall of Fame, Inc., to renovate the Atlas Mill and retitle it the World Paper Center.

I am vetoing these provisions because I object to expending state fiscal resources for this purpose. By lining out the Department of Natural Resources' s. 20.370 (5) (ax) appropriation, I am vetoing that part of the bill which funds the renovation of the Atlas Mill. The effect of this veto will be to delete all funding for this purpose.

57. Great Lakes Forestry Museum

Sections 395 [as it relates to s. 20.375 (2) (rq)], 603q, 603r, 629do, 629dom, 9137 (5mk), 9437 (3mk) and 9437 (3mkx)

These sections require the Department of Natural Resources and the proposed Department of Forestry to award grants of up to \$150,000 to an organization known as the Great Lakes Forestry Museum to develop a facility in the city of Rice Lake for educating the public about the history of forestry and logging in this state. In addition, within six months of receiving the grant, the grant recipient is required to submit a report to the Department of Natural Resources or the Department of Forestry detailing how the grant proceeds were used.

I am vetoing these sections because I object to expending state fiscal resources for this purpose. Forestry revenues should be focused on the protection, acquisition, development, operation and maintenance of forests of the state. Although Wisconsin's rich history of forestry and logging is important, other funds should be found to support this facility.

58. Managed Forest Land Eligibility

Sections 2247d, 2247h, 2247p, 2247t and 9337 (3f)

These sections modify criteria used to define a parcel of land that is capable of producing merchantable timber for designation as managed forestland.

I am vetoing these sections because they inappropriately expand the use of the managed forest land program. Managed forest land receives preferential tax treatment because it is dedicated to timber production and recreational use. Allowing more land that is not favorable to timber production to enroll in this popular program would endanger its original focus and purpose.

59. Urban Forestry Grant Earmarks

Sections 9137 (5vy), 9137 (5x) and 9137 (5y)

These sections earmark funding within the urban forestry grant program for tree planting demonstration projects in the cities of Waupaca, Milwaukee and Racine.

I am vetoing these sections because they are unnecessary and unduly infringe on executive branch authority to manage programs. The cities may continue to compete for grants through the established grant review process.

60. Urban Land Conservation Grant

Sections 395 [as it relates to ss. 20.370 (5) (ay) and 20.375 (2) (sm)], 1036bx, 1036c, 1036d, 1036e, 1036em [as it relates to the grant amount and the purposes of the grant], 1036f [as it relates to the grant amount and the purposes of the grant], 1036g, 1036h, 1036j, 1036k, 1036m, 1036n, 1036p, 1036q, 1036r, 1036s, 1036t, 1036u, 1036v, 1036w and 1036y

These sections increase the amount of an annual grant to the Urban Open Space Foundation and modify the requirements the foundation must comply with in order to receive the grant.

I am partially vetoing sections 395 [as it relates to ss. 20.370 (5) (ay) and 20.375 (2) (sm)], 1036em [as it relates to the grant amount and the purposes of the grant] and 1036f [as it relates to the grant amount and the purposes of the grant] because the increase is excessive and unnecessary. By striking "of \$150,000" in the amended language of section 1036f and by lining out the appropriations under ss. 20.370 (5) (ay) and 20.375 (2) (sm) and writing in \$75,000 for this purpose in each fiscal year, I am notifying the Legislature of my intent to veto the increase in the grant amount. I am also requesting the Department of Administration secretary not to allot these funds. In addition, I am requesting the Department of Natural Resources to continue to provide an annual grant of \$75,000 to the foundation.

I am vetoing sections 1036bx, 1036c, 1036e, 1036g, 1036h, 1036j, 1036k, 1036m, 1036n, 1036p, 1036q, 1036r, 1036s, 1036t, 1036u, 1036v, 1036w and 1036y to retain the current requirements the foundation must meet to receive the grant. I object to the expansion of the activities the grant funds may support because they are redundant. The department already has an urban forestry grant program to address these issues and the foundation may compete with other nonprofit organizations for land acquisition grants through the Warren Knowles-Gaylord Nelson Stewardship 2000 Program.

61. Sustainable Forestry Grant Program Rules

Section 1153s

This section allows the Department of Natural Resources to make grants to counties having forest land to fund the cost of activities related to improving the sustainable forestry on the land. The section specifies that the department will promulgate rules to

include the following: establish criteria to award grants; maximum amount of grant available to each recipient; activities for which a grant may be awarded; required match from counties; and a method for establishing priorities for awarding grants or providing partial grants.

I am partially vetoing this section to eliminate the requirement for the department to promulgate rules to establish criteria and procedures for awarding sustainable forestry grants to provide the department with more flexibility in administering and establishing rules for this program.

62. Conservation Fund Transfers

Section 585m, 624m, 9237 (3k) and 9237 (5z)

These sections transfer \$15,000 SEG from the fish and wildlife account to the endangered resources account and \$200,000 SEG from the forestry account to the *Natural Resources Magazine* account. All accounts are within the conservation fund.

I am vetoing these sections because the transfers are inappropriate and unnecessary. Each account receives revenues collected from citizens of the state for a specific purpose. Although the transfers would enhance funding for endangered resources and *Natural Resources Magazine* activities, the monies were not collected for these purposes.

63. State Parks Concessions Report

Section 9137 (4z)

This section requires the Department of Natural Resources to submit a report to the Governor and the Joint Committee on Finance by October 1, 2002, on the operation and profitability of concession operations in the state parks. In addition, the department is to investigate the option of contracting with the private sector for concession services.

I am vetoing this section because this provision would limit the department's ability to effectively administer the operation of concession services at state parks. The department continually evaluates these operations and investigates options for providing concession operations. In addition, several of these operations are now provided by not-for-profit charitable organizations and such a provision could adversely affect their fund-raising capabilities.

64. Perrot State Park Bridge Study

Section 9137 (8m)

This section requires the Department of Natural Resources to conduct a study and submit a report to the Legislature by June 30, 2002, on the feasibility of constructing a bridge at Perrot State Park that would provide access by park users to Trempealeau Mountain.

I am vetoing this section because it is unnecessary. The department is already looking at the feasibility of the proposed bridge as part of the master planning process in cooperation with local units of government and other interest groups.

65. Mountain-Bay State Trail Access

Section 1153m

This section allows the town of Weston to establish a public access site to the Mountain-Bay State Trail and prohibits the Department of Natural Resources from requiring the closure of another public access site to offset the opening of the new site.

I am vetoing this section because opening another public access site along a state trail without closing an existing access site may pose a safety hazard for recreational users of the state trail system. I will support such a provision if it can be demonstrated that it will not pose a safety hazard.

66. Park and Forest Beaches

Sections 395 [as it relates to s. 20.370 (1) (es)], 585k, 600p and 9437 (1z) [as it relates to s. 20.370 (4) (aw)]

These provisions create an appropriation to provide \$150,000 SEG annually from the Department of Natural Resources' Division of Land for the operation, development and maintenance of beaches at state park and southern forest properties.

I am partially vetoing section 395 [as it relates to s. 20.370 (1) (es)] to eliminate \$150,000 SEG in fiscal years 2001-02 and 2002-03. I am vetoing these provisions because this is not an appropriate use of motor boat gas tax revenues.

67. State Trail Funding

Section 590m [as it relates to trail operation]

This section creates an appropriation funded by all-terrain vehicle (ATV) registration fee revenue for operation and maintenance of trails in state parks and southern forests.

I am partially vetoing this section to limit the expenditure of ATV revenue to the maintenance of these trails. I object to the use of this fee revenue for trails that may not be open to ATV riders. However, I recognize the need to maintain these heavily traveled trails. I encourage the Department of Natural Resources, to the extent possible, to focus these funds on trails open for recreational vehicle use.

68. Hunting and Fishing in State Parks

Sections 1162h, 1162p, 1162t, 1162w and 1162wm

These sections require the Department of Natural Resources to open all state parks to hunting and fishing if the park has received any funding from the fish and wildlife account of the conservation fund at any time during the preceding ten years. The Natural Resources Board may exempt a state park from this requirement.

I am vetoing this provision because this is a policy issue that should be addressed by the Natural Resources Board as part of its public hearing process. In addition, I have concerns pertaining to the safety of other persons using the state parks during designated hunting seasons.

69. Recreational Boating Earmarks

Sections 605 [as it relates to Black Point Estate, a recreational fishing pier, the Wausau Whitewater Course and a museum in Racine], 605b, 605c, 848r, 962 [as it relates to s. 20.505 (5) (c)], 972m, 1036yr, 1036yt, 9107 [as it relates to (1) (p) 2. and 3.], 9137 (4x), 9137 (5e), 9137 (6g), 9137 (7f), 9137 (8k), 9437 (2q) and 9437 (2x)

These provisions make various earmarks of funding from the recreational boating facilities aids appropriation for grants to:

- Village of Whiting for a recreational fishing pier;
- City of Wausau to upgrade the Wausau Whitewater Course;
- City of Racine for the Discovery Place Museum;
- City of Racine for dredging the Root River;
- City of Oconto for dredging the Oconto River; and
- City of Marinette for improvements to boat launching facilities on the Menominee River.

The provisions also repeal an earmark of recreational boating aid and general obligation bonding authority for Black Point Estate.

I am vetoing sections 605b, 605c, 1036yt, 9137 (4x), 9137 (5e), 9137 (6g), 9137 (7f), 9137 (8k), 9437 (2q) and 9437 (2x) and partially vetoing sections 605 [as it relates to a recreational fishing pier, the Wausau Whitewater Course and a museum in Racine] and 9107 [as it relates to (1) (p) 2. and 3.], because I object to the infringement on the Department of Natural Resources' and Waterways Commission's authority to decide which projects, and associated funding, will provide the best recreational opportunities to the many users of Wisconsin's waters. In addition, the funding earmarked for a museum

in the city of Racine is excessive. Under the budget bill, the city of Racine will receive a separate grant of \$1,000,000 of general obligation bonding authority for this project.

I am vetoing sections 848r, 972m and 1036yr and partially vetoing sections 605 [as it relates to Black Point Estate] and 962 [as it relates to s. 20.505 (5) (c)] to retain the earmarked funding and general obligation bonding authority for Black Point Estate. I object to the removal of these funds because Black Point Estate reflects an important part of Wisconsin's culture and history. This project would not be eligible for funding without these earmarks and although the future of the estate is still under discussion, these funds should remain available to preserve the estate in whatever manner is decided.

70. All-Terrain Vehicle Ambassador Program

Section 1066ar

This section requires the Department of Natural Resources to establish a program to award grants to organizations that meet specified qualifications, including that the organization is a nonprofit corporation that is tax-exempt under section 501 (a) of the Internal Revenue Code. In addition, the section requires grant recipients to use the grant monies to enhance all-terrain vehicle law enforcement safety and education programs.

I am partially vetoing this section because I object to the requirement that eligible grant recipients be from a nonprofit corporation that is tax-exempt under section 501 (a) of the Internal Revenue Code. Without this veto, many of the organizations that would benefit from receiving these grants would not be eligible because they are organized as social all-terrain vehicle groups.

71. All-Terrain Vehicle Warden Report

Section 1066atk

This section requires the Department of Natural Resources to submit an annual report to the Joint Committee on Finance on how the increase in conservation wardens has benefited the department's efforts to enforce laws relating to the operation of all-terrain vehicles and to educate the public on these laws.

I am vetoing this section because it places an unnecessary administrative burden upon the department.

72. Chief Warden Authority

Section 1038bq

This section requires the Department of Natural Resources to designate a conservation warden as the chief warden. The chief warden will direct, supervise and control conservation wardens and the performance of their duties.

I am vetoing this section because I object to the infringement on the executive branch's authority to manage programs. I am requesting the department to follow-up on public complaints against a warden's actions to ensure accountability of the wardens.

73. Determination of Fish and Wildlife Fee Use

Section 1117m

This provision would allow the Joint Committee on Finance to determine what constitutes an eligible administrative expense in regard to the management of fish and wildlife resources in the state.

I am vetoing this provision because I object to legislative interference in executive branch functions. Moreover, federal auditing processes are already in place to ensure that the Department of Natural Resources does not misuse fish and wildlife fee revenues for its administrative functions.

74. Commercial Fishing Suspended License

Section 1184m

This section authorizes a commercial fishing license holder to retain a license without conducting any commercial fishing operations in Green Bay for one period of up to seven years. The section also exempts a commercial fishing license holder from the minimum catch requirements during the seven-year period.

I am vetoing this section because it infringes on the Department of Natural Resources' and the Natural Resources Board's authority to protect and manage the fisheries of the state for the benefit of all residents and visitors. The department and the board are working to address the concerns of commercial fishing license holders and the declining fish populations in Green Bay and other Great Lakes waters. I request the department and the Natural Resources Board to continue working with the commercial fishing license holders and other users of these resources on this issue.

75. Fish Ladder Exemption

Sections 1340r and 1345c

These sections prohibit the Department of Natural Resources from requiring the city of Jefferson to include a fish passage as part of a dam safety project and require the department to provide the city with a grant for the dam safety project.

I am vetoing these sections because they set an undesirable precedent by providing assistance to a project that does not comply with requirements established to protect Wisconsin's aquatic resources. I am requesting the department to continue working with the city of Jefferson to address this issue.

76. Sturgeon Fishing Season Limit

Sections 1197g, 1197h and 9437 (4v)

These sections specify that a license for sturgeon spearing may not be issued beginning October 1 and ending on the last day of the open season for the spearing of rock or lake sturgeon except to a person who is a Wisconsin resident who turns fourteen-years-old during that period or a state resident serving in the U.S. armed forces.

I am vetoing these sections because this is a policy issue that should be addressed by the Natural Resources Board during its public hearing process.

77. University of Wisconsin-Stevens Point Bear Biologist

Sections 395 [as it relates to ss. 20.285 (1) (k) and 20.370 (1) (mu)] and 1351zf

These provisions provide \$24,000 in each fiscal year for an additional position at the University of Wisconsin-Stevens Point. The provisions also require the board of regents to ensure that the position focuses on bear hunting research and data collection. Although there is no language authorizing the position increase, the purpose of this funding was included in a Joint Committee on Finance amendment to the bill.

By lining out the appropriations and writing in smaller amounts that delete \$24,000 in each fiscal year, I am vetoing the parts of the bill which fund this position. I am also vetoing section 1351zf to remove the requirement that the position focuses on bear hunting research. I object to having the Legislature define specific job description responsibilities in statute. Agencies need to retain the flexibility to prepare and modify job descriptions without obtaining legislative approval. However, in light of the interest in this area, I request that the board of regents consider addressing this issue within existing resources. In addition, I am requesting the Department of Administration secretary not to allot these funds.

78. Group Deer Hunting

Sections 1171gb, 1171gd, 1171gf and 1171gh

These sections allow bow hunters to group hunt for antlerless deer after the close of the regular gun deer season.

I am vetoing these sections because the extension of group deer hunting privileges to bow hunters is unnecessary. 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.

79. Outdoor Wildlife Heritage Fund

Sections 395 [as it relates to s. 20.370 (1) (Lu)], 589i, 1110m and 1119z

These provisions create an outdoor wildlife heritage trust fund to receive gifts, grants, bequests or other contributions. Monies deposited in the fund may be expended for activities and programs listed in Chapter 29, Wisconsin Statutes.

I am vetoing these provisions because creating a separate fund for these monies is unnecessary. Donations may currently be made to the Department of Natural Resources exclusively for these programs and activities and are accounted for separately.

80. New Positions

Section 395 [as it relates to s. 20.370 (4) (aq) and (9) (mu)]

Section 395 [as it relates to s. 20.370 (4) (aq) and (9) (mu)] provides \$70,000 SEG in fiscal year 2001-02 and \$87,000 SEG in fiscal year 2002-03 for an additional 2.0 FTE SEG positions in the Department of Natural Resources. The positions consist of 1.0 FTE SEG position for a Wisconsin River coordinator and 1.0 FTE SEG program assistant position for the Medford ranger station.

Although there is no language in the budget bill that authorizes these increases, the purposes of this funding were included in Joint Committee on Finance and Senate amendments to the bill.

