Under the Dome

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This issue of *Under the Dome* provides an update on the biennial budget process, prevailing wage law and Xcel's 2016 rate increase request.

Legislative Update

BIENNIAL BUDGET UPDATE

The Legislature continues to focus its work on the biennial budget and is working to pass the budget bill by the end of June. During the week of May 25, the budget-writing Joint Finance Committee considered proposed budgets for the UW system and DNR. The Committee still has three outstanding areas to consider including Transportation, taxation and proposed funding for the new Bucks arena. While the Committee was expected to wrap up its work before the end of May, progress has been stalled for a few weeks due to an impasse on transportation revenue negotiations. Concurrently, Senate and Assembly caucuses have begun discussions on the budget bill in the hopes of having resolution before the end of June.

PREVAILING WAGE (AB 32/SB 49)

The May 22 edition of *Under the Dome* provided an update on failed passage of SB 49, and a substitute amendment, at the May 5 Senate Committee on Labor and Government Reform public hearing.

On May 27, the Assembly Committee on Labor held a public hearing to consider AB-32, repeal of prevailing wage law. We submitted written testimony from Randy Jaeckels and Dennis Bednarski, similar to their oral testimony at the Senate hearing earlier this month, and slipped support for the bill. The committee approved the bill by a 5-4 vote, with Republican Spiros joining with Democrats in opposition saying he would rather work on reform over full repeal.

The hearing was called in very short order (notice was published on Tuesday morning) by committee chair Andre Jacque (R-2), in advance of the Joint Finance Committee's final work on the state budget. He called the hearing to join with other members of the Republican caucus to push for full repeal of the law. Assembly Speaker Robin Vos and Senate Majority Leader Fitzgerald continue to state that they do not have the votes for full repeal of the law and are working on a package of reforms that will be included in the budget.

It is expected that a motion with a package of reforms will be introduced in JFC deliberations. MEUW will keep you updated when appropriate.

LEGISLATION MEUW IS CURRENTLY FOLLOWING

No new legislation affecting MEUW members has been introduced since the May 22 edition of *Under the Dome*. Updates to the following legislation being followed are bolded and italicized:

- **AB 32/SB 49 - Prevailing Wage:** This bill, introduced by Rep. Hutton (R-13) and Sen. Vukmir (R-5), would eliminate the requirement that laborers, workers, mechanics and truck drivers employed on the site of a project of public works be paid the prevailing wage. MEUW has registered in support of this bill.

- **AB 122/SB 80 – Road Access for Utility Trucks in Emergencies**: This bill, introduced by Sen. Jerry Petrowski (R-29) and Rep. Mary Czaja (R-35), exempts public utility vehicles from special or seasonal weight limits on class B highways in order to allow these vehicles to operate legally to restore service outages. The bill was approved by the Assembly on April 14, the Senate on April 21, and will now head to the governor's desk for signing. MEUW has registered in support of this bill.
- **AB 156 / SB 134 – Wisconsin Retirement System (WRS)**: This bill, introduced by Rep. Thiesfeldt (R-52) and Sen. Petrowski (R-29), provides municipalities interested in participating in the WRS the option to join incrementally by applying the benefit to only newly hired employees while allowing current employees to finish their careers under their existing retirement plan. The Assembly Committee on Urban and Local Affairs unanimously approved this bill on May 5. The bill has been referred to the Joint Survey Committee on Retirement Systems where a study will be completed to assess the potential impact on the WRS. MEUW has registered in support of this bill.
- **AB 20/SB 176 - Made in America Act:** This bill, introduced by Rep. Jorgensen (D-43) and Sen. Hansen (D-30), would require contractors to use materials made in America for all public works projects. The bill has been referred to the Assembly Committee on State Affairs and Government Operations but has not been scheduled for a hearing. MEUW has not taken a position on this bill.
- **AB 66 - Wisconsin Renewable Energy Development Authority:** This bill, sponsored by Rep. Shankland (D-71) and Sen. Miller (D-16), creates an independent public entity, governed by an 11-member board, to steer and expand investment in renewable energy and energy efficiency in Wisconsin. The bill has been referred to the Assembly Committee on State Affairs and Government Operations but has not been scheduled for a hearing. MEUW has not taken a position on this bill.
- **AB 105/SB 72 - High-Capacity Wells**: This bill, introduced by Sen. Mark Miller (D-16) and Rep. Cory Mason (D-66), establishes standards and a process for designating areas of the state as groundwater management areas, to ensure sustainable use of surface and ground water. The bill has been referred to the Senate Committee on Natural Resources and Energy but has not been scheduled for a hearing. MEUW has not taken a position on this bill.
- **LRB 1446 - High-Capacity Wells:** This bill, sponsored by Rep. Nerison (R-96) and Sen. Gudex (R-18), essentially eases regulation on high-capacity wells due to recent court cases that have changed the DNR's authority to oversee high-capacity wells.

Regulatory Update

XCEL ENERGY'S 2016 RATE REQUEST

On May 29, Xcel Energy filed a rate increase request with the Public Service Commission (PSC) that proposes a 3.9% increase for residential electric customers and a 5.0% increase for residential natural gas customers. The application also includes a proposal to increase the residential fixed charge from $8 to $18 per month. The PSC will audit the request this summer and conduct a public hearing in October, prior to their final decision.

Xcel's request comes two weeks after Wisconsin Public Service Corporation's request to increase electric rates 10%, including a proposal to increase the residential fixed charge from $19 to $25.

The next issue of Under the Dome will be published June 22.