

UNDER THE DOME

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President Trump Expected to Reverse Executive Orders

Donald Trump took the oath of office as the 45th President on Friday during an inauguration ceremony held at the U.S. Capitol. Later, at the first press conference of the new administration, the White House Press Secretary blasted the media saying they misled the public about the size of the inauguration crowd. Trump has said one of his first actions as President will be to reverse a number of executive orders issued by President Obama. Other priorities of the new President include withdrawing from the Trans-Pacific Partnership, loosening restrictions on energy production, cutting regulations, repealing Obamacare, strengthening border security, and putting forth a trillion-dollar infrastructure investment package. A number of anti-Trump protests have been taking place in the build-up to inauguration, and over 60 Democratic members of Congress opted out of attending the ceremony in protest. U.S. Rep. Mark Pocan representing the Madison area did not attend the inauguration.

Boost in State Revenue Over Next Two Years

The state of Wisconsin is expected to see a significant boost in revenue over the next two years according to revised projections from the non-partisan Legislative Fiscal Bureau. The state is now set to open the 2017-19 budget cycle in July with a \$427.2 million surplus, while an increase in tax collections will provide an estimated total boost of \$713.6 million through mid-2019. The revised projections help explain why Walker has been unveiling new spending proposals in recent weeks, including a tuition cut and a significant increase in K-12 funding, although the exact amounts have not been disclosed. Lawmakers were quick to respond, with Assembly Republicans calling for a \$300 million tax cut, along with an offsetting increase in transportation revenue. On the other hand, Democrats urged caution, with state Rep. Gordon Hintz countering the projections were overly optimistic and not truly reflective of the state's economic standing. A coalition of liberal groups would like to see even more revenue raised, calling for Republicans to make tax policy changes they say would free up nearly \$900 million in the state budget, including elimination of the state's manufacturing tax credit and a rollback of capital gains tax cuts, both of which Walker and GOP lawmakers will not embrace.

Lawmakers Eyeing Audit, Accountability Measures Following Misconduct at UW-Oshkosh

Leaders at UW-Oshkosh misappropriated funds for five building projects according to a lawsuit filed by the UW System. The System is alleging UW-Oshkosh administrators, no longer with the university, funneled more than \$11 million to the UW-O Foundation, in violation of state law, to aid in financing the UWO Alumni Welcome and Conference Center, the Best Western Premier Waterfront Hotel and Conference Center, two biodigesters, and the Oshkosh Sports Complex. The transfers were made between 2011 and 2016 by then Chancellor Richard Wells and the former Vice Chancellor of Administrative Services, Tom Sonnleitner. The news prompted lawmakers' calls for further investigation and possible legislative action to increase system oversight. The revelations come at a bad time for the UW System, as a number of lawmakers have questioned whether taxpayer money is being spent appropriately by the UW, and could have implications for the UW System's biennial budget request for \$42.5 million in new funding. Speaker Robin Vos, however, downplayed a connection between the two, saying that while further investigation is warranted, it appears to be an isolated incident that is being handled appropriately by the System.

Project Labor Agreement Bill to be Heard

On Tuesday the Assembly Committee on Labor is set to hold a hearing on AB 24, a bill to restrict the use of project labor agreements by local governments. The bill was just introduced last Wednesday. Representative Rob Hutton (R-Brookfield) introduced AB 24 which promotes government neutrality regarding Project Labor Agreements. The bill has seen widespread support with 43 coauthors and is supported by GOP leaders in both houses.

Assembly GOP to Seek Tax Relief, Boost in Transportation Funding

Assembly Republicans seized upon news of the significant revenue increase by calling for at least \$300 million in tax relief and a corresponding increase in transportation revenue to bolster the solvency of the transportation fund. Without providing many specifics, Assembly Republicans made clear their plan is aimed at meeting Walker's pledge that any new transportation revenue increase be offset by tax relief elsewhere in the budget. They also reaffirmed their commitment to increasing funding for education and workforce readiness, two priorities Governor Walker has also identified. Assembly Speaker Vos called the proposal a win-win for the governor and taxpayers, while state Rep. Dale Kooyenga, tasked by the speaker with finding an answer on transportation, said it was needed to move away from using general fund revenue for transportation and would make the fund more solvent and self-sufficient. A spokesperson for Governor Walker said they looked forward to seeing details about the plan. Senate Majority Leader Scott Fitzgerald was also largely noncommittal, saying he was excited to discuss reducing the tax burden.

Economic Indicators Solid for State, Unemployment Rate Down to 4%

The state Department of Workforce Development (DWD) announced that the state's unemployment rate has declined to the lowest level since 2001. The 4% rate is down 0.1% since November, and is lower than the national unemployment rate which increased to 4.7% last month. Based on preliminary data, the DWD is reporting the state added nearly 29,000 jobs from December 2015 to December 2016. Other encouraging economic indicators from the DWD include the state having the 12th highest growth in wages over the past year and a labor participation rate that outpaces the national rate by 5.6%. DWD Secretary Ray Allen in a statement said the recent numbers demonstrate Governor Walker's focus on developing the workforce is working for millions across the state, while also underscoring the challenge to find enough people to fill job openings that employers have available today.

Lawmakers Propose New Gun Crimes

A bipartisan group of lawmakers are circulating legislation aimed at reducing gun violence in the state. The proposal from GOP Sen. Alberta Darling, GOP Rep. Joe Sanfelippo, Dem Sen. LaTonya Johnson, and Dem Rep. David Bowen would prohibit people from having a gun if they have been convicted of misdemeanors three separate times within five years; prohibit people from buying a firearm if they plan on giving it to someone who is banned from having one; prohibit people from holding a firearm for someone banned from having one; and add a question on straw purchases to the state form that people fill out when they buy a gun. People who lie about being a straw purchaser would face a Class H felony. Milwaukee Mayor Tom Barrett responded with praise, promising to work with the lawmakers to keep firearms out of the hands of habitual criminals. Sen. Darling has said the bills are not aimed at lawful gun owners, only those who shouldn't have firearms in the first place.

Lawmakers Propose Higher Penalties for Uninsured Motorists

State Rep. Joe Sanfelippo and Sen. Chris Kapenga are circulating a bill aimed at increasing compliance with the state's automobile insurance law. Citing statistics that show 12% of the state's drivers are uninsured, the lawmakers argue current laws are flawed because penalties are too low and there is no system in place to monitor whether a person convicted of not complying with the law obtains and then maintains coverage. The proposed legislation would significantly increase the fines currently administered for driving without proof of insurance, from \$10 to \$100 for first time offenders. It also would require the DOT to suspend operating privileges and all registrations of a person who is ticketed for operating without proof of insurance and fails to later provide that proof. A similar bill proposed by Sanfelippo failed to pass last session.

Senate Approves Rules, TIF Legislation

The state Senate met for the first time this year on Tuesday, January 17th to adopt rules that will govern the work of the body during the 2017-18 legislative session. New rules in the package, adopted on a 21-12 vote, include a requirement that spectators in the Senate gallery silence and conceal electronic devices instead of turning them off, elimination of the requirement the chamber be "properly ventilated" before each session day, allowing members to participate in a hearing by phone or other electronic communication with the consent of the chair, and allowing delayed calendars to be referred to the Senate Organizational Committee. The Senate also approved legislation that clears that way for a tax incremental financing district in the village of Oostburg, which supporters say is needed to help Masters Gallery Foods Inc. build a \$30 million packaging and distribution facility there.