By lining out the Department of Natural Resources' appropriations and writing in smaller amounts that delete the following amounts from s. 20.370 (4) (aq), \$46,000 SEG in fiscal year 2001-02 and \$55,000 SEG in fiscal year 2002-03 and s. 20.370 (9) (mu), \$24,000 SEG in fiscal year 2001-02 and \$32,000 SEG in fiscal year 2002-03, provided for these purposes, I am vetoing the parts of the bill which fund these 2.0 FTE SEG positions. I object to having the Legislature manage agency programs and reduce departmental flexibility by directing the allocation of staff. I am requesting the Department of Administration secretary not to allot the funds and not to authorize the 2.0 FTE SEG positions.

81. Geographic Management Requirements

Sections 1042g and 1042i

Section 1042g requires the Department of Natural Resources to include the LaCrosse-Bad Axe Watershed and the Kickapoo River Watershed in the same management unit if the state is divided for management purposes. In addition, section 1042i requires the department to include Crawford and Vernon counties in the region that covers the west central part of the state for management functions.

I am vetoing this provision because it is unnecessary. The sections infringe on executive branch authority to manage department resources.

82. On-line Bidding for the Automated License Issuance System

Section 1158m

This section requires the Department of Natural Resources to post specifications for the operation of an automated license issuance system on an Internet site maintained by the Department of Agriculture, Trade and Consumer Protection. In addition, the section specifies that the Internet site provide a means for contractors to electronically post bids and view bids posted by other contractors.

I am vetoing this section because such a system would be difficult to maintain and the provision limits the Department of Natural Resources' flexibility in awarding the contract to the most qualified bidder.

83. Tourism Funding

Section 1066y

This section prohibits the Department of Natural Resources from expending monies appropriated from the conservation fund to support a program or activity of the Department of Tourism.

I am vetoing this section because it unduly limits the Department of Natural Resources' ability to work in conjunction with another state agency to promote Wisconsin's natural resources and recreational opportunities.

84. Privatization of Geographic Information Systems Study

Section 9132 (2z)

This section requests the Joint Legislative Audit Committee to direct the Legislative Audit Bureau to perform a performance evaluation audit of geographic information systems mapping services provided by the Department of Natural Resources. The audit must analyze the degree to which the department's services compete with private mapping services and the cost-effectiveness of the services provided by both the department and private businesses.

I am vetoing this section because it is unnecessary. The Joint Legislative Audit Committee has the authority to decide which audits are appropriate. Also, such a study should include the geographic information systems services offered by all state agencies. I request the Department of Electronic Government to review geographic information systems services offered by state agencies and their cost-effectiveness.

85. Administrative Funding Report

Section 9137 (4y)

This section requires the Department of Natural Resources to prepare a report for the Joint Committee on Finance by March 1, 2002, that explains the department's reasoning for distributing administrative costs among the department's programs and how the method is viewed as being equitable. In addition, the report is to propose alternatives to the distribution process that the department believes may result in a more equitable distribution of administrative costs.

I am vetoing this section because a formal report is unnecessary. However, I am requesting the department to continue to review its methodology and to share this information with interested parties.

BOARD OF COMMISSIONERS OF PUBLIC LANDS

86. Land Purchase

Sections 1039b, 1088e, 1088m and 1088r

These sections allow the Board of Commissioners of Public Lands to purchase land in the state and require the board to submit a request to the Joint Committee on Finance for approval of any proposed land purchase under a 14-day passive review process. If the committee takes no action during this 14-day passive review, the board may purchase the land. If the committee does schedule a meeting, the land may be purchased only upon its approval.

These provisions restrict a land purchase by the board to no more than 10,000 acres of land in any five-year period. Within five years of a land purchase by the board, the Department of Natural Resources may offer to exchange land under its jurisdiction for the land purchased by the board or the department must pay the board for the land and the board must transfer jurisdiction over the land to the department.

Under these provisions, land exchange transactions between the board and the department would be exempt from current law provisions requiring the Natural Resources Board to make a finding that the department lands are no longer needed for conservation purposes before they may be transferred. The provisions would also exempt any land transaction related to the Board of Commissioners of Public Lands' land purchases from current law provisions requiring the Governor's review and approval of Department of Natural Resources' land transactions.

I am vetoing these sections entirely for three reasons. First, the provisions do not limit Board of Commissioners of Public Lands to the one-time acquisition of the Wisconsin Public Service Corporation land in Marinette County. Instead, the board is granted continuing authority to acquire lands associated with any hydroelectric project. I object to including this major expansion of the authority and responsibility of the board in the budget. Such an expansion should be deliberately considered as separate legislation. Second, as this is an ongoing authority, the provisions put an excessive burden on the Department of Natural Resources. Although the Warren Knowles-Gaylord Nelson

Stewardship 2000 Program currently provides adequate funds for land purchases, it is unknown if funding will always be available to meet the department's obligations under these provisions. Forced or untimely acquisition could adversely affect the department's ability to protect lands around the state. Third, this purchase may have significant fiscal implications for the trust funds managed by the Board of Commissioners of Public Lands. These fiscal implications could include a reduction in library aids supported by the common school fund of at least \$1,000,000 annually.

I recognize that preserving the Wisconsin Public Service Corporation land in Marinette County for public recreation and natural resources protection is important to residents and visitors to the state. This budget bill contains a significant increase in funding for the Stewardship 2000 Program. Therefore, I am requesting the Department of Natural Resources to work to ensure that this land is preserved and protected for the state of Wisconsin through use of the Stewardship 2000 Program.

STATE FAIR PARK BOARD

87. Board Membership

Sections 183h and 183i

These sections remove the June 30, 2003, sunset date for legislative membership on the State Fair Park Board.

I am vetoing these sections because the sunset date was agreed to as part of the State Fair Park master plan building program. The program is proceeding on schedule, and there is no need to mandate continued legislative membership on the board.

Current law requires board members to have particular affiliations with business, agriculture, tourism and the city of West Allis but allows the appointment of one nonaffiliated member. I am willing to consider appointing two members of the Legislature to the board in the event that two additional nonaffiliated seats are added to the board.

TOURISM

88. Tourism Earmarks

Sections 629n, 630 [as it relates to s. 41.11 (7)], 1400q and 9151 (1mk)

Sections 629n and 9151 (1mk) allocate \$35,000 in fiscal year 2001-02 for a grant to the New Berlin Historical Society for costs related to moving the historic Youmans home. Sections 630 [as it relates to s. 41.11 (7)] and 1400q allocate \$20,000 annually on an ongoing basis for a grant to the Wild Rivers Interpretive Center for costs related to the distribution of state tourism materials.

I am vetoing sections 629n, 1400q and 9151 (1mk) and partially vetoing section 630 [as it relates to s. 41.11 (7)] because these sections are inconsistent with the primary focus of the tourism marketing program and limit the Department of Tourism's flexibility in promoting Wisconsin tourism.

89. Kickapoo Valley Reserve Report

Sections 1263h and 1404f

These sections require the Kickapoo Valley Reserve Board and the Lower Wisconsin State Riverway Board to submit a joint report to the Building Commission and the Joint Committee on Finance. The report must include recommendations on how revenue may be generated to cover the operational costs of the boards. The report must also include a resubmission of plans for building facilities.

I am vetoing these sections because they are unnecessary. The Kickapoo Valley Reserve Board has already developed plans for a visitor center, funding for which is provided in this budget. The Lower Wisconsin State Riverway Board has no immediate plans for a visitor center. Furthermore, the Kickapoo Valley Reserve Board is already working to enhance user fee revenue. Also, the Lower Wisconsin State Riverway Board is primarily a regulatory board with oversight over timber harvesting and the development of land along the Lower Wisconsin River. The Lower Wisconsin State Riverway Board does not manage wildlife areas or camping sites in the riverway and, therefore, has no opportunity to collect user fees. Finally, federal regulations restrict the use of hunting and fishing license revenue. Funding either of these boards with license revenue would result in the loss of federal revenues.

90. State Historical Society Promotions

Sections 1400n and 1400r

These sections require the Department of Tourism to advertise historic sites and state parks and allow the State Historical Society to use program revenue funds to meet joint effort marketing grant program match requirements. The department's administrative rules currently prohibit the use of state funds to meet match requirements.

I am vetoing section 1400n because it is unnecessary. The department already advertises historic sites and state parks. Imposing a requirement would limit the department's flexibility in promoting Wisconsin tourism. In addition, I am vetoing section 1400r because it undermines the purpose of the joint effort marketing program which is to pair state funds with private funds and, thereby, allow public funds to promote the maximum number of attractions.

TRANSPORTATION

91. Administrative Appropriation Reductions

Section 9152 (2cd)

This section requires the Department of Transportation to submit a plan to the Joint Committee on Finance that allocates reductions of \$3,530,800 in fiscal year 2001-02 among the department's SEG, SEG-S, PR and PR-S appropriations to reflect credits to the department's appropriations made by the Department of Employee Trust Funds to implement a provision of 1999 Wisconsin Act 11, less any amounts lapsed in fiscal year

2000-01 as a result of credits made in that year. In addition, the department's submission to Joint Committee on Finance is to include a plan for lapsing \$800,000 annually from the department's 2001-03 appropriations for departmental management and operations, highway administration and planning, the delivery cost portion of other highway appropriations, the Division of Motor Vehicles, and the Division of State Patrol. The department may not implement the plan until it is approved by Joint Committee on Finance as submitted or as modified.

I am partially vetoing this section to request that the plan be submitted to the Department of Administration secretary for approval rather than the Joint Committee on Finance to eliminate the need for additional legislative oversight. Upon approval of the plan, I am requesting the Department of Administration secretary to lapse the savings from identified reductions to the transportation fund.

92. General Transportation Aid Distribution

Sections 632m, 632n, 2345m, 2345n, 9159 (3q) and 9452 (10q)

Sections 2345m and 2345n suspend the general transportation aids distribution formula for aid distributed in calendar year 2002 and calendar year 2003. In addition, sections 632m, 632n, 9159 (3q) and 9452 (10q) require the Department of Transportation to pay \$8,420.92 to the city of La Crosse as partial reimbursement for a penalty that was assessed against the city for tardy filing of its 1999 annual report.

I am vetoing sections 2345m and 2345n because suspending the general transportation aids distribution formula continues to penalize some local governments due to previous penalties or changes in reported costs.

In addition, I am vetoing the provision requiring the department to reimburse the city of La Crosse for a penalty that was assessed against the city. This requirement is unnecessary since the department has already made payment for the claim as required in a ruling by the State Claims Board. The effect of this veto will be to reduce expenditures in the sum sufficient appropriation under s. 20.395 (1) (ar) by \$8,400 SEG in fiscal year 2001-02. I am requesting the Department of Administration secretary to reestimate expenditures by this amount.

93. Mass Transit Aid Overpayments

Section 9152 (3mp)

This section waives the repayment of overpayments for state transit operating aids previously distributed by the Department of Transportation to the city of Rhinelander.

I am vetoing this section because I object to the precedent it sets for other recipients to avoid repaying excess state transit aid received. This would lead to a drain on transportation revenues and the unfair distribution of transit aids among communities.

94. Aviation Career Education Program

Sections 395 [as it relates to s. 20.395 (2) (ds)] and 2615x

These sections provide \$25,000 SEG in each of fiscal years 2001-02 and 2002-03 in appropriation s. 20.395 (2) (ds) for the administration of the Aviation Career Education program. In addition, the sections require the Department of Transportation to offer the program in the city of Green Bay if there are interested and eligible applicants in the city.

While I strongly support the Aviation Career Education program, I am vetoing additional expenditure authority because this use of taxpayer dollars is unwarranted during this period of tight transportation revenues. Therefore, I am partially vetoing section 395 [as it relates to s. 20.395 (2) (ds)] by writing down the allotted amounts by \$25,000 SEG in each of fiscal years 2001-02 and 2002-03, and I am requesting the Department of Administration secretary to not allot these funds to this appropriation. The effect of this veto will be to reduce expenditures in the Department of Transportation's appropriation under s. 20.395 (2) (ds) by \$25,000 SEG in each of fiscal years 2001-02 and 2002-03. In addition, I am vetoing section 2615x because it is not necessary. Applicants may already petition the department to expand the program to include the city of Green Bay if there are interested and eligible applicants in the city.

95. Expressway Policing Aids

Section 395 [as it relates to s. 20.395 (1) (gq)]

This section provides \$94,600 SEG in the 2001-03 biennium for expressway policing aid to Milwaukee County.

I am vetoing this provision because the allocation of these aids is not based on the cost to administer the program. Therefore, I am requesting the Department of Transportation to review current policies related to allocating funds for expressway policing aids and to find an equitable means of relating program expenses with the aid amounts. In addition, I am requesting the Department of Administration secretary to place \$31,200 SEG in fiscal year 2001-02 and \$63,400 SEG in fiscal year 2002-03 into unallotted reserve in the Department of Transportation's appropriation under s. 20.395 (1) (gq) to lapse to the transportation fund.

96. Local Road Improvement Program

Sections 649m, 2346m, 9152 (4x) and 9152 (4z)

Section 2346m requires the Department of Transportation to give priority to town road improvements that have been requested due to damage as a result of heavy motor truck loads. In addition, section 9152 (4x) requires the department to allocate \$25,000 SEG in the 2001-03 biennium to the town of Menasha for construction of a recreational trail and section 9152 (4z) allocates \$609,000 SEG to the village of Pleasant Prairie for street improvements before making any other allocations of funds under the Local Road Improvement Program.

I am vetoing section 2346m because this provision is arbitrary and should be addressed through separate legislation. In addition, I am vetoing sections 9152 (4x) and 9152 (4z) because these provisions circumvent the required approval process for allocating funds under this program and construction of a recreational trail should not be an allowable use of these funds.

97. Unofficial Detour Claims

Sections 2308m and 9352 (1f)

These sections require the Department of Transportation to pay claims submitted by local governments for damage to any gravel road that the department determines was caused by the road's use as an unofficial detour around a state trunk highway construction project. This provision also includes what information is to be included on the claim by the local government and a list of specific factors that the department must consider when evaluating such claims.

I am vetoing this provision since it places an unnecessary burden on the department's administrative staff and the transportation fund. This provision would be a burden because it would be difficult for the department to determine which road motorists may use as unofficial detour routes.

98. Transportation Economic Assistance Program

Sections 2308h and 9152 (4v)

Section 2308h requires the Department of Transportation to give priority to funding applications under the Transportation Economic Assistance program for applicants that have expressed a willingness to accept a loan for all or part of the state share of the project. In addition, this section prohibits the department from allocating more than 80 percent of the total amount of state funds and loan repayments appropriated to the program for making grants. Section 9152 (4v) requires the department to waive a requirement for a local match and award a grant of \$410,000 in January 2002 to Brown County, the city of Green Bay and the village of Ashwaubenon for reconstruction of a local road.

I am vetoing section 2308h because it places an unnecessary financial burden upon the department and any applicants requesting state assistance under the Transportation Economic Assistance program. In addition, I am vetoing section 9152 (4v) because it circumvents the approval process for projects funded by the Transportation Economic Assistance program and results in the inequitable distribution of program funds.

99. Transportation Enhancements Projects

Sections 9152 (4c) and 9152 (4nk)

Section 9152 (4c) requires the Department of Transportation to award a grant from federal enhancement funds to the city of Wausau for the City Square Park Pedestrian

Pathway project if the city contributes at least twenty percent of the project's cost. In addition, Section 9152 (4nk) requires the department to award a grant for the Clayton Pedestrian Facility if the town of Clayton contributes at least fifteen percent to the project's cost.

I am vetoing these sections because they undermine the department's authority to award grants under the federal transportation enhancements program. In addition, approval of these projects will delay completion of other projects that are eligible to receive funding.

100. Roadway Improvements in the City of Ladysmith

Sections 654p, 654r, 9152 (3d) and 9152 (5g)

Section 9152 (3d) allocates \$200,000 from the SEG-funded highway and local bridge assistance appropriation to fund a local road project in the city of Ladysmith if the city contributes an amount equal to at least twenty percent of the project's cost. In addition, the other sections allocate \$480,000 from state and federal funds provided for railroad crossing improvement and protection projects to construct an underpass under the railroad tracks in the city of Ladysmith.

