

UNDER THE DOME

January 16, 2017 | Volume 13, Issue 1

A Periodic Publication from the Municipal Electric Utilities of Wisconsin and our government affairs team at The Kammer Group.

LINKS

[State Legislature](#)

[MEUW Home Page](#)

[The Wheeler Report](#)

[WisPolitics](#)

2017-18 Legislature Sworn-In

Tuesday, January 3rd marked the beginning of the 103rd legislative session as lawmakers were sworn into office in both houses. Prior to the inauguration ceremony, Assembly Speaker Robin Vos said his caucus does not have a set agenda or package of bills they plan to tackle first, and he'd like for more focus to be placed on the committee process and a thought-out, deliberative approach to tackling some of the big issues facing the state. Senate GOP leaders have been more specific, indicating their plans early on will include taking-up a controversial high-capacity well bill that passed their house last year, along with reforms to the administrative rulemaking process. On the other hand, Assembly Minority Leader Peter Barca said his caucus and party will refocus their messaging on jobs and the economy, and be more aggressive in reaching out to voters in rural areas, where Republicans have made large gains since 2010. The Assembly isn't expected to hit the floor until February, while the Senate will first meet on January 17th. Republicans hold the largest majorities in decades, controlling 64 of the 99 Assembly seats and 20 of the 33 Senate seats.

Floor Session to Begin in January

Governor Scott Walker recently called for a special session of the legislature to take up a package of heroin legislation, however, those floor dates have yet to be scheduled. The first regular session floor day will begin in the Senate which is expected to be on the floor January 17th according to Senate Majority Leader Fitzgerald. The Assembly is not expected to be on the floor until February. Below is a link to the proposed calendar for the entire 2017-18 session. This calendar includes days available for floor sessions.

[2017-18 Session Calendar](#)

New State Utilities Chairman Appointed

With a new legislative session comes changes in both the members of the legislature and the makeup of the committees and committee chairs. One key committee change of interest to MEUW members is a new chairman of the Senate Committee on Elections and Utilities. Senator Devin LeMahieu (R-Oostburg) was appointed the new Chairman for the committee. Senator LeMahieu serves the 9th Senate District, which includes portions of Calumet, Manitowoc, and Sheboygan Counties.

To view all the committees and lawmakers follow the links below:

[Senate Members](#)

[Assembly Members](#)

[Senate Committees](#)

[Assembly Committees](#)

Lawmakers Preparing to Reintroduce Administrative Rulemaking Reforms

Two Republican lawmakers announced their plans to reintroduce legislation making significant changes to the administrative rule process, including requiring legislative approval of rules exceeding \$10 million. Dubbed the REINS Act, the bill passed the Assembly but failed in the Senate. Senate Majority Leader Fitzgerald has said his caucus will revisit the proposal early on in the 2017-18 session. State Sen. Devin LeMahieu and Rep. Adam Neylon said in a release that the REINS Act is needed to hold bureaucrats accountable and improve the regulatory climate in Wisconsin. The state's largest business group, the Wisconsin Manufacturers and Commerce, has identified the bill as a top priority, while another leading business group, the state chapter of the National Federation of Independent Businesses, has expressed concerns. The REINS Act also creates the option for the legislature to request a public hearing early on in the rule-making process and gives them the ability to request an independent economic analysis for a second opinion on what the cost of compliance will be. When this bill was offered last session MEUW supported an amendment excluding federal EPA rules from the \$10 million cap and new requirements.

Legislation to Restrict Project Labor Agreements this Session

State Rep. Rob Hutton is introducing a bill to prevent local governments from requiring contractors who bid on public construction projects to have project labor agreements, or PLAs, with local labor unions. Under current state law, firms bidding to work on a public construction project can be required by municipalities and school districts to enter into collective bargaining with the unions, hire workers through union hiring halls, and pay union wages and benefits. This applies to contractors whether they normally use a unionized workforce or not. The co-author of the bill is State Senator Leah Vukmir, R-Brookfield. About twenty-one other states have enacted legislation to restrict government imposed PLA laws.

Prevailing Wage May Be Revisited

Lawmakers this year could fully repeal the state's prevailing wage requirement for public construction projects. In the last budget, prevailing wage was repealed for projects funded by local governments but retained for state-funded projects. MEUW was part of a coalition that support the changes made to the prevailing wage laws in the last budget. Rep. John Nygren, co-chair of the Joint Finance Committee has publicly said a full prevailing wage repeal is likely to pass the Legislature this session. Assembly Speaker Robin Vos has said he is open to a full repeal of prevailing wage as part of a broader transportation funding package.

