

UNDER THE DOME

January 30, 2017 | Volume 13, Issue 3

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

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Federal Court Calls for New Legislative Maps in Wisconsin

On Friday, a federal court ordered Wisconsin Gov. Scott Walker and lawmakers to redraw the state's legislative maps by Nov. 1st to ensure their use in the fall 2018 elections. The three-judge federal panel rejected the state's request to wait until the U.S. Supreme Court has weighed in on the case, which is being watched closely nationwide because it relies on a novel legal argument. The Democratic plaintiffs sued in 2015 to invalidate the maps passed by GOP lawmakers and Walker in 2011 and the lower court has ruled in their favor. The Supreme Court is required to take the case however and could still rule against the plaintiffs. GOP leaders have said they are confident the U.S. Supreme Court will overturn the lower opinion.

Budget Address Set for February 8th

The Governor's 2017-19 Biennial Budget Address will take place on Wednesday, February 8th according to details released by his office this week. Walker has already begun to unveil a sampling of his budget initiatives, including a significant welfare reform package, UW System tuition cut, along with significant additional state investments in K-12 and workforce training. Paying for those proposals became easier following news last week of an anticipated significant increase in state revenues. According to the Legislative Fiscal Bureau, general fund tax collections will be \$454.6 million more than the amount included in the most recent November report from the Department of Administration. The state Assembly also plans to be in session on the 8th. Leaders have not yet announced what bills they'll take up, but are expected to finalize the session calendar and approve rules.

Rural Schools Initiative Announcement Still to Come

Governor Walker was set to announce a rural school investment plan but needed to postpone the announcement due to an illness. The plan is expected to include significant increases in funding for rural schools, including sparsity and transportation aid, while seeking administrative efficiencies. Walker has also indicated he will allocate funding to allow school districts to apply for TEACH grant funding for mobile wireless internet hot spots on school buses and for students to use at home. Walker had planned to stop at schools in Stanley, Hilbert, Wauzeka and Crandon. It's unclear when he'll reschedule and unveil details of the proposal. Walker, along with legislative leaders, previously said they would make school funding a priority in the upcoming budget, without specifying the total amount.

DOT Audit Highlights Increasing Construction Costs

A long-awaited audit by the state Department of Transportation was released raising questions over rising construction costs and project management at the agency. According to the audit, major highway projects completed in the state over the past decade cost twice as much as initially estimated. In the case of 19 major projects completed between 2006 and 2016, costs were more than \$772 million more than initially projected, for a total of \$1.5 billion. The Legislative Audit Bureau is recommending the DOT use funds more effectively and improve how they manage the planning, engineering, construction and maintenance of state highways. The findings come as lawmakers grapple over how to address a projected \$1 billion shortfall in the transportation fund.

Committee Takes Testimony on Project Labor Agreements

Legislation prohibiting a requirement that project labor agreements (PLA) be in place in order to bid on a public works project came before an Assembly committee, drawing opposition from labor groups and support from conservative lawmakers and a group representing non-union contractors. State Sen. Leah Vukmir and Rep. Rob Hutton recently introduced the legislation, which they say is needed to protect taxpayers by ensuring more competitive bidding takes place for public projects. PLA's are agreements between owners of construction firms and construction 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. The authors note that local governments throughout Wisconsin have passed ordinances that require all public projects with local dollars to require a PLA, while opponents of the bill say the PLA's are used sparingly, primarily in special circumstances when higher skilled labor is needed. Senate Majority Leader Scott Fitzgerald has indicated his caucus will make the legislation a priority this session.

Walker Unveils Welfare Reforms

Gov. Scott Walker was joined by former Gov. Tommy Thompson to announce a package of welfare reforms he is dubbing the Wisconsin Works for Everyone plan. Walker said he plans to include the package in his upcoming budget request, to be released early next month. Work requirements for food stamp recipients would be expanded under the plan, applying them to parents, in addition to those without dependents. Walker is also calling for WHEDA to seek a federal waiver to pilot a work requirement for working-age able-bodied adults within the housing voucher program. Another component would reduce child-care subsidies for certain individuals, establishing a phase-out structure, while requiring co-payments for those on the higher end of the income scale. Walker also said that he will make reforms to the Medicaid Purchase Plan, removing a cap that is currently in place. The new program would require participants to show proof of paid employment, in-kind work, or participation in pre-employment programming to be eligible for additional support. Finally, Walker announced reforms to occupational licensing, including a requirement that any new legislation creating a license include a "Sunrise Report" to determine if it is needed to protect public safety. Walker made the announcement at stops in Milwaukee, Green Bay, Eau Claire and Madison.

Private School Tax Break Criticized

New data from the state Department of Revenue shows that tax filers making more than \$100,000 a year are claiming two-thirds of a private school tuition tax cut enacted into law in 2013. At the time, it was estimated to cost \$30 million, however in the most recent fiscal year it cost far less at \$12 million. The benefit allows families who send students to private school to reduce their adjusted gross income by up to \$10,000 for high school tuition and up to \$4,000 for elementary school tuition. Democrats voiced concern with the numbers this week, arguing the tax break is part of a GOP pattern of supporting tax cuts for the wealthy while ignoring the needs of the middle class. They are taking issue with the fact that almost \$8 million of the total cut went to families in the top 13% of income earners in the state in 2015. Instead, they argue the money should go to public schools. Republican lawmakers and Governor Walker refused to comment, however, they have championed the policy in the past, saying it was needed to reduce the huge tax burden of educating students and would boost private school enrollment.

Local Democratic Parties Allege Hacking Attempts

A number of local Democratic parties in the state allege they have been experiencing attempted hacking of their websites and emails. In Brown County, the chairperson is alleging Russians may have been involved in compromising the 8th Congressional District Democratic Party website. He said that while nobody can prove beyond a doubt that was the case, it was the conclusion of security experts, who noted two of the hackers left Russian email addresses on the county website. Shawano, Marinette, Oconto, Kewaunee, Calumet and Winnebago county parties have said they also were hacked. It appears as though the hackers did not succeed in gaining secure information in any of the instances, and the sites have since been repaired and secured. The Brown County Dem Party has forwarded the information to the Green Bay Police Department and Federal Bureau of Investigation.