I am vetoing these sections because they are unnecessary. The provisions circumvent established policies, processes and eligibility requirements for funding local road projects and may impair the safety of other railroad crossings by reallocating funds from other high priority railroad crossing projects.

101. Passenger Rail Restrictions

Section 2311g

This section prohibits the use of bond proceeds authorized for passenger rail improvements between Milwaukee and Green Bay or Milwaukee and Madison or for passenger rail station improvements on any project unless state funds are limited to twenty percent of the project's cost and Amtrak or another applicable railroad has agreed to provide passenger rail service along these routes.

I am vetoing this section because it may adversely influence Wisconsin's ability to fully utilize federal funds for passenger rail development in this state and the Legislature already has oversight of passenger rail expenditures. This veto maintains the requirement that the Department of Transportation receive approval from the Joint Committee on Finance before using authorized bond proceeds along specified passenger rail routes.

102. Safety Contracts

Sections 2340t and 9352 (3y)

These sections require the Department of Transportation to receive approval from the Joint Committee on Finance before entering any contract relating to alcohol or traffic enforcement activities that are funded with federal transportation safety funds.

I am vetoing these sections because they create an unnecessary administrative burden upon the department that may delay the approval and implementation of safety-oriented programs.

103. Federal Highway Formula Aid

Section 2305m

Section 2305m requires the Department of Transportation secretary to submit a plan for approval to the Joint Committee on Finance if the department's most recent estimate of federal highway funds the department will receive are three percent more or less than amounts provided in the schedule for appropriations under s. 20.395 for that fiscal year.

I am vetoing this provision because it is unnecessary. Current law requires the department to submit a plan to the Joint Committee on Finance if the amount of federal funds received is five percent more or less than what was provided in the schedule for appropriations under s. 20.395.

104. Major Highway Program

Sections 108o, 2297 and 2309

Section 108o requires the Department of Transportation to provide a life-cycle cost statement for each proposed major highway development project presented to the Transportation Projects Commission for consideration for enumeration. Sections 2297 and 2309 would limit the amount of revenue bond proceeds used in the major highway program to a maximum of 55 percent over any three consecutive fiscal years.

I am vetoing section 108o because life-cycle costs for highway projects are difficult to project and the existing major highway project approval process ensures projects are only recommended for enumeration if warranted. Furthermore, I am vetoing sections 2297 and 2309 since these provisions unnecessarily limit the department's flexibility in funding major highway construction projects.

105. Long-Range Surface Transportation Investment Planning Committee

Section 9152 (3b)

This section creates a Long-Range Surface Transportation Investment Planning Committee that will gather information relating to state and local needs for surface

transportation planning, involve the participation of relevant groups, assess the long-range funding needs for surface transportation programs, develop a multiprogram state surface transportation investment plan, and prepare a report containing the committee's evaluation, findings and recommendations. Members of the committee are to be nominated by the Assembly speaker and Senate majority leader and appointed by the Governor from specified transportation related groups.

I am vetoing this section because the Department of Transportation is currently completing twenty-year plans for all major modes of transportation in the state. Creating the proposed planning committee would replicate this process and place an unnecessary administrative burden on department staff.

106. Highway Development Projects

Sections 2302c, 2302e, 2302g, 2302gg, 2305k, 9152 (3e), 9152 (3h) and 9152 (6bg)

These sections require the Department of Transportation to complete construction of USH 10 by December 31, 2013, and construct an interchange at the intersection of STH 57 and CTH P and at the intersection of USH 141 and CTH B as part of major highway projects. In addition, the sections do the following:

- Exempt a portion of USH 12 from being widened until December 31, 2011, during any reconstruction or repair;
- Widen a portion of USH 12 to five lanes without requiring a local matching contribution for project costs;
- Require reconstruction of a portion of STH 100 by June 30, 2003, and completion of the Hanson Road bridge project by December 31, 2003; and
- Allocate up to \$300,000 of federal funding for specified improvements to a project on USH 51 in the city of Madison.

I am vetoing these sections because approval of these projects may delay and increase costs and safety concerns associated with other important projects that have already been scheduled for completion. In addition, modifications to major highway projects that have already been enumerated may adversely affect the design and environmental processes used in selecting these projects for enumeration. The USH 51 project in Madison poses safety concerns. Regarding the Hanson Road bridge, I recognize that thousands of jobs and economic growth will be served by the project and I am requesting the Department of Transportation secretary to expedite the time line. I am also requesting that the secretary review the timetable for the USH 10 project to ensure that construction is completed as soon as possible.

107. Corridor Grant Program

Sections 654t and 2310m

These sections require the Department of Transportation to administer a highway corridor grant program that awards grants from the Major Highway Development program to local governments for highway corridor planning activities. The department may not expend more than \$500,000 in any fiscal year under this program.

I am vetoing these sections because this program is unnecessary. Local planning grants are currently available through the Office of Land Information Services in the Department of Administration. Funding these new grants from the Major Highway Development program will limit the amount of funding available for enumerated major highway projects and may delay the construction of these projects.

108. Southeast Wisconsin Freeway System

Sections 656k, 657k, 658t, 2303b and 9152 (5x)

Section 2303b provides definitions for "interim repair," "Marquette Interchange," "reconstruction," "rehabilitation" and the "Southeast Wisconsin freeway" to specify that any southeast Wisconsin freeway rehabilitation projects may only be funded from the Department of Transportation's appropriations under s. 20.395 (3) (cr), (cw) and (cy) as created under this act. In addition, this section limits expenditures under these appropriations by the Department of Transportation to no more than \$160,643,900 in the 2001-03 biennium and no more than \$45,918,500 in any fiscal year thereafter, for the Marquette Interchange reconstruction project, unless the expenditure of more funds is approved by the Joint Committee on Finance.

The department may exceed the expenditure limit for the 2001-03 biennium or for fiscal years thereafter to meet project deadlines if the department makes a subsequent reduction in allocations for the Marquette Interchange reconstruction project by an equal amount. In addition, the department may transfer funding for the southeast Wisconsin freeway rehabilitation project between the state and federally funded appropriations to minimize project costs. However, the department must receive approval from Joint Committee on Finance before transferring funds from appropriations supporting the state rehabilitation program to the southeast Wisconsin rehabilitation program. The department is also required to submit its proposed relocation agreement with Aldrich Chemical Company, Inc., to the Joint Committee on Finance for approval. This agreement is to include a provision identifying the responsible party for remediation of any environmental contamination on the property.

This section also includes several requirements that must be met during reconstruction of the Marquette Interchange. These requirements include constructing and keeping open during the reconstruction project, interchanges at the intersection of 13th Street and I-94 and the intersection of Plankinton Avenue and I-794; requiring reconstruction work to be performed on a 24-hour basis; and requiring the redesign of the Marquette Interchange and I-94 in Milwaukee and Waukesha counties to allow for vehicle capacity expansion for up to thirty years.

Section 9152 (5x) requires the department to submit to the Joint Committee on Finance a request to transfer monies from the SEG, SEG-L and SEG-F appropriations that allocate funds for the state highway rehabilitation program to the southeast Wisconsin freeway rehabilitation appropriations to account for expenditures associated with rehabilitation of the freeway system. The department's request, and the committee's action on the request, may not include funding allocated for projects in other parts of the state or other funding that is not allocated to rehabilitation of southeast Wisconsin freeways.

The Department of Transportation needs to maintain flexibility to properly fund reconstruction projects that are part of the southeast freeway system. Therefore, I am partially vetoing section 2303b and vetoing section 9152 (5x) to remove provisions that limit the department's ability to reallocate expenditures from the southeast Wisconsin freeway rehabilitation appropriations created under this act to provide the department with more flexibility in allocating these funds towards projects identified as having the greatest need. I am also vetoing provisions that limit expenditures for the Marquette Interchange, after the 2001-03 biennium, to ensure that reconstruction of the Marquette Interchange is not delayed. In addition, I am vetoing provisions requiring the department to construct interchanges, allow expansion capacity to meet projected traffic capacity needs and requiring 24-hour construction of the Marquette Interchange. These provisions work against the department's efforts to reach a consensus with community members on the Marquette Interchange's reconstruction plan and could further delay reconstruction and increase costs associated with this project.

109. West Canal Street Reconstruction Funding

Sections 655 and 9152 (5y)

This section requires the Department of Transportation to request up to \$5,000,000 in tribal gaming revenues in its 2003-05 biennial budget request if additional funds are needed in the 2003-05 fiscal biennium to complete the West Canal Street project. The section specifies that if a request for additional funds is made, the department's request shall include a recommendation for statutory changes to require the city of Milwaukee to make a matching contribution equal to the amount of the grant to be awarded by the department in the 2003-05 biennium.

I am partially vetoing this section to eliminate the requirement for the department to request additional funding for the West Canal Street reconstruction project in the 2003-05 biennium. In addition, I am partially vetoing the provision that specifies that the city of Milwaukee will be required to make a matching contribution if additional funds are received in the 2003-05 biennium for the West Canal Street reconstruction project. I am vetoing these provisions because they limit flexibility in addressing funding for this critical project. The level of future local government contributions will be dependent on the scope of the project and the capacity of other funding sources to address this important infrastructure need. I remain committed to the funding goals included in my original budget proposal and intend to ensure completion of this project in the 2003-05 biennium.

110. Locations of Highway Rest Areas

Sections 2307f, 9152 (3wy) and 9352 (3wy)

These sections prohibit the construction of rest areas along a state trunk highway at a location that is within five miles of an exit from the highway that provides access to motorists' services. In addition, the Department of Transportation is required to use any savings realized under this provision to reopen previously closed rest areas or to keep areas proposed for closure that do not meet these restrictions open. This restriction does not apply to rest areas located within five miles of the state border or to any rest area near the village of Belmont in Lafayette County.

I am vetoing this provision because it may adversely affect our efforts to maintain public safety on state roadways by requiring the removal of existing rest areas as those facilities become inadequate to meet public demand. In addition, this provision is inefficient because it would prohibit the construction of rest areas that are already scheduled for construction and require reopening other facilities that have been closed.

111. Traffic Signals and Streetlights

Sections 9152 (6dd), 9152 (6dg) and 9152 (6x)

These sections require the Department of Transportation to install traffic signals at the intersection of USH 63 and West Beaver Brook Avenue in the city of Spooner and STH 38 and Oakwood Road in the city of Oak Creek. In addition, the sections require the department to install a streetlight at the intersection of STH 27 and STH 71 in the town of Little Falls.

I am vetoing these sections because they circumvent normal approval processes and may impose additional safety hazards for motorists without full review and study by the department. Therefore, I am requesting that the department to work in cooperation with local officials to determine if the installation of the traffic signals and streetlight is warranted.

112. Erection of Signs

Sections 9152 (6b), 9152 (6e), 9152 (6h), 9152 (6pp), 9152 (6q) and 9152 (6s)

These sections require the Department of Transportation to erect several signs, including:

- A specific information sign on I-94 for Tenuta's Delicatessen and Liquors if the word "liquor" does not appear on the sign;
- Directional signs for the Wayland Academy along USH 151 and the Clear Lake All Veterans' Memorial and Cemetery along USH 63;
- Signs along I-43 identifying the city of Delavan as a "Historic Downtown";

- Signs along STH 29 and STH 107 identifying the area known as "Little Chicago"; and
- Directional signs along I-43/894 for downtown Greendale.

I am vetoing these sections because these items circumvent established policies, processes and eligibility requirements in statutory and administrative law. In addition, the installation and ongoing operating costs to maintain these signs will place an additional burden on the transportation fund.

113. Agricultural Tourism Facilities

Section 2340y

This section requires the Department of Transportation to develop and implement a plan to promote and maximize the erection of agricultural tourism signs along highways in Wisconsin to identify and provide directional information to any agricultural tourism facility located in Wisconsin. The section also requires the department to consult with the Department of Agriculture, Trade and Consumer Protection while developing and implementing the plan.

I am vetoing this section because it is overly broad and could reduce safety on Wisconsin's highways. However, I recognize the importance of these facilities to the state and request the Departments of Transportation; Tourism; and Agriculture, Trade and Consumer Protection to consider these facilities when promoting Wisconsin's agricultural and tourism industries.

114. Speed Limit Restrictions

Sections 3442g, 3442h, 3442j, 3442k, 3442m, 3456m and 3456p

These sections designate the speed limit along portions of STH 58 in the city of Mauston as 35 miles per hour and 45 miles per hour along certain portions of STH 58 in the town of Lisbon. In addition, the sections prohibit the Department of Transportation from modifying these established speed limits and extend current law provisions related to the posting of speed limits and forfeitures for exceeding those limits to these newly established speed limits.

I am vetoing this provision because it bypasses current law for designating speed limits on highways and is not appropriate for inclusion in the budget bill. I encourage the department to assess the speed limits in this area in order to address the safety concerns of the communities along this transportation corridor.

115. Highway Reports and Studies

Sections 2296m, 2302k, 2302m, 2305g and 9152 (5yq)

These sections require the Department of Transportation to submit to specific entities the following reports: a biennial report showing transportation revenues and funding for

transportation programs for at least fifteen years preceding the report; an annual report on the schedule for construction of enumerated major highway projects; and a biennial report on the condition and performance of state trunk highways. In addition, the department is required to do a study on the STH 11/USH 14 transportation corridor and allocate \$200,000 in fiscal year 2001-02 from appropriations for major highway projects to conduct a location study and environmental assessment for a STH 15/USH 45 project. The sections also waive the current law provision requiring the department to get approval from the Transportation Projects Commission before conducting an environmental impact statement or environmental assessment on a potential major highway development project.

I am vetoing the provisions requiring the department to provide reports because they are unnecessary and place an additional administrative burden on the department. I am vetoing the provision requiring the department to conduct a study of STH 11/USH14 and STH 15/USH 45 because these projects undermine the Transportation Projects Commission's authority to oversee the development of potential major highway projects. In addition, appropriating funds from the major highway appropriations to fund a study for STH 15/USH 45 may delay the construction of other enumerated major highway projects. However, I recognize the need for these and other critical mobility projects around the state. As such, I request the Department of Transportation secretary to consider alternatives to accelerate Transportation Projects Commission's review of these important projects.

116. Stillwater Bridge Project

Section 2296p

Section 2296p requires the Department of Transportation to develop and submit a proposal to the Joint Committee on Finance specifying the amount of anticipated expenditures to be made by the department for mitigation in connection with the Stillwater Bridge project across the St. Croix River. This section also specifies that, if the department determines expenditures will exceed the amount anticipated, it must submit a proposal to the Joint Committee on Finance for unanticipated expenditures.

I am vetoing this section because it adds an unnecessary step in the process of approving the Stillwater Bridge project and could further delay or jeopardize the completion of a new bridge.

117. Bridge Designations

Sections 2307k and 2307r

These sections require the Department of Transportation to designate and mark the I-43 bridge across the Fox River as the "Leo Frigo Bridge" and to designate and mark the USH 45 bridge across the south branch of the Embarrass River as the "Gateway to the North."

I am vetoing these sections because they are policy items that should be addressed through separate legislation.

118. Outdoor Advertising

Sections 2308sr, 2308st and 2340vg

Section 2340vg allows for the trimming or removal of vegetation located in a highway right-of-way under the Department of Transportation's jurisdiction if the vegetation prevents an operator of a vehicle traveling on the highway from seeing, for six uninterrupted seconds, a business or sign located adjacent to the highway right-of-way. In order to trim or remove vegetation the person must obtain a permit from the department, pay the cost of trimming or removing the vegetation, and replace any removed vegetation with comparable vegetation along the same highway right-of-way. In addition, the section specifies that no state funds may be expended for the trimming or removal process. The section requires the department to grant or deny any application for a permit within thirty days of receipt of the application. Sections 2308sr and 2308st require the department to exempt an advertising sign that is owned by a religious organization and a sign that has been permanently removed, even if the department is not notified, from being assessed an annual sign permit fee as established in administrative rule.

