

UNDER THE DOME

February 27, 2017 | Volume 13, Issue 7

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](#)

Walker Administration Leadership Changes to Take Effect March 6th

Governor Walker announced the appointment of Department of Financial Institutions (DFI) Secretary Lon Roberts to the Public Service Commission (PSC), filling a seat that is being vacated by Phil Montgomery. An attorney from Wausau, Roberts joined DFI as Secretary last fall. Montgomery is a former state lawmaker and Chair of the Assembly Utilities Committee who was appointed to the PSC post by Walker in 2011. Replacing Roberts at the DFI will be Jay Risch, currently the Deputy Secretary. Risch previously worked as a lobbyist for the WI Bankers Association and as a legislative aide. Both Roberts and Risch will start their new duties on March 6th. Additional administration staff changes were announced recently, including the hiring of former GOP state Rep. John Klenke as Secretary and Administrator of the state Building Commission. Klenke represented the Green Bay area from 2011 to 2014. Klenke's wife, Charlotte, also joined state service recently as Chief Legal Counsel for the Office at the Commissioner of Insurance.

Democratic Businessman Considering Gubernatorial Run

Businessman Andy Gronik told reporters he's seriously considering a run for governor next year. Most political observers expect Governor Walker to run for a third term, however, he's said he won't make an announcement until after the state budget passes, likely in June or July. Gronik has been meeting with groups across the state in recent months to discuss the potential bid and recently created a nonprofit group called Stage W to help advance ideas aimed at addressing important issues facing Wisconsinites. Gronik owns an appraisal, consulting, and asset management company and has not previously run for or held public office. Although nobody has officially announced a bid, other potential Dem candidates include state Sen. Kathleen Vinehout, Dane County Executive Joe Parisi and Milwaukee County Executive Chris Abele. Former Gehl Foods CEO Katherine Gehl and Democratic Senate Minority Leader Jennifer Shilling were considering runs, however, in recent months both said they had ruled it out for 2018.

Upcoming Session Days

The Senate and Assembly will meet on Tuesday, March 7th.

The Assembly will be in session Tuesday, March 7th and Thursday, March 9th.

Primary Narrows Field for State Schools Superintendent

Two candidates remain in the race for the state schools superintendent post, with incumbent Tony Evers receiving 68% of the vote. Evers will now face off against Lowell Holtz, a former superintendent in Whitnall and Beloit, who also advances to the general election after receiving 23% of the vote. John Humphries, a former Dodgeville school district administrator turned consultant, was a distant third with 7%. Evers, a public school advocate and opponent of school choice expansion, is aligned with Democrats and has the backing of the Wisconsin School Administrators Alliance, the American Federation of Teachers and the Wisconsin Education Association Council. Holtz is viewed as the conservative in the race, supports choice expansion, opposes common core standards, and has the support of Pro-Life Wisconsin, Wisconsin Family Action and two dozen Republican lawmakers. Evers has a significant edge financially, having raised more than \$245,000 over the past year compared to Holtz's \$54,280. The general election will take place on April 4th. Turnout in the primary election was only 8%.

Former Lawmaker Passes Away

Former GOP state Rep. Tom Larson passed away at the age of 69 following a long battle with cancer. Larson served in the legislature from 2011-2016, representing the 67th Assembly District, which lies north of Eau Claire and includes the cities of Chippewa Falls, Bloomer and Colfax. Prior to being elected to the Assembly, Larson founded and operated Bear Valley Electric of Menominee. During his time in office he served as Chair of the Committee on Family Law. Larson was replaced in the legislature by state Rep. Rob Summerfield last fall. A number of public officials offered condolences this week, with Assembly Speaker Robin Vos calling Larson a kind, humble and religious man who was universally liked and respected. Governor Walker has ordered flags in the state to half-staff on March 4th in honor of Larson whom Walker called a dedicated public servant.

Legislative Committee Reviews Transportation Audit, Proposed Legislation

The Joint Legislative Audit Committee met to review an audit of the state Department of Transportation. Released last month by the Legislative Audit Bureau, the audit was critical of DOT operations and has raised questions over rising construction costs and project management at the agency. Lawmakers on both sides of the aisle have been critical of the agency in recent weeks, especially over the finding that major highway projects completed in the state over the past decade cost twice as much as initially estimated – largely because the DOT failed to account for inflation in its estimates. The LAB has made a recommendation for how the DOT can use funds more effectively and improve how they manage the planning, engineering, construction and maintenance of state highways. In response, legislation has been proposed to require the DOT to account for inflation in the future, clarify completion dates and the handling of unexpected costs, regular reporting to the audit committee, and it would allow a different contractor process for highway project contracting. DOT leadership fielded questions from committee members at the meeting, promising greater transparency and collaboration with the legislature on reforms. GOP state Sen. Chris Kapenga was the most vocal critic of the DOT among members of the committee, arguing no additional funding should be considered for the agency until clear reforms were in place. State Rep. John Nygren was in agreement that reforms were needed, however, cautioned it would be irresponsible for the legislature to forgo conversations about the solvency of the transportation fund, especially considering the fund shortfall may be far greater than the previously estimated \$1 billion due to the DOT underestimating project costs. A leading transportation group, the Transportation Development Association, released a statement along those lines, urging lawmakers not to further delay construction projects while reforms are implemented.

State Releases 2017-19 Capital Budget

The Walker Administration unveiled the capital budget, including \$803 million for state building projects over the next two years. \$449.9 million in new bonding is being called for which would push total new borrowing for the biennium to nearly \$1.03 billion dollars when coupled with proposed borrowing in Walker's separate two-year executive budget. Projects covered under the All Agency Program, typically related to maintenance, renovation and repair of state facilities, would receive \$361 million under the proposal. Walker has allocated \$128 million for various UW System projects, including \$85 million for the renovation of two buildings at UW-Milwaukee. UW System President Ray Cross released a statement in support of the proposal, saying it will allow the system to make repairs and update classroom technology. Other big items include \$42 million for upgrades at state corrections facilities, \$30.5 million for National Guard facility renovations, and \$18 million for living units at the state mental health institutes. Anticipating concerns from lawmakers over the amount of borrowing, Walker released a statement this week saying the proposed level would be the lowest since 1997-99. On the other hand, Democratic state Rep. Dana Wachs, a member of the commission, criticized the governor for not authorizing enough borrowing, arguing his plan would delay important projects and lead to higher costs for future maintenance, renovation, and new construction.

Republican Leaders Prepare for Changes under Trump, Call for Return of Power to the States

Assembly Speaker Vos and state Rep. Tyler Vorpapel, Chair of the newly created Assembly Federalism Committee, were in Ohio to meet with legislative leaders to discuss how they are preparing for changes that may be handed down from President Trump and Congress. Vos, joined by the Ohio House Speaker at a press conference, said their goal is to partner with other state legislatures to work on issues that will be affected by a Trump presidency, including how money is distributed to states for education, transportation, Medicaid and other areas. Vos said there is agreement among Republicans and Democrats that power should be returned to the states. He also noted that Ohio and Wisconsin are among states that created new legislative committees this year to prepare for changes under the Trump administration. Governor Walker, speaking at a national gathering of conservatives on Thursday in Washington D.C., appears to be in agreement, as he argued the vast majority of federal government regulations and other duties could be better handled by state governments. During his remarks, Walker also called for the Trump Administration and Congress to move forward with significant reforms in spite of mass protests they may continue to face. Walker used his experience with protests over the controversial Act 10 legislation to argue the Trump Administration should not be deterred in their efforts.