

UNDER THE DOME

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Finance Agenda Includes WEDC, PSC, DFI Budgets

The legislature's budget writing committee will continue voting on the 2017-19 state budget this week. On Tuesday, the committee will consider Governor Walker's proposed budgets for the Wisconsin Economic Development Corporation, Department of Military Affairs, Department of Justice, Child Abuse and Neglect Prevention Board, Secretary of State, and the Legislature. Four agency budgets are scheduled for the executive session on Thursday: the Department of Financial Institutions, Public Service Commission, Department of Safety and Professional Services, and Veterans Affairs. Medicaid Services Administration under the Department of Health Services is on the agenda as well, however, the majority of DHS programs and funding will be considered at a later date. Budget sessions are also planned for the following other dates in May: 11th, 16th, 18th, 23rd, 25th, and 30th.

Assembly to Vote on Welfare Drug Screening Requirements, Child Abuse Reporting

A measure adding juvenile correctional officers to the list of professionals who must report suspected abuse and neglect of children will be considered by the state Assembly when they are in session Thursday afternoon. The bill was introduced by state Rep. Joel Kleefisch, who said it is needed to ensure accountability and transparency at state-run juvenile detention facilities. Another measure scheduled for a vote would clear the way for use of autonomous personal delivery devices, designed for the delivery of parcels, groceries and food to customers. PDD's are currently being used in five other states. Finally, the Assembly will consider a bill that requires substance abuse screening, testing, and treatment for certain individuals receiving public assistance through the state's welfare program, Wisconsin Works. The measure was included in Governor Walker's budget but was removed by the legislature's Joint Finance Committee as one that was identified as a policy item.

Upcoming Session Days

The Senate and Assembly will have floor session on Wednesday, May 10th.

HOPE Legislation Headed to Governor's Desk

The state Senate approved a series of bills aimed at addressing the state's heroin epidemic as part of the ongoing HOPE Agenda and special session on opioid abuse called for by Governor Walker in January. The nine measures, now headed to the governor, provide additional funding for treatment programs, allow for the creation of recovery charter schools, and authorize new positions at the Department of Justice for criminal investigations. Two additional HOPE bills passed the Assembly and now need Senate approval. They would grant immunity for drug possession to a person who calls 911 to report another person who is experiencing a drug overdose and extend Department of Health Services programs currently used to treat alcoholics to drug users, including voluntary treatment programs. Legislation requiring additional legislative oversight of substantial administrative rules, dubbed the REINS Act, was also approved by the Senate, along with a measure allowing dental hygienists to practice in additional settings. Finally, they signed off on several of recent appointments made by the governor, including Laura Gutierrez as DSPS Secretary, Lon Roberts to the Public Service Commission, Daniel Zimmerman as Secretary of Veterans Affairs, and two new members of the Ethics Commission, Honorable James "Mac" Davis and Honorable Timothy Van Akkeren.

Dark Store Legislation Circulated

State Representative Rob Brooks and Senator Roger Roth are circulating legislation that would make it more difficult for large commercial property owners to challenge property assessments. A 2008 court ruling has enabled retailers to lower their tax burden by arguing their property should be assessed at the same or similar value as vacant buildings of similar size within close proximity. Speaking at a press conference, the bill authors said that has led to a significant tax shift from businesses to residential property taxpayers. The bills would set standards for the kind of information assessors can use when valuing commercial properties. A number of business groups, including the Wisconsin Manufacturers and Commerce and Wisconsin Alliance of Retailers are opposed to the measure while local governments are in support.

Assembly Approves High-Capacity Well, Homelessness Legislation

The state Assembly approved a package of bills aimed at addressing the issue of homelessness in the state, including the creation of an inter-agency council that will study the problem and make recommendations. Two additional measures would provide grants to local governments to set-up workforce training programs and create a pilot program to help chronically homeless people on waiting lists for state housing assistance. Contentious legislation revamping state regulations for high-capacity wells was also approved on a party-line vote, with one Republican joining all Democrats in opposition. The Assembly also signed off on additional funding for broadband expansion grants. That measure passed the Senate last month with an amendment prohibiting telecommunications providers from collecting and keeping certain information from customers. The Assembly version does not include the amendment, meaning the Senate will need to reconsider it at later date. Finally, the Assembly passed two remaining bills that are part of the HOPE Agenda and special session on opioid abuse that Governor Walker called for in January. Those measures would provide immunity for drug possession to a person who calls 911 to report another person who is experiencing a drug overdose. The other bill would allow family members, friends, and others to go through the emergency and involuntary commitment process for a drug-addicted individual, in the same manner current law allows for alcohol addiction. Both now need Senate approval.

Assembly GOP Unveil Transportation Funding, Tax Policy Proposal

Significant reforms to tax policy and transportation funding were unveiled by Assembly Republicans. Spearheaded by state Rep. Dale Kooyenga, the proposal would reduce the state's gas tax by 5 cents and minimum mark-up on fuel from 9 to 3 percent, while applying the state's 5 percent sales tax to fuel purchases. Additional revenue generated by the sales tax would go towards reducing the level of transportation borrowing from the \$500 million proposed by Governor Walker to \$200 million over the biennium. The plan would also increase fees for hybrid and electric vehicle owners, limit local governments' ability to enact a wheel tax, reduce the number of engineers at the DOT by 180, implement prevailing wage repeals, and allow the state to consider establishing tolls. The changes would increase general fund revenue by \$124.4 million and increase transportation fund revenue by an estimated \$314 million over the biennium over the governor's budget. On taxes, they're proposing \$450 million in tax cuts, along with significant changes to the state's tax code, including a gradual adjustment to the state's income tax, with the goal of getting to a flat 3.95 percent rate by 2029. Democrats panned the proposal, calling it a non-starter, and took issue with the flat tax, which they argue would only benefit the state's wealthiest residents. Kooyenga, on the other hand, argues a flat tax would make the state more competitive and encourage more people to live and work in Wisconsin. Senate Majority Leader Scott Fitzgerald said the plan includes a number of good ideas that are worth considering. A Walker spokeswoman did not immediately respond to a request for comment on the proposal.

Democrats Call for Joint Committee on Transportation

The Senate and Assembly Democratic leaders called on Republican leadership to create a Joint Legislative Committee on Transportation Finance. Under their proposal, the committee would be charged with developing a long-term transportation funding plan in a public and transparent manner. It would consist of two members appointed by the Senate Majority Leader, Senate Minority Leader, Assembly Speaker and Assembly Minority Leader. During a press conference, Senator Jennifer Shilling and Representative Peter Barca criticized Assembly Republicans for failing to identify a sustainable transportation funding mechanism, arguing it was time for the legislature and governor to get past partisan posturing, special interest demands and counterproductive veto threats. They also argued the joint committee would allow for equal input from both sides and help end the current stalemate. The proposal is not likely to advance as a spokesperson for Senate Majority Leader Fitzgerald said it would significantly disrupt legislative business.