I am vetoing these provisions because the public and other interested parties have not been allowed adequate input in the development of this policy. Many of the proposed changes can be addressed through administrative rules. Therefore, I am requesting the department improve its current permit review and approval process, and solicit and review comments from the public, affected businesses and landowners, and state agencies to determine if changes to the department's administrative rules are necessary.

119. Motor Vehicle Studies and Reports

Sections 2340k, 9152 (3k) and 9152 (5z)

Section 9152 (3k) requires the Department of Transportation to conduct a study and report on implementing a statewide automated drivers' license testing program. In addition, sections 2340k and 9152 (5z) require the department to study and prepare a report, in consultation with the Department of Electronic Government, on the department's computerized information systems and the department's plan for utilizing its data processing resources. The department is required to report its findings to the Joint Committee on Finance in fiscal year 2001-02. As part of its approval of the report, the committee may transfer up to \$2,000,000 from appropriation under s. 20.395 (5) (cq) to the appropriation under s. 20.395 (4) (aq) for the purposes of a consultant study of the department's computerized information systems and information technology needs.

I am vetoing sections 2340k and 9152 (3k) because they are unnecessary and provide too much legislative oversight of the department's operations. In addition, I am partially vetoing section 9152 (5z) to allow the Department of Administration secretary to transfer up to \$2,000,000 from the Department of Transportation's appropriation under s. 20.395 (5) (cq) to the Department of Transportation's appropriation under s. 20.395 (4) (aq) in fiscal year 2002-03 for the purpose of conducting a consultant study of the Department of Transportation's computerized information systems and information technology needs. I am requesting the Department of Transportation to submit a report analyzing its

computerized information systems and its plan for utilizing its data processing resources to the Department of Administration secretary upon its completion.

120. Low Speed Vehicles

Sections 2114c, 2972k, 3020q, 3020r, 3020s, 3020t, 3020u, 3219L, 3219v, 3390u, 3390v, 3390x, 3390y, 3407e, 3407h, 3407p, 3407r, 3407v, 3408t, 3408v, 3408y, 3409n, 3409r, 3442d, 3445be, 3445bk, 3445bp, 3456mg, 3456nm, 3456s and 3816m

These sections create a new classification of motor vehicle called a "low-speed vehicle." A low-speed vehicle is a motor vehicle, as defined by federal law, which complies with applicable equipment standards, but does not include a golf cart. This provision generally makes low-speed vehicles subject to the same regulations applicable to other motor vehicles including the following: requiring vehicles to be manufactured to meet federal safety standards; subject dealers, distributors, manufacturers and transporters to the same regulations that apply to motorcycles; exempt low-speed vehicles from the state's property tax; and requires low-speed vehicles to be registered with the Department of Transportation. The provision treats low-speed vehicles differently from most other motor vehicles in the following respects: low-speed vehicles are operable on roadways having a speed limit under 25 miles per hour, except that local authorities may allow their operation on highways having a speed limit between 25 and 35 miles per hour; low-speed vehicles are prohibited from operating on state trunk highways or connecting highways unless they are operated in a designated crossing zone.

I am vetoing this provision because of safety concerns associated with operating a low-speed vehicle on local streets even if the speed limit is 25 miles per hour or less. I also object to the circumvention of the authority of local governments to regulate the use of these vehicles on local roads. While I support the creation of a new classification for low-speed vehicles, this policy should be developed with input from local governments and the public and be addressed in separate legislation.

121. Motorcycle Requirements

Sections 395 [as it relates to s. 20.395 (4) (aq)], 3390yd, 3390yw, 3406p, 3445dg and 3445dm

Section 395 [as it relates to s. 20.395 (4) (aq)] provides \$406,000 annually for the motorcycle, moped and motor bicycle safety program and sections 3390yd, 3390yw and 3406p establish specifications for the color and size of a motorcycle license plate. In addition, sections 3445dg and 3445dm specify that the stop lamp on a motorcycle must be red and may be able to emit a blue light in the center of the lamp.

While I support the motorcycle, moped and motor bicycle safety program, this use of taxpayer dollars is unwarranted during this period of tight transportation revenues. Therefore, I am partially vetoing section 395 [as it relates to s. 20.395 (4) (aq)] to eliminate \$406,000 SEG in fiscal years 2001-02 and 2002-03. The effect of this veto is to provide \$53,900,000 in fiscal year 2001-02 and \$53,892,200 in fiscal year 2002-03 for departmental management and operations expenditures.

I am vetoing the provisions pertaining to the size and color of a motorcycle license plate and color of a motorcycle stop lamp because these policy issues should be addressed as separate legislation. In addition, current federal motor vehicle safety standards indicate that the blue dot in the middle of the red motorcycle brake light is not permissible for sale or use.

122. Vehicle Extrication Training Grants

Sections 395 [as it relates to s. 20.395 (5) (ds)], 671h, 2337k, 3410k, 3411k, 3412k, 3413k, 3414k and 9452 (2f)

These sections create an appropriation to make an annual grant of \$375,000 beginning in fiscal year 2002-03 to a nonprofit corporation that has experience in providing training to teach vehicle extrication techniques. In addition, these sections increase the fee for vehicle operator's license search requests by \$2.20.

I am vetoing section 2337k that requires the Department of Transportation to make an annual grant for vehicle extrication since the grant would duplicate similar services already provided by the Wisconsin Technical College System. Therefore, I am partially vetoing section 395 [as it relates to s. 20.395 (5) (ds)] and section 671h to eliminate the appropriation used for allocating these grants.

In addition, I am vetoing sections 3410k, 3411k, 3412k, 3413k, 3414k and 9452 (2f) to remove twenty cents of the fee increase, thereby reducing the fee increase to \$2.00 per request. Since the intended use of the twenty cent fee increase was to fund the vehicle extrication grant program, it is no longer necessary and would only serve to place an additional cost upon persons eligible to receive this information.

123. Designation of Overlength Truck Routes

Section 9152 (5c)

Section 9152 (5c) lifts restrictions on motor truck lengths for portions of STH 107 and other specific county trunk highways until the Department of Transportation has had an opportunity to review these routes to determine if the routes should be designated as overlength truck routes under administrative rule.

I am vetoing section 9152 (5c) because it bypasses the administrative rule process that designates truck routes as overlength truck routes. Allowing overlength truck travel on these routes before requiring a full assessment by the department and a public hearing may lead to premature wear on the roadway and other driver safety problems.

124. Oversize and Overweight Vehicle Permit Fees

Sections 3446k, 3447k, 3448k, 3449k, 3450k, 3451k, 3452k, 3453k, 3454k, 3455k and 9452 (3k)

These sections increase the surcharge on oversize and overweight vehicle permits from ten percent to fifteen percent effective with permits issued after December 31, 2001, and extend the expiration of this surcharge from July 1, 2003, to March 1, 2009.

I am vetoing these sections because the fee increase places an unnecessary financial burden on our state's commercial motor carrier industry. I am requesting the Department of Transportation to work in cooperation with the commercial motor carrier industry and other interested parties to develop a funding alternative that will fully support implementation of an automated oversize and overweight vehicle permitting system. This veto will allow the ten percent surcharge on oversize and overweight vehicles to expire on July 1, 2003.

125. Farm Progress Days

Sections 2339, 2339m and 2340i

These sections exempt any sponsor of Farm Progress Days from a provision that allows the Department of Transportation to charge sponsors of public events, that charge an admissions fee, for security and traffic enforcement services provided by state patrol officers. The sections also require the department to promulgate rules specifying sponsorship eligibility and what events qualify as Farm Progress Days.

I am partially vetoing this provision because it establishes a precedent for other special public event sponsors to request an exemption from paying for services provided by state patrol officers. The effect of this partial veto is to allow the department to charge public event sponsors a fee for security and traffic enforcement services if an admission fee is charged for the event.

126. Passive Alcohol Sensors

Section 2882m

This section prohibits the use of a passive alcohol sensor by a law enforcement official for the purposes of detecting the presence of alcohol in a person's breath unless the person consents to its use.

I am vetoing this section because the use of these sensors may assist law enforcement personnel in deterring persons from driving while intoxicated or under the influence of alcohol. However, I do have concerns pertaining to the accuracy of these instruments and to ensuring that privacy rights are considered. Therefore, I am requesting the Department of Transportation to work in cooperation with other agencies and local law enforcement agencies to conduct a study on the effectiveness and use of these devices. Furthermore, this policy should be developed with greater input from law enforcement agencies and the public and be addressed in separate legislation.

127. Fireworks Possession, Sale and Enforcement

Sections 2599m, 2599mg, 2881ae, 2881af, 2881ag, 2881ah, 2881aj, 2881ak, 2881am, 2881an, 2881ap, 3427t and 3427tg

These sections authorize resident wholesalers to sell regulated fireworks to any nonresident person if the nonresident person gives the wholesaler a signed statement indicating that the fireworks are for use outside this state. The sections also authorize nonresident persons to transport fireworks to an out-of-state location and to stop in any Wisconsin municipality for up to twelve hours while en route to the out-of-state destination. The section specifies that a person who intends to lawfully sell regulated fireworks may possess the fireworks without first obtaining a fireworks permit. In addition, state traffic patrol officers are authorized to enforce the permit requirement for the possession and use of fireworks on highways and to issue uniform traffic citations for violations of the permit requirement. However, the authority to seize fireworks that are possessed and are used in violation of fireworks statutes or ordinances is removed unless the violation is subject to criminal penalties. The sections prohibit courts from forwarding a record of conviction for any violation of the permit requirement to the Department of Transportation and prohibit the department from assessing any demerit points against driving records for convictions for violations of the permit requirement.

I am vetoing these sections because this is a policy issue that should be addressed through separate legislation to allow for further public input and discussion.

128. Public Safety Radio Program

Sections 2321m and 2321p

These sections require the Department of Natural Resources to make quarterly payments to the Department of Transportation if it provides radio services to the Department of Natural Resources and the provision would limit the Department of Transportation's expenditures for the program to fifty percent of the cost or \$138,000, whichever is less.

I am vetoing these provisions because they circumvent a previous agreement made between these two agencies and may leave the public safety radio program underfunded since the Department of Transportation is the primary user of the program's radio services. This veto will require payments for the public radio system to be based on the level of each agency's usage.

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

129. Development Reserve Fund Authorization

Section 3125c

This section requires the Wisconsin Housing and Economic Development Authority to include in its annual report to the Legislature recommendations for maximum expenditure amounts for the loan programs guaranteed by the Wisconsin development

reserve fund. The Joint Committee on Finance may adjust the submitted amounts. The authority may request adjustments to the amounts during the year under a 14-day passive review process.

I am vetoing this section because it is unnecessary and reduces the administrative flexibility of the authority. Guarantee requirements under the programs can change rapidly. To efficiently administer the Wisconsin development reserve fund, the authority must be able to adjust guarantee amounts across programs quickly.

C. HUMAN RESOURCES

BOARD ON AGING AND LONG-TERM CARE

1. Volunteer Ombudsman Position

Sections 395 [as it relates to s. 20.432 (1) (kc)], 688d and 721w

Sections 395 [as it relates to s. 20.432 (1) (kc)] and 688d provide funding for 1.0 FTE PR-S volunteer ombudsman coordinator position. Section 721w requires the Department of Health and Family Services to transfer \$35,300 PR in fiscal year 2001-02 and \$40,200 PR in fiscal year 2002-03 to s. 20.432 (1) (kc) to fund the position. I am vetoing these sections because the expansion is unnecessary at this time. In addition, the civil money penalty funding from s. 20.435 (6) (g) is needed by the department for current nursing home monitoring costs and to create a reserve for future monitoring costs. I have retained the provision in the budget bill that requires the department to seek approval from the federal government to use civil money penalty funding for the ombudsman position. If the department receives federal approval and if the revenues are sufficient to support monitoring costs and the ongoing costs for the coordinator, the board can request the position and expenditure authority under ss. 16.505 and 16.515. I am requesting the Department of Administration secretary not to authorize the 1.0 FTE PR-S position.

HEALTH AND FAMILY SERVICES

2. Intergovernmental Transfer Program

Sections 395 [as it relates to s. 20.435 (4) (wm)], 717bd, 1776m and 1778

These sections relate to the use of nursing home intergovernmental transfer (IGT) funds for payments to county nursing homes and to other nursing homes receiving reimbursement under Medical Assistance. These sections specify that if less than \$115,200,000 in revenue from the IGT program is received in a given fiscal year, the Department of Health and Family Services may only make a supplemental payment to counties of \$37,100,000. This provision also allows the department to make a payment up to \$77,100,000 if more than \$115,200,000 in IGT revenues are received in a given fiscal year. Finally, these sections create a new sum sufficient appropriation in which any unanticipated or otherwise unappropriated IGT revenues are to be deposited, to be used only for supplemental payments to county or other nursing homes.

The budget as passed by the Legislature assumes annual IGT revenues will be significantly less than \$115,200,000. Counties would receive an increased supplemental payment only if revenues are more than \$115,200,000, yet if even slightly less revenue is available, the counties would receive no increase in the supplement. At the same time, the Legislature appropriated IGT revenues to pay fully for the increased payment, which is inconsistent with maintaining this \$115,200,000 threshold in state statutes.

With respect to the new appropriation for unanticipated IGT revenues, this provision will create significant pressure to expend these revenues in the 2001-03 biennium,

exacerbating a cost-to-continue problem. The intent of the administration was to dedicate the vast majority of unanticipated IGT revenues to county and other nursing home payments for use in future years. With the Medical Assistance budget facing a \$220 million structural deficit at the start of fiscal year 2003-04, any IGT revenues received above what have already been appropriated should not be expended unless an unforeseen problem arises.

Therefore, I am vetoing sections 1776m and 1778, eliminating the \$115,200,000 threshold and thus removing this inconsistency from the budget. Also, I am partially vetoing sections 395 [as it relates to s. 20.435 (4) (wm)] and 717bd to remove language specifying this new appropriation for unanticipated IGT funds as a sum sufficient appropriation. By default, as outlined in s. 20.001 (3) (a), this appropriation will operate as an annual appropriation which can only be increased by an act of the Legislature or by an emergency action as specified under s. 13.10. Furthermore, I direct the department, working cooperatively with the county and other nursing homes, to pursue separate legislation clarifying that the vast majority of any unanticipated IGT funds will be dedicated to future county and other nursing home payments.

3. Supplemental Hospital Payment

Section 395 [as it relates to s. 20.435 (4) (w)]

Section 395 appropriates a supplemental payment to hospitals participating in the Medical Assistance (MA) managed care initiative. Although there is no language in the budget bill authorizing this supplement, the Legislature passed a motion and an amendment during its deliberations to authorize the increases in this area.

All hospitals serving MA or BadgerCare recipients received a rate increase in the 2001-03 biennial budget using intergovernmental transfer funds. I see no reason to retain an additional supplement for facilities participating in the MA managed care initiative. Therefore, I am vetoing this provision and decreasing the Department of Health and Family Services' appropriation under s. 20.435 (4) (w) by \$71,000 SEG in fiscal year 2001-02 and by \$74,500 SEG in fiscal year 2002-03. I am requesting the Department of Administration secretary not to allot these funds.

4. Joint Committee on Finance Authority to Supplement BadgerCare

Sections 1836g and 1836r

These sections authorize the Joint Committee on Finance to supplement the BadgerCare benefits appropriation under s. 13.10 from any other appropriation after the administration has submitted a proposal to reduce or stop program enrollment in the event of a projected funding shortfall. Under current law, the Department of Health and Family Services is required to limit enrollment in the program if the program is projected to exceed its budget, and BadgerCare may be supplemented only through an act of the full Legislature, signed by the Governor into law.

In its first two years, the BadgerCare program experienced rapid caseload growth which left the program facing budget shortfalls. Fully funding BadgerCare required separate

legislation in fiscal year 2000-01 as well as additional increases in the 2001-03 biennial budget. However, caseload growth in the program has stabilized, and the need for future supplements is less likely.

If, however, there is unanticipated growth in the BadgerCare program, it is appropriate to consider reducing or stopping program enrollment. If both the Legislature and administration agree that sufficient funds exist to supplement the program, then separate legislation can still remedy any shortfall. Therefore, I am vetoing these sections, to eliminate the Joint Committee on Finance's authority to supplement the BadgerCare program from any other state appropriation because it is unnecessary.