Governor Delivers Annual State of the State Address

Governor Walker painted a rosy picture of the state during his seventh state of the state address held before the legislature. Touting a drop in Wisconsin's unemployment rate, an increase in the number of people employed, and a reduction in property taxes, Walker argued it was clear that residents are better off today than they were six years ago when he took office. Walker also outlined a number of priorities for his administration moving forward, including developing Wisconsin's workforce, providing additional tax relief, increasing funding for K-12 education, focusing on college affordability, making investments in technical colleges, and maintaining the state's infrastructure. Although he provided few details of the budget he plans to introduce next month, Walker surprised many by promising a tuition reduction for in-state students in the UW System. Walker also promised to make highway safety and maintenance a priority in his budget, in part by providing a record increase in road aids for local governments, while reaffirming his pledge of no new taxes or fees. The address was also used to highlight his recent call for an investment of \$35.5 million to expand broadband access. Rejecting calls to create a state-run student loan refinancing authority, Walker instead touted his administration's work with Wisconsin financial institutions to offer refinancing rates that he said are as good or better than many offered by government-supported programs in other states. Although Walker's comments on transportation and the tuition cut were met with skepticism by some Republican lawmakers, the response was largely positive. Democrats, on the other hand, panned Walker's claims about the state's economy, pointing to lagging revenue estimates. They also argued economic gains have come not because of Walker, but in spite of him, and are due to a national turnaround under President Obama.

Democratic Lawmaker Says Revenue Estimates Suggest Trouble Ahead

State Rep. Gordon Hintz questioned the positive portrayal of the state's economy by Governor Walker in his recent state of the state address, arguing the upcoming release of revenue projections will show the state is facing significant fiscal challenges. According to Hintz, revenue numbers released by the Walker administration last November showed tax collections have come in at 1.2% for the current fiscal year, far below the 3.7% growth projection made by the Legislative Fiscal Bureau at the beginning of the year. The state is currently projected to have a \$104 million surplus at the end of the fiscal year, however, Hintz, citing LFB estimates that a 1% drop in revenue equals a roughly \$160 million reduction in revenue, is warning that number is likely far less, and the state may actually be facing a significant shortfall. The Legislative Fiscal Bureau annual state revenues report, expected later this month, will help clarify the state's fiscal outlook and provide guidance to the governor and lawmakers as they deliberate the 2017-19 budget. Rep. Hintz is the Assembly Democrats' ranking member on the Joint Finance Committee.

Agency Appointments Announced

Governor Walker recently named acting secretaries for the Department of Safety and Professional Services (DSPS) and the Department of Veterans Affairs, elevating the Deputy Secretaries in both cases. Eric Esser is now serving as acting secretary of DSPS, taking over Dave Ross, who Walker recently appointed Secretary of the Department of Transportation. Kathy Marschman has been named acting secretary of Veterans Affairs, filling the spot left open by the retirement of Secretary John Scocos in November. Esser previously served as deputy secretary of the department and worked as the Governors appointments director prior to that. Marschman previously served as DVA Deputy Secretary, Assistant Deputy Secretary, and as Administrator of WDVA's Division of Veterans Benefits. Additional changes were announced at DOT this week as well, with Bob Seitz being named Deputy Secretary, taking over for Paul Hammer. Seitz was previously an Executive Assistant to PSC Chairwoman Ellen Nowak.

Former DNR Secretaries Question Plan to Split Agency

A proposed split of the Department of Natural Resources was met with criticism from five of the agency's former heads. Under the plan revealed by Walker last month, DNR operations would be divided among two new departments and three existing departments. It includes creating a new Fish and Wildlife Department and an Environmental Protection Department, while state parks would be managed by the Department of Tourism, forestry would fall under the Department of Agriculture, Trade and Consumer Protection, and conservation land acquisition would be absorbed by the Department of Administration. In a four-page letter, the five former secretaries argued dividing the DNR would make conservation more costly and less effective while making it harder for citizens to have their problems addressed. The letter was signed by Tony Earl, who ran the DNR from 1975 to 1980, George Meyer, 1993 to 2001, Darrell Bazzell, 2001 to 2003, Scott Hassett, 2003 to 2007, and Matt Frank, 2007 to 2011. In addition to Walker, the letter was addressed to Republican legislative leaders, who have indicated they are open to the proposed split.