

UNDER THE DOME

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Assembly GOP Accept Walker Budget Deal, Senate Position Unclear

After a month of inaction by the Joint Finance Committee and 20 days past the end of the fiscal year, Governor Walker proposed a budget deal in an attempt to break the budget impasse. Assembly Republicans appear to be embracing the concept, while the position of their Senate counterparts remains unclear. At a meeting between Walker, Assembly Speaker Robin Vos and Senate Majority Leader Scott Fitzgerald, Walker proposed doing away with his proposed income tax reductions, instead using the dollars to lower the level of transportation borrowing in the budget, a priority for the Assembly GOP. Speaker Vos sent a letter to Walker saying his caucus could accept that position. Assembly Co-chair John Nygren then sent a letter to his counterpart, Sen. Alberta Darling, requesting the Joint Finance Committee meet to finish action on the budget, as early as this week. While Fitzgerald indicated he's open to meeting the first week of August, he told reporters a deal had not yet been struck. Walker had originally proposed \$500 million in transportation bonding, but has since reduced the number to \$300 million, due to a \$100 million improvement in the transportation fund balance and \$100 million in efficiencies. The \$203 million Walker proposed in income tax cuts would significantly reduce the borrowing further, if not completely. Under the plan, Walker said the projects included in his original budget would move forward, and additional contingency bonding would still be available if the state needed the funds to match federal requirements. The deal would also provide the state more financial flexibility in future budgets for a possible incentive package if Wisconsin lands a proposed plan from the electronics manufacturer Foxconn.

Senate Republicans Propose Budget

Senate Republicans decided to introduce a budget of their own that they say is in line with the governor's budget priorities and provides the Assembly a path forward. Release of the budget document came the day before Walker proposed his own compromise, which includes using over \$200 million he'd set aside for income tax cuts to alleviate concerns over the proposed level of transportation borrowing. Under the Senate plan, those dollars would instead be used to help offset a proposed elimination of the state personal property tax, starting in the second year of the biennium, while also doing away with the alternative minimum tax. Also in the Senate plan, nearly all previous action taken by the Joint Finance Committee is included. On transportation, they're seeking \$712 million in borrowing for transportation projects, roughly half of which would be paid for with the general fund, and no new revenues. That position remains a nonstarter for the Assembly GOP, according to Majority Leader Jim Steineke. The Senate plan also calls for repeal of the state's minimum wage. On taxes, they're also looking to eliminate the governor's proposed sales tax holiday to free up dollars. Additional dollars for public schools, nearly \$650 million in the governor's plan, are maintained, and increased income limits for school choice vouchers are included. A spokesperson for Walker said the plan would meet the governor's priorities of holding the line on taxes, providing additional funds for education, and ensuring important road projects remain on schedule. However, the Assembly is not in agreement and unlikely to change their position on the Senate proposal. It remains unclear whether the Senate Republicans will continue to push their plan, accept Walker's most recent proposal, or look for middle ground between the two.

DATCP Secretary to Retire

Department of Agriculture, Trade and Consumer Protection Secretary Ben Brancel announced his plans to retire on August 13th. Brancel, one of the state's longest serving Ag secretaries and most senior member of the Walker Cabinet, will cap a long career in public service. He served in the state Assembly, including a stint as Speaker, the Thompson administration, and the U.S. Department of Agriculture Farm Service Agency. Governor Walker in a statement referred to Brancel as a leader who served with distinction. He has yet to name a successor.

Finance Reports Show Six Month Fundraising Totals

Without a clear opponent or official announcement he is running for reelection, although all indications are that he will, Governor Walker raised \$3.5 million from January through June this year, according to recently released finance reports. On the legislative side, the Assembly Republican Campaign Committee led the way, raising \$481,000 over the 6-month period, followed by the Senate GOP at \$332,000, Senate Democrats at \$154,000, and Assembly Democrats with \$147,000. Candidates for state Supreme Court, on the ballot in the spring election next year, have also been raising funds, with liberal candidates Tim Burns reporting \$123,000 and Milwaukee County Judge Rebecca Daley \$271,000, however, \$200,000 of that was a personal loan to her committee. Sauk County Circuit Court Judge Michael Screnock, the only GOP-aligned candidate to announce thus far, didn't report any funds having only recently announced his bid. Republican Attorney General Brad Schimel raised \$298,000, outpacing his Democratic opponent Josh Kaul, who brought in \$170,000 after getting into the race a little more than halfway through the six-month reporting period.

Homeowners Bill of Rights Circulated

State Sen. Tom Tiffany and state Rep. Adam Jarchow held a press conference to unveil legislation they say will uphold homeowners' property rights, privacy, security, and increase home affordability. Citing a recent U.S. Supreme Court Decision, *Murr v. Wisconsin*, the authors of the measures argue the state legislature needs to take back rights for property owners after the courts ruled in favor of limitations on what people can do with their property. Included in the package are provisions to make it easier to get conditional use permits and variances, maintain non-conforming structures, and dredge private ponds. On general property rights, the bill would prevent local governments from denying conditional use applications in certain circumstances, grandfather in all substandard lots by allowing them to be sold or built upon according to the existing building code, and prevent local government from forcing adjacent lots under common ownership from being merged into one lot. Local government groups oppose the measure, arguing it would eliminate years of work by local communities to establish a fair balance between property owners and communities.

Walker Signs Legislation

Governor Walker held a series of bill signings across the state to champion HOPE legislation and bring attention to the state's heroin and opioid epidemic. The 11 bills he signed into law stem from a special session Walker called for in January to address the epidemic. Walker also signed into law a bipartisan bill that makes sweeping technical changes to the state's voucher program, including a provision that would require schools in the program to conduct employee background checks, and another that eliminates reporting requirements, viewed as no longer necessary since the voucher schools must comply with the state's report card requirements.

Supreme Court Oral Arguments Scheduled on Redistricting

The U.S. Supreme Court announced they will begin oral hearings on the state's redistricting suit on October 3rd. Last month the court said they would hear the challenge to the state Assembly's district maps, although justices ruled in a separate 5-4 decision that Wisconsin did not need to move forward with redrawing maps while the case was pending, as the lower courts had directed them to do. Despite that, plaintiffs in the case have said there would still be enough time to redraw the maps given the court's decision to hold oral arguments in October. It's unclear when the Supreme Court will issue a final decision.