5. BadgerCare Funding Study

Section 9123 (9wo)

This provision requires the Department of Health and Family Services to produce a report for the Joint Committee on Finance on the potential for long-term savings under the BadgerCare program, to be completed by January 1, 2002.

I support finding ways to reduce program costs in BadgerCare and other health care programs, but this provision does not provide the department sufficient time to complete a comprehensive review of the program. Therefore, I am partially vetoing this provision and am directing the department to complete its review of the BadgerCare program by January 1, 2003. Furthermore, I direct the department to submit a copy of the report to the secretary of the Department of Administration as a cost-containment proposal to be considered during the 2003-05 biennial budget process.

6. Medical Assistance Estate Recovery Audit

Section 9132 (3w)

This section requests that the Joint Committee on Audit direct the Legislative Audit Bureau to study the estate recovery program administered by the Department of Health and Family Services. The Joint Committee on Audit currently has the authority to request such a study if it deems an evaluation is needed, making this budget provision unnecessary. Therefore, I am vetoing this provision.

7. Provider Fraud and Abuse Administrative Rules

Section 9123 (15k)

This provision requires the Department of Health and Family Services to craft proposed administrative rules for new Medical Assistance fraud and abuse provisions within nine months of the budget bill's effective date. I feel nine months is not sufficient time for the department to develop proposed administrative rules. Therefore, I am vetoing section 9123 (15k) and am directing the department to submit its proposed rules to the Joint Legislative Council staff by January 1, 2003.

8. Grants for Case Management Services for Children with Asthma

Sections 395 [as it relates to s. 20.435 (5) (ca)], 718s and 3142m

These sections authorize a \$150,000 GPR annual grant to Milwaukee County to provide case management services to children with asthma. I am vetoing this provision because the Department of Health and Family Services is investing significant resources into Medical Assistance (MA) services for asthma treatment. Furthermore, asthma is a statewide medical issue and its treatment and control is not well served through geographic earmarks. Therefore, I am vetoing these sections and eliminating this special grant to Milwaukee County.

Medical Assistance as well as the BadgerCare program currently cover case management services for children with asthma, including comprehensive assessments of the child's needs, the development of an individualized case plan and on-going monitoring of the child. The department also encourages health maintenance organizations (HMOs) to report on the asthma care received by MA and BadgerCare recipients in their respective areas of service and will begin including performance measures tracking asthma care in the department's contracts with HMOs. These initiatives represent just a few of several state programs that address asthma issues.

9. Standards for Health Maintenance Organizations

Sections 1787m, 1787mg, 9323 (15k) and 9423 (12p)

These sections require all health maintenance organizations (HMOs) serving Medical Assistance (MA) and BadgerCare recipients within a specific zip code to have a sufficient number of primary care providers available within thirty miles of that zip code. This provision was intended to broaden the number of primary care providers to which MA or BadgerCare recipients have access. While I support ensuring recipients have sufficient access to care, this policy item will not have any measurable effect on access issues.

The Department of Health and Family Services currently requires these HMOs to have a sufficient number of primary care providers within twenty miles of the zip code in which they serve recipients. I feel that a narrower radius is more beneficial to participants in that it ensures more providers are available closer to an individual's home. Furthermore, by specifying a radius in state statute, the department's authority to administratively respond to unique geographical access issues would be limited. Therefore, I am vetoing these sections and retaining the department's current authority to address primary care access issues through its administrative authority.

10. Medical Assistance Income Limit for Medically Needy Recipients

Sections 1797g, 1797j, 1798g, 1800m, 1804g, 1804m, 1805d, 1815g, 1815j, 9323 (10d) and 9423 (6d)

These provisions provide \$500,800 GPR in fiscal year 2002-03 in order to expand Medical Assistance (MA) eligibility by increasing the income limit for medically needy

recipients by the annual increase in the consumer price index. This change would not be effective until January 1, 2003.

Under current law, individuals who are not categorically eligible for MA can "spend down" their incomes to the medically needy limit to qualify for assistance. Some families have difficulty obtaining and maintaining coverage under this provision because the spend down threshold is capped at 133 percent of the Aid to Families with Dependent Children income limit in 1996, which is \$596 for a family of two. While I am sympathetic to families who have difficulty obtaining services under the medically needy criteria, the tight fiscal constraints faced by the state make additional expansions of the MA program problematic. Since these annual adjustments will be only partially implemented in fiscal year 2002-03, they will add approximately \$500,000 GPR to the structural deficit facing the state at the start of the 2003-05 biennium. Therefore, I am vetoing these provisions to maintain the current income threshold for those seeking MA under the medically needy eligibility category. Furthermore, I am requesting that the Department of Administration secretary place \$500,800 GPR in fiscal year 2002-03 in unallotted reserve in appropriation s. 20.435 (4) (b) to lapse to the general fund.

11. Transfer of Medical Assistance Funds to Community Options Program

Sections 1778d, 1778h, 1778p and 1778r

These sections require the Department of Health and Family Services to submit annually a report to the Joint Committee on Finance on the utilization of nursing home beds funded by Medical Assistance (MA) program benefits. These provisions further require the department to submit an annual proposal to the Joint Committee on Finance, under 14-day passive review, to transfer MA funds to the Community Options Program (COP) if the report shows decreasing MA nursing home bed utilization. The specific amount the department must transfer to COP is equal to the decrease in nursing home bed utilization over the prior two fiscal years multiplied by the average cost of a nursing home bed in the most recently completed fiscal year. This provision does not require the Joint Committee on Finance to consider the overall fiscal condition of the MA program before approving this transfer.

Under current law, the department may transfer surplus MA funds budgeted for nursing homes to COP, but such transfers may occur only if there is an overall surplus in the MA benefits appropriation. While I support community-based strategies for providing long-term care services, I object to this requirement to transfer MA funds to COP even if the MA budget is in deficit. Such a transfer would simply worsen a deficit which can only be filled by appropriating additional general purpose revenue. Transfers made in one fiscal year should not be dictated by occurrences in prior years, because the factors contributing to the situation in the past may not recur or persist in the present.

Therefore, I am vetoing these provisions, reinstating the Department of Health and Family Services' current authority to transfer MA nursing home funds to COP if a surplus in the entire MA program exists.

12. Health Insurance Supplement for Community Disability Service Providers

Sections 395 [as it relates to s. 20.435 (4) (bu)], 707r, 707s, 9123 (13q) and 9423 (15r)

These sections provide a \$250,000 GPR supplement in fiscal year 2001-02 to providers under the home- and community-based waiver programs to meet the costs of providing employee health insurance. While I acknowledge that health insurance costs can be significant for these facilities, such costs are not unique to these providers. Any health care provider, company or small business faces similar cost pressures, and I see no justification for providing a special supplement only to community-based waiver program providers. Therefore, I am vetoing these sections and eliminating the supplement.

13. Medical Assistance Speech Therapy Services

Section 395 [as it relates to s. 20.435 (4) (b) and (bc)]

This provision includes a 76 percent increase in rates paid for speech therapy services, costing \$250,000 GPR and \$354,000 FED in fiscal year 2002-03. Although there is no language in the budget bill that authorizes these increases, the Legislature passed a motion and an amendment during its deliberations to authorize funding increases in this service area.

Although I understand and appreciate the value of speech therapy services, I cannot justify a rate increase of this magnitude, given the fiscal constraints of the budget. Rates for noninstitutional providers, which includes speech therapy services, were already increased in the budget by 2.5 percent in each year. Further rate increases cannot be justified given the current fiscal situation of the state. Thus, I am decreasing the Department of Health and Family Services' appropriations under s. 20.435 (4) (b) by \$246,000 GPR in fiscal year 2002-03 and s. 20.435 (4) (bc) by \$4,000 GPR in fiscal year 2002-03. This veto is part of a larger write-down of the Medical Assistance appropriation. I am requesting the Department of Administration secretary not to allot these funds.

14. Adult Day Care Certification Fee

Section 1791i

This section removes the Department of Health and Family Services' authority to change the fee for the certification of adult day care facilities through administrative rule. Under current law, the department charges a fee equal to a flat rate of \$89 plus a variable rate of \$17.80 multiplied by the number of clients the facility serves. The department's practice is to multiply this variable rate by the maximum number of individuals a facility is capable of serving, not necessarily the actual number of persons receiving adult day care services. The budget bill changes this fee to a flat rate of \$100 per facility.

While I support changing the fee, I object to removing the department's authority to change the fee through administrative rule. By setting the fee at a flat rate per facility, the revenue received by the department for administering this license will be reduced

from approximately \$31,600 PR per year to \$5,000 PR per year. This reduction leaves the department with virtually no funds to monitor these facilities. While I understand that the current fee may be considered excessive by facilities equipped to serve large numbers of individuals, I maintain the department should have the ability to reasonably increase its fees so that it may respond to future program needs.

Therefore, I am vetoing the section to retain the department's authority to change the fee through administrative rule. Under this veto, any increase to the fee must be approved through the rules process which is overseen by the Legislature.

15. Licensure for Respite Facilities

Sections 1877g, 1877h, 1877i, 1894r, 1897g, 1900b, 1900c, 1900d, 1900e, 1900f, 1900g, 1900h, 1900i, 1900j, 1900k, 1900L, 1900m, 9123 (18f) and 9423 (18f)

These sections would require the Department of Health and Family Services to create a new type of licensure for facilities serving individuals with similar disabilities over the age of two. Facilities receiving this license would be allowed to provide respite, residential care to both children and adults, serving up to ten individuals under a single license. Under current law, a facility seeking to provide these services would need to obtain licenses both as a group or foster home and as a Community-Based Residential Facility.

The intent of these sections was to allow a provider to serve both adults and children under only one license. However, since these provisions do not extend coverage to children under Chapter 48 of state statutes, which provides legal rights for children in out-of-home placement settings, a facility seeking this new respite licensure would still have to obtain a group foster home license in order to legally provide respite care for children.

While I support efforts to improve the access to respite care for both adults and children, I object to this provision because it replaces one form of dual licensure with a new dual licensure. This new licensure category is not likely to result in any additional flexibility to providers than available under current law and administrative rules. Furthermore, the department has the authority to waive portions of current license rules in order to accommodate providers demonstrating a unique need.

Therefore, I am vetoing these sections, eliminating this new form of respite licensure. I am further directing the department to develop a waiver process for facilities seeking to serve individuals with similar disabilities over the age of two, in order to find new strategies to improve the supply of respite care in Wisconsin.

16. Fees for Health Care Records

Sections 2850bg, 2850bh, 2850bi, 3872x, 3872y, 9123 (14g) and 9423 (16f)

These provisions require the Department of Health and Family Services to develop uniform rules by January 1, 2003, on fees to be charged for providing copies of health

care records. The language identifies all of the items to be considered in establishing such charges.

I am vetoing these provisions because they are duplicative. Current law already provides the department with the authority to develop such rules. I am directing the department to develop these rules in conformance with the intent of the provisions being vetoed and submit these rules to the Department of Administration secretary for review and, with his concurrence, forward the rules to the standard rule-making process.

17. Acquired Immunodeficiency Syndrome (AIDS) Funding

Sections 3140c and 3140m

Section 3140c requires that all funding for life care services and early intervention be granted to the AIDS services organizations throughout the state. I am partially vetoing this section to ensure that the Department of Health and Family Services can continue to provide grants to a variety of organizations including, but not limited to, the AIDS services organizations. This section also includes housing assistance as an eligible service. I am partially vetoing this provision to retain the current allowable services because housing assistance can be funded from other sources.

Section 3140m authorizes funding for an African-American family resource center in Milwaukee targeting AIDS prevention efforts to families. I am vetoing funding in fiscal year 2002-03 so that an ongoing commitment is not made to this organization and requesting that the Department of Administration secretary place \$62,500 GPR in fiscal year 2002-03 in unallotted reserve in the Department of Health and Family Services' appropriation s. 20.435 (5) (am) to lapse to the general fund.

18. Statewide Trauma System

Sections 174p, 670, 2850ag, 9123 (12r), 9123 (12s) and 9152 (2t)

These provisions require the Department of Transportation to provide federal highway safety funds to the Department of Health and Family Services to fund two project positions to develop the statewide trauma system and to provide grants to regional trauma councils as established through these provisions. Although I support the statewide trauma system, I am vetoing provisions relating to this transfer of funds because I believe these federal funds are more appropriately used to improve highway safety. Dedication of these funds to the trauma system program would also result in reductions in other highway safety grants, which is counterproductive. I am also vetoing the requirement that regional trauma advisory councils be established because there will not be funding to support these councils.

19. Assessment on Small Employer Insurers

Section 2850dm, 2850Ldc, 2850Ldm, 2850Le [as it relates to the small employer insurer assessment], 2850Lem, 2850Lj [as it relates to the small employer insurer assessment], 2850Ln [as it relates to the small employer insurer assessment] and 3766r

These provisions establish a penalty that would be assessed on small employer insurers that terminate health coverage and whose enrollees subsequently enroll in the Health Insurance Risk Sharing Plan (HIRSP). The penalty would be used to reduce the policyholders' premiums and the assessment on insurers that is currently part of the financial support for HIRSP. I am vetoing these provisions because they are directly counter to our efforts to encourage a broader market for health care policies sold to small businesses. It would also be administratively difficult to calculate the penalty, which could actually increase HIRSP program costs because the Department of Health and Family Services would have to contract for additional actuarial services.

Section 3766r eliminates the Commissioner of Insurance's ability to grant exceptions to certain regulations that pertain to the small employer insurers market. I am vetoing this section because I object to the limitation it places on the commissioner's ability to protect policyholders.

20. Health Insurance Risk Sharing Plan Study

Section 9123 (16mn)

This section requires the Health Insurance Risk Sharing Plan (HIRSP) board of governors to study alternative funding sources for the HIRSP program and submit a report on its findings by January 1, 2002, to the standing committees of the Legislature that examine health-related issues and to the Joint Committee on Finance. I am vetoing this provision because another study of this issue is unnecessary. When this program was transferred from the Office of the Commissioner of Insurance to the Department of Health and Family Services, the Governor's Office, the Legislature, the board, service providers and insurers all worked together to establish funding that is equitable for all affected parties.

21. Disease Aids Rebate

Section 1838c

This section establishes a rebate program for drug manufacturers that participate in providing drugs under the disease aids program similar to the rebate program under Medical Assistance (MA). However, unlike the MA rebate program, this rebate language would exempt manufacturers for a ten-year period from a penalty which is assessed when their drug prices are higher than the consumer price index. This would result in fewer dollars available to support the program and would be very difficult to administer. As a result, I am vetoing this section so that the rebate program is the same as the MA rebate program.

22. Vital Records Fees

Sections 2095g, 2095h, 2095i and 2096c

These provisions change the fees charged for vital records for events that occurred before 1930. Marriage, divorce and death record charges would change from \$7 to \$3 and birth certificates would be reduced from \$12 to \$3. Additional copies of any of these records would be \$1. While such a change would be beneficial to genealogists who conduct record searches, it reduces revenue to the vital records section which sets its rates to cover program expenses. More importantly, the change in fees would result in reduced revenue to the Child Abuse and Neglect Prevention Board which receives \$7 from the \$12 charged for a birth certificate to support its program. Because of the loss in revenue and the inequity of charging two sets of fees, I am vetoing these sections.

23. Cash Accounting for Certain Appropriation

Section 248t

This section exempts the conditional and supervised release appropriation, s. 20.435 (2) (bj), from state accounting standards that require state agencies to use accrual accounting so that a service provided in June of one fiscal year would be paid in July of the next fiscal year. This change allowed one month of the program's funding to be lapsed on a one-time basis. While the funds cannot be restored, I am vetoing this section so that funds can be properly accounted for as required under state accounting standards. Should program funding budgeted in fiscal year 2001-02 be insufficient, there are processes under which the Department of Health and Family Services can seek reallocation of base funds for use in this program.

