

UNDER THE DOME

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[MEUW Home Page](#)

[The Wheeler Report](#)

[WisPolitics](#)

Budget Progress Made on K-12 Education Funding, Transportation Impasse Continues

Republican legislative leaders met on outstanding budget items, telling reporters they are confident a deal will soon be reached on K-12 funding while transportation continues to be a major roadblock. According to Finance Committee Co-chair John Nygren, leaders are hopeful the education portion of the budget will be completed by this week, without indicating what day the committee would likely meet to take it up. On transportation, Senate Republicans support increasing the level of borrowing from the \$500 million Governor Walker proposed to \$850 million. Assembly Speaker Robin Vos has said his caucus is solidly against that plan, while continuing to call for a long-term transportation solution. Vos said he remains open to all ideas for shoring up the \$1 billion transportation fund deficit, including a recent proposal from GOP Rep. Amy Loudenbeck that would institute a 2.85 cent per mile fee on heavy trucks, generating \$250 million over the biennium. An agreement on taxes also appears out of reach for the time being, with lawmakers debating whether to dedicate funds towards eliminating the personal property tax, income tax cuts, or a combination of both. The legislature is unlikely to finish the budget before the end of the fiscal year on June 30th, however the deadline is not all that meaningful as state government will continue to operate under current funding levels until a new budget is signed into law.

U.S. Supreme Court to Decide Redistricting Case

The U.S. Supreme Court announced they will hear a challenge to Wisconsin's Assembly district maps. A panel of federal judges last year handed down a ruling invalidating the maps and an order to draw new maps by November of this year in order for them to take effect for next year's elections. The Supreme Court's willingness to review that decision will lead them to rule on whether a new standard should be used when drawing maps that looks at the partisan make-up of each district. Plaintiffs in the case argue Wisconsin's maps are gerrymandered to the extent that Democratic voters no longer have a say in many contests, and Republicans have a lock on the majority in the Assembly.

Two Health Insurers to Exit Federal Health Exchange

Health insurers Anthem and Health Tradition said they will no longer offer plans on the federal health insurance exchange starting in 2018. Citing uncertainty at the federal level and financial risk, the insurers said it has become increasingly difficult to price products in the individual marketplace. A number of Wisconsin Republicans weighed in, saying the withdrawals demonstrate the failures of the Affordable Care Act, while Democrats argued it's a result of marketplace uncertainty that stems from Republican efforts to undermine the ACA. A spokesperson for the state Office of the Commissioner of Insurance said the news shows the market is in trouble, while speculating insurers that do stay in will likely need to request significant premium rate hikes moving forward. With 15 Wisconsin insurers currently participating in the exchange, the state continues to have one of the more competitive marketplaces in the country. At least seven of those insurers have indicated they will continue to offer plans.

Assembly Approves Campus Free Speech, Pre-Existing Conditions Measures

The state Assembly was in session for just over twelve hours last week, taking the majority of time to debate freedom of expression on campuses, along with legislation relating to federal health care reform efforts. In a surprise move, Assembly Republicans with unanimous consent pulled a Democratic authored bill out of committee and adopted a substitute amendment that would ban a health insurance policy from reducing or denying someone's claim because of a pre-existing condition. It would also allow the state insurance commissioner to propose a plan, subject to Joint Finance Committee review, to assist people with pre-existing conditions maintain coverage. Democrats voted against the substitute amendment, arguing the majority party was hijacking their bill, which would put in place lifetime health insurance limits. Another measure referred to as the campus speech bill passed on a near party-line vote, with GOP Rep. Bob Gannon joining Democrats in opposition. That bill would sanction students who interfere with speakers on campus. Republicans argued it was needed to protect both liberal and conservative free speech and students right to be heard, while Democrats objected to the premise of the bill and said it would do the opposite by restricting first amendment rights. Other legislation adopted by the Assembly would make technical changes to the state's school choice programs, limit the ability of local governments to regulate the attachment of wireless technology to their infrastructure, expand the settings in which chiropractors can perform physical exams, limit which losing candidates can request a recount, allow for an open hunting season for woodchucks, promote financial literacy in schools, and authorize financial institutions to conduct promotional prize programs aimed at incentivizing good savings practices. Finally, a measure recognizing November 19th as Tommy G. Thompson Day in Wisconsin was approved on a 96-0 vote, with the former governor and family present.

Governor Signs Ten Bills into Law

Governor Walker was joined by lawmakers and stakeholders for the signing of ten bills into law, including a measure that increases the settings in which dental hygienists are authorized to practice dental hygiene without the authorization and presence of a licensed dentist. A number of the bills were technical in nature, making changes to tax administration statutes, emergency medical technician titles, and tax incremental financing statutes. Other measures eliminate the requirement that minors ages 16-17 obtain a work permit, extends preference for turkey hunting tags to disabled veterans and recipients of the Purple Heart medal, allows Wisconsin domiciled surplus lines insurers to sell directly to Wisconsin consumers, make various changes to the pharmacy practice law and modifying rules promulgated by the Pharmacy Examining Board, and allows a pharmacist to extend an existing prescription order and dispense the drug to the patient in the event a pharmacist receives a request for a prescription to be refilled and the prescription cannot otherwise be refilled if certain conditions are met. Finally, a bill creating a regulatory framework for the operation of personal delivery devices was signed into law.

Sheriff Clark to Forego Trump Administration Position

Milwaukee County Sheriff David Clark will not be joining the Trump Administration as previously reported. Clark last month said he had accepted a position as an Assistant Secretary at the U.S. Department of Homeland Security, within the Office of Partnership and Engagement, serving as a state, local and tribal law enforcement liaison. The DHS had confirmed his consideration but never publicly announced his hiring. A spokesperson for Clark said the sheriff is 100% committed to the success of the President, however, feels his skills could be better utilized to promote the president's agenda. Clark, a Democrat who aligns with conservatives, is a controversial figure in the state and on a national level. He served as a surrogate for Trump during the 2016 presidential campaign, including a speech at the GOP Convention. He has recently come under fire for the death of four inmates at the county jail last year, along with a lawsuit that was filed over an alleged rape of an inmate by a guard, although Clark has not been implicated in either.

Report Finds Prevailing Wage Repeal Could Cost \$336 Million Annually

A new report showing repeal of the state's prevailing wage could cost taxpayers \$336 million annually was debated. The findings come from the Midwest Economic Policy Institute, who used previous estimates from the Wisconsin Taxpayers Alliance and state Department of Revenue to calculate the "social costs" of prevailing wage. According to MEPI, repealing prevailing wage laws would lead to \$26,293 in potential public assistance costs per construction worker in a family of four, along with decreased tax revenues from that family. Prevailing wage requirements on local government projects were repealed by the legislature last session and a bill to repeal the state wage law as well is currently making its way through the legislature. Democratic lawmakers and labor groups held a press conference to highlight the findings, calling on the majority party to reverse course on prevailing wage. One of the leading backers of repeal, the Associated Builders and Contractors of Wisconsin, disputed the findings, arguing MEPI was biased toward that conclusion based on previous studies they've conducted.