24. Sexually Violent Persons' Mail

Section 1993n

This section specifies that mail which is considered to be privileged, such as from an attorney, sent to sexually violent persons at the Sand Ridge Secure Treatment Center must be opened in the presence of the person. It also authorizes staff, if they have reason to suspect that the mail could cause a security problem, to open and read nonprivileged mail. I am partially vetoing this section to allow staff to open any mail outside the presence of the person and inspect it for contraband. Opening mail in the presence of the person could create security problems and interfere with the person's treatment program.

25. Lie Detector Tests

Section 1967p

This section allows staff at the Sand Ridge Secure Treatment Center to administer lie detector tests to sexually violent persons as part of their treatment plan. The language also specifically prohibits staff from asking the person about offenses committed for

which the person was not convicted. One of the goals of treatment is for these people to take responsibility and acknowledge the sexual crimes they have committed. Not being able to question the predator about these past incidents is detrimental to achieving treatment goals. Patient advocates have expressed concerns about staff asking about specific details of a previously undetected crime that could result in new charges being brought. As part of a compromise with that group, the Department of Health and Family Services proposed that staff could question the predator about previous incidents but not about specific details such as the victim's name or the place the assault took place. As a result, I am partially vetoing this section and requesting the Department of Health and Family Services to seek legislation restoring the language in the original, agreed-upon proposal.

26. Community-Based Waiver Programs

Section 395 [as it relates to s. 20.435 (4) (b) and (7) (bd)]

Section 395 [as it relates to s. 20.435 (4) (b)] appropriates \$2,898,600 GPR in fiscal year 2001-02 and \$6,796,800 GPR in fiscal year 2002-03 to fund: (a) 388 new placements in fiscal year 2001-02 and an additional 300 placements in fiscal year 2002-03 for the Community Integration Program for persons with developmental disabilities (CIP 1B); (b) a daily rate increase from \$48.33 to \$49.67 in fiscal year 2001-02 and from \$49.67 to \$50.33 in fiscal year 2002-03 for CIP 1B; and (c) a daily rate increase from \$40.78 to \$41.86 in fiscal year 2001-02 and from \$41.86 to \$42.23 in fiscal year 2002-03 for the Community Integration Program for persons relocated or meeting reimbursable levels of care (CIP II). Section 395 [as it relates to s. 20.435 (7) (bd)] appropriates \$2,851,300 GPR in fiscal year 2001-02 and \$7,147,300 GPR in fiscal year 2002-03 for 1,000 new placements in fiscal year 2001-02 and 960 additional new placements in fiscal year 2002-03 for the Community Options Program-Waiver (COP-W). Although there is no language in the budget bill that authorizes these increases, the Legislature passed a motion and an amendment during its deliberations to authorize funding increases in CIP 1B, CIP II and COP-W.

Given the future deficit created in this budget by unfunded commitments to program expansions, I cannot support the funding increases in these programs at the levels approved by the Legislature. However, because I understand the importance of providing alternatives to institutional care, I am approving an increase of \$3,760,900 GPR in fiscal year 2001-02 and \$7,394,100 GPR in fiscal year 2002-03 to fund: (a) 250 new CIP 1B placements in calendar year 2002; (b) a daily rate increase for CIP 1B from \$48.33 to \$49.67 in fiscal year 2002-03; (c) a daily rate increase for CIP II from \$40.78 to \$41.86 in fiscal year 2002-03; and (d) 1,000 new COP-W placements in calendar year 2002.

Wisconsin has made a significant investment in community-based programs and services and I want to continue that commitment. This increase will provide reasonable growth for the community-based waiver programs but at a level that is within the state's financial means. In addition, it is important to note that the budget includes a 2.5 percent annual increase for personal care and home health agencies who provide services to individuals in the CIP 1B and CIP II programs.

Thus, I am decreasing the Department of Health and Family Services' s. 20.435 (4) (b) appropriation by \$1,989,000 GPR in fiscal year 2001-02 and \$3,855,400 GPR in fiscal year 2002-03. This veto is part of a larger write-down of the Medical Assistance appropriation. I am also decreasing the department's s. 20.435 (7) (bd) appropriation by \$2,694,600 GPR in fiscal year 2002-03. I am requesting the Department of Administration secretary not to allot these funds.

27. Community-Based Residential Facilities

Section 1504r

This section repeals the provision allowing counties to establish more restrictive conditions for Community Options Program (COP) waiver funding in Community-Based Residential Facilities. I am vetoing this section because I want counties to retain the flexibility to administer the COP waiver program in a manner that meets their community needs and priorities.

28. Legislative Council on Developmental Disabilities Recommendations

Sections 174g, 174h, 9123 (16r), 9123 (16rq) and 9123 (16rs)

Section 174g adds four members of the Legislature, one each designated by the Assembly speaker, the Senate majority leader and the minority leader of each house of the Legislature and appointed by the Governor to the Council on Developmental Disabilities. I am vetoing section 174g because federal law requires that a minimum of sixty percent of the council's membership consist of persons with developmental disabilities, their parents or guardians. The addition of four legislators will require the appointment of an additional six individuals to meet federal requirements, which will decrease the effectiveness of the council by increasing its size from 26 to 36 members.

Section 174h requires that the Council on Developmental Disabilities, by January 31 of each year, submit a report to the Legislature on an evaluation of waiting lists compiled by the Department of Health and Family Services for services for persons with developmental disabilities. I am vetoing this section because the council currently evaluates the waiting lists and its evaluation is available to all interested parties.

Section 9123 (16r) requires the department to develop a plan to administer and fund services for people with developmental disabilities. The plan, which must be submitted to the Department of Administration for the 2003-05 biennial budget, must include the following provisions: (a) consolidate administration of both institutional and community-based services within the department's subunit responsible for community-based services for people with developmental disabilities; (b) combine funding under the Medical Assistance (MA) program for institutional services and community-based waivers for people with developmental disabilities into one appropriation, to the extent possible under federal law; and (c) ensure that funding in the MA appropriation not be tied to any specific program or service setting and be individually tailored to enable the person to live in the least restrictive environment appropriate to his or her needs and preferences.

Section 9123 (16rq) requires the department to determine whether any new federal waivers under the MA program are necessary to administer funding for MA services as described in section 9123 (16r). The department shall apply for any waivers of federal MA statutes and regulations that the department determines are necessary to administer funding for MA services as described in 9123 (16r).

I am vetoing sections 9123 (16r) and 9123 (16rq) because the department is in the best position to determine the organizational structure that will most efficiently strengthen the delivery system for individuals with long-term care needs, including the developmentally disabled. In addition, placing institutional and community-based funding in one appropriation and having administration of institutional and community-based services in a single subunit of the department will not necessarily improve services for the developmentally disabled.

Section 9123 (16rs) requires the department, as soon as possible before July 1, 2002, to seek waivers of federal MA statutes and regulations that are necessary to implement a pilot program for long-term care of children with disabilities. If the federal waivers are received, the department is required, as soon as possible before July 1, 2002, to seek enactment of statutory language to implement the pilot program.

While maintaining the language that requires the department to seek the waiver and enactment of statutory language, I am partially vetoing this section to remove the requirement that it do so as soon as possible before July 1, 2002. I am concerned that the department will not be able to have the federal waiver approved by July 1, 2002. I am directing the secretary of the Department of Health and Family Services, if the waiver is received, to submit enabling legislation to the Department of Administration for the 2003-05 biennial budget.

Section 9123 (16rs) also provides that, if the waivers are granted, that the pilot program do the following: expand eligibility under the MA community-based waiver, Birth to Three and Family Support programs to include children with severe disabilities and long-term care needs and children eligible for MA with high medical costs; expand MA coverage of services to include services focused on the needs of children with developmental disabilities and their families; and require the department to provide transitional services to families whose children with physical or developmental disabilities are preparing to enter the adult service system. I am partially vetoing this section to remove these provisions because I object to expanding the MA program and am concerned about the fiscal impact in the 2003-05 biennium if the department must provide the transitional services. However, I want children and families to receive the transitional planning needed to enter the adult system. I am therefore requesting the secretary of the Department of Health and Family Services to ensure that transitional planning is part of the federal waiver request.

29. Family Care

Sections 395 [as it relates to ss. 20.432 (1) (k) and 20.435 (4) (b), (bm) and (bn) and (8) (a)], 1520d, 1520e, 1520w and 4060c

Section 395 [as it relates to ss. 20.432 (1) (k) and 20.435 (4) (b), (bm) and (bn) and (8) (a)] appropriates \$255,000 GPR in fiscal year 2001-02 and \$4,012,100 GPR in fiscal

year 2002-03 for the following: (a) \$3,032,100 GPR in fiscal year 2002-03 for expansion of the Family Care pilot program to Kenosha County; (b) \$700,000 GPR in fiscal year 2002-03 as start-up funds for expansion of Family Care to five additional counties in the 2003-05 biennium; (c) \$5,000 GPR in each fiscal year for administrative costs associated with the Council on Long-Term Care; and (d) \$250,000 GPR in fiscal year 2001-02 and \$275,000 GPR in fiscal year 2002-03 for a Family Care external advocacy program that the Department of Health and Family Services contracts for with the Board on Aging and Long-Term Care and 1.0 FTE PR-S position to administer the program. Although there is no language in the budget bill that authorizes these increases, the Legislature passed a motion and an amendment during its deliberations to authorize funding increases for these purposes.

Family Care is a pilot program designed to test a new model for the provision of long-term care services. It involves an extensive redesign of the current system, which is often fragmented and confusing. While preliminary evaluations appear to be quite positive, the program's significant costs compel me to delay further expansion until the full evaluation of the program is completed in September 2002. With this evaluation, we should have better information to understand the cost effectiveness of the program, both in terms of the cost per person served as well as the overall cost of the pilot compared to current programs, and the quality of services received by participants and their families.

To reflect the elimination of funding for Kenosha County and the funding for the expansion to five additional counties in the 2003-05 biennium, I am decreasing the following Department of Health and Family Services' appropriations: s. 20.435 (4) (b) appropriation by \$2,963,700 GPR in fiscal year 2002-03, s. 20.435 (4) (bn) appropriation by \$33,400 GPR in fiscal year 2002-03 and s. 20.435 (8) (a) appropriation by \$735,000 GPR in fiscal year 2002-03. This veto is part of a larger write-down of the Medical Assistance appropriation. I am requesting the Department of Administration secretary not to allot these funds.

Sections 1520d, 1520e, 1520w and 4060c extend the sunset date for the Council on Long-Term Care from July 1, 2001, to July 1, 2003. I am vetoing these sections because 1999 Wisconsin Act 9 created the council primarily to advise the department on the development of the Family Care pilot program, and the development phase is complete. The secretary has the administrative ability to seek advice from groups and individuals interested in Family Care implementation and other long-term care issues. Thus, I am decreasing the department's s. 20.435 (8) (a) appropriation by \$5,000 GPR in fiscal year 2001-02 and \$5,000 GPR in fiscal year 2002-03. I am requesting the Department of Administration secretary not to allot these funds.

Finally, I object to funding for a separate external advocacy program for individuals applying for, or enrolled in, Family Care. The department has grievance procedures in place that individuals can utilize if they are not satisfied with their Family Care eligibility or level of services. Thus, I am decreasing the department's s. 20.435 (4) (bm) appropriation by \$250,000 GPR in fiscal year 2001-02 and by \$275,000 GPR in fiscal year 2002-03 and the Board on Aging and Long-Term Care's s. 20.432 (1) (k) appropriation by \$500,000 PR-S in fiscal year 2001-02 and \$550,000 PR-S in fiscal year 2002-03. I am requesting the Department of Administration secretary not to allot these funds. I am also requesting the Department of Administration secretary not to authorize the 1.0 FTE PR-S position for the Board on Aging and Long-Term Care.

30. Elder Abuse Services

Section 395 [as it relates to s. 20.435 (7) (dh)]

Section 395 [as it relates to s. 20.435 (7) (dh)] appropriates \$1,500,000 GPR in each fiscal year for funding to counties for direct services for the elderly who have been determined to be abused or neglected. Although there is no language in the budget bill that authorizes these increases, the Legislature passed a motion and an amendment during its deliberations to authorize the funding increase. I object to the funding increase in fiscal year 2001-02. The Department of Health and Family Services contracts with counties on a calendar year basis and I am willing to approve a \$750,000 increase in fiscal year 2001-02. Thus, I am decreasing the department's s. 20.435 (7) (dh) appropriation by \$750,000 GPR in fiscal year 2001-02. I am requesting the Department of Administration secretary not to allot these funds.

31. Life Span Respite Care

Section 395 [as it relates to s. 20.435 (7) (br)]

Section 395 [as it relates to s. 20.435 (7) (br)] appropriates \$112,500 GPR in each fiscal year for the Life Span Respite Care program. Although there is no language in the budget bill that authorizes these increases, the Legislature passed a motion and an amendment during its deliberations to authorize the funding increase. I object to the funding increase for this program. A fifty percent increase in funding is unwise when the state faces a significant structural deficit in the 2003-05 biennium. In addition, an evaluation of this new program is to be completed by June 1, 2004, and it is prudent to wait for the results before considering additional funding. Thus, I am decreasing the Department of Health and Family Services' s. 20.435 (7) (br) appropriation by \$112,500 GPR in fiscal year 2001-02 and \$112,500 GPR in fiscal year 2002-03. I am requesting the Department of Administration secretary not to allot these funds.

32. Mental Health Systems Change Grants

Section 1562

This section details the requirements that the Department of Health and Family Services must meet in administering mental health systems change grants. I am partially vetoing this section to remove language that limits the awarding of these grants to a nonprofit, tax-exempt corporation or a county because I want the Department of Health and Family Services to have the flexibility to award grants to the best applicants, regardless of organizational structure.

33. Community Support Program

Sections 395 [as it relates to s. 20.435 (7) (bL)] and 1971L

Sections 395 [as it relates to s. 20.435 (7) (bL)] and 1971L appropriate \$1,000,000 GPR in each fiscal year as the state share of Medical Assistance benefits for the Community

Support Program. I object to the funding increase in fiscal year 2001-02. The Department of Health and Family Services contracts with counties on a calendar year basis and I am willing to approve a \$500,000 GPR increase in fiscal year 2001-02. Thus, I am decreasing the department's s. 20.435 (7) (bL) appropriation by \$500,000 GPR in fiscal year 2001-02. I am requesting the Department of Administration secretary not to allot these funds.

34. Community-Based Psychological Service Program

Section 9123 (8d)

This section requires the Department of Health and Family Services to submit a report to the Joint Committee on Finance on the status of the implementation of the Community-Based Psychological Service Program. The report must be submitted by the first day of the sixth month after the effective date of the budget bill. I am vetoing this section because this service, if implemented, would be a new Medical Assistance benefit that must be offered as an entitlement. This service was authorized by the Legislature with the expectation that counties would pay the state share. However, in the event that counties would not adequately fund or make available the services, the state would be responsible for assuring adequate access to the benefit statewide.

35. Drug Prevention and Intervention Grant

Section 1557v

This section requires the Department of Health and Family Services to distribute \$30,000 GPR in each fiscal year to the Career Youth Development Center for drug prevention and intervention programs for middle and high school athletes in the Milwaukee public school system. I am vetoing section 1557v because, while the provision has laudable goals, the state cannot afford the associated costs in this budget. I am requesting the Department of Administration secretary to place \$30,000 GPR in fiscal year 2001-02 and \$30,000 GPR in fiscal year 2002-03 in unallotted reserve in the Department of Health and Family Services' appropriation s. 20.435 (7) (bc) to lapse to the general fund.

36. Milwaukee Child Welfare Operations

Sections 1618r and 9123 (12zk)

Section 1618r requires the Department of Health and Family Services to promulgate rules regulating the administration of child welfare services in a county having a population of 500,000 or more. The rules must include provisions for: (a) contracting processes; (b) grievance procedures; (c) caseload ratios; (d) standards for the provision of services; and (e) citizen participation. Section 9123 (12zk) requires that the rules be submitted to the Legislature no later than the first day of the ninth month beginning after the effective date of the budget bill.

I am vetoing these sections because the Department of Health and Family Services has existing policies, procedures and standards which address the areas identified in section 1618r. In addition, I want the department to focus existing resources on the management of the child welfare system in Milwaukee, rather than the administrative work load associated with promulgating administrative rules.

37. Kinship Care Funding Supplementation

Section 1629x

This section authorizes the Joint Committee on Finance to supplement the kinship care appropriation under s. 16.515 if the amounts budgeted for the program are insufficient to fund benefit payments to all eligible families. I am vetoing this provision because the biennial budget provides a level of funding that fully funds the projected kinship care caseload. In addition, the Department of Health and Family Services has the administrative flexibility to reallocate funding among counties if waiting lists become a problem.

38. Medical Assistance For Foster Care Adolescents

Sections 1799f, 1968d, 1968dh, 9323 (16f) and 9423 (17g)

These sections extend Medical Assistance (MA) eligibility to any individual who is at least nineteen years of age but under twenty years of age and who, on his or her eighteenth birthday, was in foster care or treatment foster care, as determined by the Department of Health and Family Services. They also give second priority for county substance abuse services to individuals who are twenty years of age and were eligible for MA under the provision contained in section 1799f and give first priority for county mental health services to individuals who are twenty years of age and were eligible for MA under the provision contained in section 1799f. These provisions are effective on January 1, 2003. I am vetoing these provisions because I am very concerned about the advanced funding commitments created by this extension of MA eligibility. In addition, I am directing the department to conduct a cost benefit analysis to determine if the extension of MA benefits is cost effective in the long run. Based on the results of this study and if revenue is available in the 2003-05 biennium, I am willing to reconsider this MA eligibility issue.

39. Targeted Case Management Reimbursement Lapse

Section 9223 (5zk)

Section 9223 (5zk) requires the Department of Administration secretary to lapse \$3,008,300 in fiscal year 2001-02 and \$3,328,500 in fiscal year 2002-03 from Medical Assistance (MA) reimbursement of the cost of providing targeted case management services to children whose care is not eligible for reimbursement under Title IV-E of the federal Social Security Act.

I am partially vetoing section 9223 (5zk) to delete the requirement that revenues for the lapse come from reimbursement of the cost of providing targeted case management services to children whose care is not eligible for reimbursement under federal Title IV-E. The Department of Health and Family Services has recently determined that it is uncertain whether the targeted case management reimbursement revenues will be sufficient to satisfy the required lapse amounts. In addition, some counties are currently claiming MA reimbursement for targeted case management and using the federal revenues to fund social services, particularly for children with mental health needs. Counties would lose these revenues if they were lapsed under section 9223 (5zk). The effect of this veto will be to allow the department to use income augmentation revenues to meet the required lapse and allow counties to continue to use the targeted case management funds.

40. Income Augmentation

Sections 732q, 1557jd, 1557k, 9123 (9bk) and 9323 (16k)

Sections 732q, 1557jd and 9323 (16k) require the Department of Health and Family Services to perform activities to augment the amount of federal moneys received by the state and prohibits the department from contracting with any person to perform these augmentation activities. Section 9123 (9bk) authorizes 1.0 FTE FED position, funded with income augmentation revenues, to perform income augmentation activities. I am partially vetoing section 732q and vetoing sections 1557jd, 9123 (9bk) and 9323 (16k) because I want the department to have the flexibility to augment federal income in a manner that maximizes the amount of revenue the state receives from the federal government. The work of the vendor currently under contract with the department has enabled the state to receive over \$102,000,000 in additional federal revenue. I am requesting the Department of Administration secretary not to authorize the 1.0 FTE FED position in fiscal year 2001-02 and not to allot \$43,800 FED in fiscal year 2001-02 and \$49,700 FED in fiscal year 2002-03 for the cost of the position.

Section 1557k repeals the current law provision that allows the department to submit a plan to the Department of Administration secretary for use of income augmentation revenues for purposes other than the operational costs exclusively related to augmenting federal income. I am vetoing section 1557k because I want the administration to retain the flexibility to use income augmentation funding to meet state and department needs with the approval of the Joint Committee on Finance.

41. Food Pantry Grants

Sections 395 [as it relates to s. 20.435 (3) (fp)], 701h, 1568b and 9123 (4h)

Sections 395 [as it relates to s. 20.435 (3) (fp)], 701h and 1568b: (a) appropriate \$750,000 GPR in each fiscal year for grants to food pantries to purchase, store, transport and distribute food to needy households; (b) specify that the total amount of each grant cannot exceed \$15,000 and that each grant awarded be in proportion to the number of persons served by the food pantry; (c) specify the criteria for allocating funding between rural food pantries and the rest of the state; (d) specify the requirements for a food pantry to be eligible for a grant; (e) limit the amount that the

Department of Health and Family Services may use for administration of the program to five percent of the total amount appropriated; and (f) require each grantee to submit a report to the department on how the funds were used and require the department to compile the reports and submit the results to the Legislature. Section 9123 (4h) requires the department, within ninety days after the effective date of the budget bill, to submit a plan to the Joint Committee on Finance, under a 14-day passive review process, for distributing grants to food pantries.

I am concerned about the future funding commitment created by this new program. I am vetoing the second year funding of \$750,000 GPR and directing the secretary of the Department of Health and Family Services to ensure that applicants receive funding on a one-time basis and that the funding be used for emergency assistance. I am vetoing the provisions that specify a \$15,000 limit on a grant, the criteria for awarding grants to individual food pantries and allocating grants between rural pantries and the rest of the state, and the requirements for food pantries to be eligible for a grant. The department, because of its expertise in the state's food programs, is best able to determine how the funds should be allocated to meet the needs of individual communities. I am directing the secretary of the Department of Health and Family Services to develop a distribution method and to distribute grants to the state's existing emergency food assistance programs that meet the state and federal standards.

I am vetoing the provision that restricts state administrative costs to five percent of the amount appropriated because it limits program flexibility. I am directing the secretary of the Department of Health and Family Services to limit administrative costs to five percent and to set aside \$50,000 for distribution and storage of federal bonus food. This will ensure that the state has the necessary funding for the next delivery of federal bonus food. I am also vetoing the provision that requires the grantees to submit a report to the department on the use of the funds and requires the department to compile the reports and submit them to the Legislature because the funding will be one-time and for emergency assistance. The department can summarize the results of the program in its annual hunger report which is submitted to the Legislature. Finally, I am vetoing section 9123 (4h) because I want the department to quickly distribute the grants for emergency assistance.

42. Publicity for Alzheimer's Disease Registration and Funding for Assistive Technology

Sections 395 [as it relates to s. 20.435 (6) (a)], 721r, 721s, 725, 726p, 726q, 1568c, 9123 (15j) and 9423 (18j)

Sections 395 [as it relates to s. 20.435 (6) (a)], 721r, 721s and 1568c appropriate \$30,000 GPR in each fiscal year for the Department of Health and Family Services to publicize the existence of a program administered by a nongovernmental entity that registers persons with Alzheimer's disease or other related dementias and provides identification products in order to facilitate the safe return of persons who become lost or wander. Although there is no language in the budget bill that authorizes these increases, the Legislature passed a motion and an amendment during its deliberations to authorize the funding increase.

I am partially vetoing section 395 [as it relates to s. 20.435 (6) (a)] and vetoing section 1568c because, while this provision has laudable goals, the state cannot afford the cost of a publicity campaign in this budget. In addition, the department currently funds the Alzheimer's Family and Caregiver Support program and provides funding for training and information on Alzheimer's disease. Thus, I am decreasing the department's s. 20.435 (6) (a) appropriation by \$30,000 GPR in fiscal year 2001-02 and \$30,000 GPR in fiscal year 2002-03. I am also requesting the Department of Administration secretary not to allot these funds.

Sections 721r, 721s, 725, 726p, 726q, 9123 (15j) (a), (b), (c) and (d) and 9423 (18j) provide one-time funding for the following: (a) \$15,000 GPR annually to the Department of Health and Family Services for technical assistance; (b) \$15,000 GPR annually to Easter Seals for specialized assistance to persons in the agricultural industry; (c) \$20,000 GPR annually for the Wheelchair Recycling program; and (d) \$150,000 GPR annually to Independent Living Centers. I am vetoing sections 726p, 726q and 9123 (15j) (a), (b) and (d) and 9423 (18j), and partially vetoing sections 725 and 9123 (15j) (c) because this funding increase is unreasonable. The net effect of these vetoes is to only provide \$20,000 GPR in fiscal year 2001-02 for the Wheelchair Recycling program.

The department currently provides funds to Independent Living Centers and Easter Seals for assistive technology projects. I am concerned that the projects in this budget proposal are ongoing despite only receiving one-time funding. I am directing the secretary of the Department of Health and Family Services to ensure that the grant for the Wheelchair Recycling program involves only one-time projects.

Because sections 721r and 721s contain language related to both publicity activities for Alzheimer's disease registration and the objectionable portions of the assistive technology initiative, I am partially vetoing section 721r and vetoing section 721s.

I am requesting the Department of Administration secretary to: (a) place \$15,000 GPR in fiscal year 2001-02 and \$15,000 GPR in fiscal year 2002-03 in unallotted reserve in appropriation s. 20.435 (6) (a) to lapse to the general fund; (b) place \$15,000 GPR in fiscal year 2001-02 and \$35,000 GPR in fiscal year 2002-03 in unallotted reserve in appropriation s. 20.435 (7) (bc) to lapse to the general fund; and (c) place \$150,000 GPR in fiscal year 2001-02 and \$150,000 GPR in fiscal year 2002-03 in unallotted reserve in appropriation s. 20.435 (7) (c) to lapse to the general fund.

TOBACCO CONTROL BOARD

43. Tobacco Control Board Membership

Sections 173p, 173r, 173s and 9423 (12mk)

These provisions require that the Tobacco Control Board have fifteen members, including one legislator from each party in both houses and the Attorney General or his designee. I am vetoing these provisions because they unreasonably limit the executive branch. Board members must have the necessary backgrounds to ensure the state's tobacco control efforts are effective.

WORKFORCE DEVELOPMENT

44. W-2 Contract Prohibitions

Sections 1660d and 9358 (8c) [as it relates to s. 49.143 (2g)]

Section 1660d removes flexibility that the Department of Workforce Development currently has to manage resources for the Wisconsin Works (W-2) program, by prohibiting the department from transferring funds initially allocated for cash benefits to pay for costs associated with providing direct services to W-2 participants and administration of the W-2 program.

Section 1660d also stipulates that funding provided under a W-2 contract could not be expended by a W-2 agency for public relations activities, unless those activities are directly related to providing community outreach and informing participants about the services available under the W-2 program.

I object to this provision because it prevents the department from reallocating resources to the areas where they may be most needed, in order to manage the W-2 program efficiently and serve W-2 participants effectively. In addition, the prohibition on public relations spending is duplicative of federal law; the department currently administers a test to determine whether a W-2 agency's public relations activities conform to federal regulations. Further, it is unclear what activities constitute "community outreach," as the term is not defined.

I am vetoing section 1660d in its entirety, and partially vetoing section 9358 (8c), as it relates to s. 49.143 (2g), thereby maintaining current law. This will ensure that the department has the management tools necessary to administer the W-2 program efficiently and effectively.

45. Review of Expenditures and Reallocations

Sections 255p, 1716m, 1716o, 1716q, 1716s, 1716v and 1718

These sections eliminate the Department of Workforce Development's current authority to transfer funds from one allocation to another allocation under the Temporary Assistance for Needy Families (TANF) program [under s. 49.175 (1)] with approval from the Department of Administration secretary. Instead, these provisions stipulate that the department must meet certain requirements and obtain approval from both the Department of Administration secretary and the Joint Committee on Finance in order to reallocate funds under the TANF program. In addition, the department would be required to report annually to the Department of Administration secretary and the co-chairs of the Joint Committee on Finance on TANF expenditures for the previous fiscal year.

The transfer authority, which exists under current law, allows the department flexibility in making adjustments to its public assistance allocations, which are funded primarily with GPR and the federal TANF block grant. This flexibility is necessary in maintaining the department's ability to manage and respond to needed changes in the Wisconsin Works (W-2) program.

I am vetoing all of the new requirements concerning reallocation of funds, so that the department will retain the flexibility to reallocate resources as needed in order to administer the program efficiently and serve W-2 participants effectively. As with current practice, I direct the department to not request any reallocation that transfers more than ten percent from one allocation to another. I would be willing to support separate legislation to restore Joint Committee on Finance review of any transfer greater than ten percent.

I am also vetoing the requirement that the department submit annual reports on TANF expenditures to the Department of Administration secretary and the co-chairs of the Joint Committee on Finance, because I believe that it is unnecessary to require the report in statute. However, I do feel that such a report would provide useful information; therefore, I am directing the department to submit an annual report to the Department of Administration secretary on TANF expenditures for the previous fiscal year.

46. W-2 Contingency Fund

Section 961r

This section creates an appropriation for the Joint Committee on Finance to supplement appropriations for cash benefits for Wisconsin Works (W-2) participants, child care benefits, and kinship care and long-term kinship care benefits.

While I do not object to the contingency fund itself, I disagree with the purposes for which the fund may be used, as specified in the bill. Historically, the intent of the W-2 contingency fund was for cash assistance payments only, as a safeguard against times of economic downturn and increased caseloads.

The bill removes over \$12,000,000 associated with community reinvestment funds from the 1997-99 W-2 contracts, some of which was held by W-2 agencies as their own contingency funds. Further, as a means of fully funding the anticipated costs of the Wisconsin Shares child care subsidy program, the Legislature modified funding in the W-2 contracts from what my proposed budget included, by reducing funds for direct services and administration and by providing no increase for cash benefits. Given these reductions to the W-2 contracts and the loss of community reinvestment dollars for W-2 agencies, it would seem prudent to provide the contingency fund for the purpose that W-2 agencies suggest it would be most needed, namely, cash benefits.

I am partially vetoing this section to remove child care benefits and kinship care and long-term kinship care benefits as eligible uses for the W-2 contingency fund, in order to reserve the fund for the purpose for which it is most needed.

47. Changes to W-2 Geographical Regions in Milwaukee County

Section 1660g

This section requires the Department of Workforce Development to consult with the Milwaukee County Department of Human Services prior to implementing any changes to the Wisconsin Works (W-2) geographic regions in Milwaukee County. The department

would also be required to hold at least one public hearing in each of the Milwaukee W-2 regions that would be affected by any proposed change.

I object to this provision because it is unnecessary for the Legislature to add this type of requirement to the statutes. The department will solicit feedback and input from all affected parties on any plans to change the geographic regions in Milwaukee County.

I am vetoing this section to maintain current law.

48. Performance Bonuses and Performance Standards for W-2 Agencies

Sections 9158 (9e) (b) and 9158 (9e) (d)

Section 9158 (9e) (b) specifies in session law the amount that the Department of Workforce Development would be required to include in Wisconsin Works (W-2) contracts for performance bonuses for W-2 agencies that meet performance benchmarks, based on criteria established by the department. Section 9158 (9e) (d) codifies in session law several performance standards that the department would be required to include in W-2 contracts. The standards would be used to determine whether a W-2 agency meets benchmarks for base contract terms, restricted and unrestricted bonuses and renewal of contracts under the right-of-first selection option.

I object to specifying in law the amount the department must build into contracts for bonuses, because such a requirement would prohibit the department from adjusting performance bonuses, which may become appropriate as the program changes.

While I support the use of performance standards in the decision-making process, I object to including specific performance standards in law. The department already includes several performance criteria in the contracts with W-2 agencies. Further, I believe the department should have the flexibility to adjust benchmarks and change standards as the W-2 program evolves.

I am vetoing sections 9158 (9e) (b) and 9158 (9e) (d) in their entirety. This will allow the department to set standards, measure the performance of W-2 agencies and award bonuses to W-2 agencies as the department deems appropriate. More generally, it will provide the department with the flexibility it requires to administer the W-2 program effectively.

49. Oversight of W-2 Agencies in Milwaukee County

Section 1660e

This section requires the department to provide certain oversight and coordination services for Wisconsin Works (W-2) agencies in Milwaukee County. Specifically, the Department of Workforce Development would be required to monitor compliance with W-2 contracts, provide technical assistance to W-2 agencies and assist in coordination among those agencies for services offered to W-2 participants in Milwaukee County.

Currently, the Milwaukee Private Industry Council (PIC) receives \$1,000,000 annually to provide these functions for Milwaukee W-2 agencies. In my proposed budget, I reduced funding for the Milwaukee PIC by \$500,000 each year, with the idea that while this function is valuable, it could be performed at a lower cost. The Legislature removed all funding for the Milwaukee PIC and specified in the budget bill that the department conduct these oversight and coordination activities.

While I believe that these oversight and coordination activities are important, I object to specifying in statute that the department itself must be responsible for performing this function.

I am vetoing this section, but I also am directing the department to either conduct the oversight and coordination activities itself, or contract with a provider to perform this valuable function for Milwaukee W-2 agencies.

50. Community Youth Grants

Sections 1700b and 9158 (8x)

Section 1700b allocates an additional \$500,000 each fiscal year in Temporary Assistance for Needy Families (TANF) funding above what my budget provided for community youth grants. Section 9158 (8x) specifically earmarks the \$500,000 in each fiscal year for grants to the Wisconsin Chapters of the Boys and Girls Clubs of America.

Community youth grants are administered by the Department of Workforce Development and are generally awarded on a competitive basis. The grants are intended to fund programs that improve the social, academic and employment skills of youth who are eligible to receive TANF benefits. For this reason, I do not object to providing some funding for grants to the Boys and Girls Clubs of America. However, I do not agree with earmarking such a large portion of what is essentially a competitive grant program for one organization. Further, the TANF fund is constrained by several spending pressures at this time and cannot support excessive spending on additional programs.

I am partially vetoing the amount earmarked for the Wisconsin Chapter of Boys and Girls Clubs of America in each fiscal year of the 2001-03 biennium, so as to reduce the amount from \$500,000 to \$50,000 in each fiscal year. I am also partially vetoing the amount allocated for community youth grants in fiscal year 2002-03 so as to reduce the amount from \$500,000 to \$50,000. Further, I am requesting the Department of Administration secretary to place \$450,000 into unallotted reserve in appropriation s. 20.445 (3) (md) in 2002-03. This veto will have the effect of providing \$50,000 in each fiscal year specifically for grants to the Wisconsin Chapter of Boys and Girls Clubs of America, and of adding \$450,000 in fiscal year 2002-03 to the TANF balance.

51. After-School Care Grant Program

Sections 395 [as it relates to s. 20.255 (2) (kn)], 560d, 743dc, 1714d, 2779m [as it relates to s. 20.255 (2) (kn)] and 9140 (6w)

These sections allocate \$150,000 of Temporary Assistance to Needy Families (TANF) block grant funding for transfer from the Department of Workforce Development to a newly created appropriation in the Department of Public Instruction, for an after-school care grant program beginning in fiscal year 2002-03. Under this new grant program, school boards would be able to apply to the State Superintendent of Public Instruction to fund an after-school care program for TANF-eligible children who would otherwise be unsupervised by an adult in the afternoon after school.

I believe that children who would normally be unsupervised after school hours would benefit from a program like this; thus, I do not object to the idea of the program itself. However, the TANF fund is currently constrained by several spending pressures, ranging from cash assistance, to education and job skills training, and other work supports, especially child care benefits. While providing after-school care for all children is a worthwhile goal, the TANF fund cannot support spending on additional programs at this time.

I am vetoing this section to delete this new grant program, in order to conserve resources for the many important programs that are currently supported with TANF funds. I am also requesting the Department of Administration secretary to place these funds into unallotted reserve in s. 20.445 (3) (md).

52. Study of Unclaimed Impounded Vehicles

Section 9158 (3f)

This section requires the Department of Workforce Development, in consultation with the Department of Transportation and local governmental entities, to conduct a study of the feasibility of a program that would provide or sell unclaimed impounded vehicles to low-income individuals at below-market prices. The departments would be required to submit the findings of the study to the Joint Committee on Finance and other appropriate standing committees by June 30, 2002. The Legislature provided no funding to the Department of Workforce Development to conduct the study.

I object to this provision, because, while the study may produce valuable information, it is not one of the department's priorities for use of its base resources.

I am vetoing this section to remove the requirement that the department conduct this study.

53. Prevailing Wage Law

Sections 2026nz, 2026p, 2026r, 2558i, 2558j, 2558m, 2559d and 9458 (3z)

These sections affect the prevailing wage law, which requires workers employed on state or local public works projects to be paid the prevailing wage, as determined by the Department of Workforce Development, for the worker's trade or occupation in the area where the project is located. Specifically, these provisions would: (a) include wage data from public works projects where the wage paid is higher than the current prevailing wage in the annual wage rate survey; (b) require contractors and subcontractors to allow any individual to have access to their payroll records for projects subject to prevailing wage law to the same extent as if those records were public documents subject to the open records law; (c) prohibit the department from establishing swimming pool installer as a separate job classification; and (d) require the department to modify the metal building assembler job classification to include work on prefabricated, packaged metal buildings among the duties of that job classification.

I am vetoing sections 2026p and 2558j because including public works projects in the annual wage rate survey would violate the principles on which prevailing wage laws are based. Prevailing wage laws are intended to ensure that workers on public building projects are paid wages comparable to wages paid by the private sector for similar work. Including public construction projects when computing the prevailing wage rate would artificially inflate the prevailing wage rate for the county.

Sections 2026r, 2558m and 2559d require contractors and subcontractors to allow access to their payroll records for projects subject to prevailing wage laws. Under current law, if an individual has questions regarding a contractor's records for a public building project, that individual may request the department to examine the payroll records. Following the investigation, the payroll records become public documents and may be examined by any individual. I am vetoing these provisions because allowing any individual to obtain payroll records directly from contractors would create an unnecessary burden on private employers. If individuals wish to obtain these documents, they need only to file a request with the department.

Current law gives the department the power to establish prevailing wage rate job classifications and the power to establish the prevailing wage for those job classifications. Sections 2026nz, 2558j and 9458(3z) would require the department to modify the metal building erector job classification and prohibit the department from establishing a swimming pool installer job classification. I am vetoing these provisions because the statutes should not be used to modify the job classifications of selected occupations. If an individual or organization would like to create, delete or modify a job classification, then that individual or organization can file a request with the department. The department will then seek comment from individuals and organizations that would be affected by the change. It is inappropriate to include these changes through a process that does not allow the people and businesses who will be affected a chance to comment on the proposed change. I am sensitive to concerns about how prevailing wage data are calculated, and I encourage the department to review and evaluate its methodology for computing the prevailing wage rate.

54. Grant to the Milwaukee Metropolitan Fair Housing Council – Discriminatory Lending Practices

Sections 395 [as it relates to s. 20.445 (1) (a)] and 9158 (10c)

Section 395 [as it relates to s. 20.445 (1) (a)] provides \$150,000 GPR for the Department of Workforce Development to award a grant to the Milwaukee Metropolitan Fair Housing Council for the investigation of predatory residential real estate lending practices in Milwaukee County. As a condition of receiving these funds, the Milwaukee Metropolitan Fair Housing Council would be required to submit a report evaluating the results of the investigation to the department by January 1, 2004.

By lining out the department's s. 20.445 (1) (a) appropriation and writing in a smaller amount that deletes \$150,000 GPR in fiscal year 2001-02, 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.

I object to this provision because it is more appropriate to select an organization to conduct the study through an open and objective process rather than through targeted legislation. This is also an issue that may be better served by a broader review that involves significant input from policy experts, lenders, homebuyers and the general public. In addition, it has not been demonstrated that the council lacks the resources to internally fund a study. My veto is not intended to reflect on the quality of work and level of commitment to fair housing of the Milwaukee Metropolitan Fair Housing Council.

D. JUSTICE

CIRCUIT COURT

1. Family Court Counseling Fee

Sections 3832k and 9309 (4w)

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

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

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

Sections 3872v and 9309 (7p)

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

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

3. Civil Action for Domestic Abuse or Sexual Assault

Section 3871x

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

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

CORRECTIONS

4. Telemarketing and Data Entry

Sections 3325q and 9311 (7k)

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

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

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

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

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

5. Residence of Sex Offenders on Parole or Extended Supervision

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

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

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

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

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

6. Inmate Rehabilitation and Aftercare

Section 3333j

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

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

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

7. Inmate Health Care Reports and Procedures

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

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

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

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

8. Inmate Death in Custody Reporting Act Requirements

Section 3330g

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

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

9. Inmate Tracking System and Integrated Corrections System Requirements

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

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

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

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

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

10. Gender-Specific Treatment Programs and AODA Services

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

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

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

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

11. Performance Evaluations for Substance Abuse Intervention and Treatment Grants

Sections 1483j and 3327r

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

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

12. Community Reintegration Facility

Section 9111 (3g)

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

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

13. Reduce Funding for the Mendota Juvenile Treatment Center

Section 1491

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

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

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

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

14. Juvenile Justice Study

Section 9111 (6c)

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

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

DISTRICT ATTORNEYS

15. Vehicle Fines and Forfeitures for Additional Prosecutor Positions

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

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

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

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

16. Assistant District Attorney Positions for Restorative Justice Programs

Section 4031p

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

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

JUSTICE

17. Post-Conviction and Post-Commitment DNA Testing

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

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

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

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

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

18. Attorney General Authority in Civil Rights Actions and Inquests

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

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

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

19. Law Enforcement Training on Alzheimer's Disease Recognition

Section 2858p

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

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

20. AFIS Workstation Grant Program

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

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

I am vetoing these provisions because projected revenues from the penalty assessment surcharge would not be sufficient to support any new programs. This action is also necessary to cover the lapse of \$875,200 in penalty assessment revenues to the general fund in fiscal year 2001-02.

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

OFFICE OF JUSTICE ASSISTANCE

21. Federal Byrne Anti-Drug Enforcement Program

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

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

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

22. Penalty Assessment Surcharge Balance Transfers

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

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

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

23. Southern Oaks Girls School Mental Health Unit Funding

Section 9201 (5v)

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

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

STATE PUBLIC DEFENDER

24. Base Budget Reductions and Reporting Requirements

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

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

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

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

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

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

SUPREME COURT

25. Court Interpreter Program

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

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

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

26. Prison Impact Assessment

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

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

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

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

27. Court Commissioner Education

Section 3780q

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

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

28. Appropriation Modifications

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

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

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

E. STATE GOVERNMENT OPERATIONS

ADMINISTRATION

1. Vacant Positions in State Government

Section 9101 (26n)

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

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

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

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

2. Dues and Membership Lapses

Section 9101 (22k)

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

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

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

3. Audit of State-Owned Aircraft Usage

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

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

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

4. University of Wisconsin System Fleet Merger

Section 9156 (3s)

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

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

5. Procurement Conversion to Program Revenue

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

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

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

6. Procurement Services Audit

Section 9132 (2ak)

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

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

7. Purchasing Card Rebates

Sections 227q and 9101 (19r)

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

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

BUILDING PROGRAM

8. Retainage on Public Works Contracts

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

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

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

9. Wisconsin History Center Reporting Requirement

Section 9107 (7x)

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

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

10. Facility Operating Cost Estimates

Sections 104m and 227m

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

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

11. Distributed Generation Units

Section 319s

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

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

12. Restrictions on Acquisition Through Lease Purchase

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

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

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

13. Sale of Residual State Property

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

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

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

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

14. Utility Service Cost Allocation Study

Section 9107 (12w)

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

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

15. Revision of Enumerated Projects

Section 9101 (20z)

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

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

16. Restriction on General Fund Supported Borrowing

Section 392p

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

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

17. Wausau State Office Facility Study

Section 9107 (12mk)

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

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

ELECTIONS BOARD

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

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

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

19. Lease of Electronic Voting Equipment

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

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

ELECTRONIC GOVERNMENT

20. Appropriation Structure

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

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

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

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

21. Administrative Rule to Set Fees

Section 1030d

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

22. Chief Information Officer Vote on Information Technology Management Board

Section 176

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

23. Ethics Board Procurement Authority

Sections 275m and 355m

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

24. Veterans Museum Distance Learning Support

Section 1030m

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

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

EMPLOYEE TRUST FUNDS

25. Private Employer Health Insurance Coverage Program Changes and Funding

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

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

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

EMPLOYMENT RELATIONS

26. Funding for Shared Human Resources System

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

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

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

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

LEGISLATURE

27. Legislative Hotline

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

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

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

28. Emergency Rule Changes

Sections 3034d, 3034j and 3034k

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

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

29. Legislative Council Studies

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

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

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

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

30. Capstone Certificate Program Reimbursement Funding

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

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

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

MILITARY AFFAIRS

31. National Guard Tuition Grant Program

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

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

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

32. Badger Challenge Program

Section 9159 (1) (b)

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

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

REGULATION AND LICENSING

33. Regulation of Closing Agents

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

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

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

34. Regulation of Cemeteries

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

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

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

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

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

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

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

35. Evaluation of Credentialing Fees

Section 9132 (3v)

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

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

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

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

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

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

VETERANS AFFAIRS

37. Regional Veterans Claims and Benefits Coordinators

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

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

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

38. Veterans Outreach Initiative

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

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

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

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

39. Veterans Emergency Aid Pilot Program

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

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

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

F. TAX, FINANCE AND LOCAL GOVERNMENT

ADMINISTRATION

1. Division of Gaming – License Requirements for Simulcast Racing

Sections 3713c, 3713d and 3713e

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

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

BUDGET MANAGEMENT

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

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

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

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

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

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

3. Statutory Minimum Balance

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

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

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

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

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

EMPLOYMENT RELATIONS COMMISSION

4. Qualified Economic Offer

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

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

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

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

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

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

DEPARTMENT OF FINANCIAL INSTITUTIONS

5. Regulation of Rent-to-Own Agreements

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

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

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

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

GENERAL FUND TAXES

6. Internal Revenue Code Update

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

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

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

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

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

7. Sales Tax Exemption for Water Slides

Sections 2246nm and 9444 (3w)

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

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

8. Individual Income Tax Exclusion for Military Pensions

Sections 2142m and 2142n

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

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

9. Estate Tax

Section 2200L

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

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

10. Artistic Endowment Foundation Tax Credits

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

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

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

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

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

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

11. Baseball Park District Income Tax Checkoff

Sections 395 [as it relates to s. 20.566 (1) (hp)] 917r, 2153g, 3037m, 3037n and 9344 (8x)

These sections:

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

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

PUBLIC SERVICE COMMISSION

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

Section 9142 (2zq)

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

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

13. Technical Veto – Telecommunications Regulation

Section 3011d

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

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

14. Voice Mail for the Homeless

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

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

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

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

15. Wisconsin Advanced Telecommunications Foundation Contributions

Section 9142 (3mk) (d)

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

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

DEPARTMENT OF REVENUE

16. Volunteer Income Tax Assistance Program

Sections 2205m and 9144 (2x)

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

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

SHARED REVENUE AND TAX RELIEF

17. Municipal Shared Revenue Payments

Section 2281e

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

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

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

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

18. Exclude Lafayette County from Maximum Constraint

Section 9344 (9m)

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

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

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

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

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

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

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

19. Special Charges for Municipal Services

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

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

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

20. Automatic Teller Machines

Sections 2108q and 9344 (23k)

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

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

21. Area Cooperation Compacts

Section 2022t

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

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

22. Annexations Creating Town Islands

Section 2019n

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

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

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

23. Classification of Certain Property as Swamp and Waste

Sections 2114m and 9344 (28v)

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

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

STATE TREASURER

24. Changes in Statutory Appropriations

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

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

TOBACCO SECURITIZATION PERMANENT ENDOWMENT FUND

25. Technical Veto to Remove Erroneous Cross-Reference

Section 940

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

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

TRIBAL GAMING ALLOCATIONS

26. Health and Family Services – Minority Health Program

Section 2848r

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

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

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

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

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

28. Natural Resources – Trout Management

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

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

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

29. Natural Resources – Wild Crane Study

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

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

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

30. Tourism – Kickapoo Valley Reserve, Law Enforcement Services

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

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

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

31. University of Wisconsin-Extension – Grazing Education Grants

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

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

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

32. Workforce Development – Trade Masters Pilot Program

Section 2560r

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

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