Budget Analysis
The State is facing a $2.2 billion deficit.
  – If it isn’t cut, it’s a win

Governor told his Cabinet, “Go bold.”
  – Transportation, Bucks Jock TIF, cut to UW System, etc...

Gov. Walker is a likely presidential contender.
  – Recent Polls and "Our American Revival" 527 group

League has launched “Partnership for Prosperity”.
  – Partnership for Prosperity Tour is having an impact
  – Local Municipal Resolutions
  – Lobbying team has been aggressively engaged
Budget Analysis

• Fully expected to report the Good, the Bad, and the Ugly, BUT given the State’s fiscal condition, municipalities in general came out ahead.

• No cuts recommended to major programs.

• Overall more Good than Bad to report.

• And the League has “beaten back” for now the expected “Ugly”.

• But it’s early.
Expected Ugly

• *Both* the Room Tax and the repeal of the police and fire protection fee were *ON THE TABLE* to be in the budget.

• The League’s lobby team proactively opposed these provisions in multiple discussions with Governor’s Staff, Legislative Leaders and Joint Finance Committee members.

• Neither provision is currently included in the budget.

• Joint Finance could add either or both – must remain vigilant.
Budget Analysis

• Levy Limits

– The Governor recommends no changes to property tax levy limits.

– League will continue to advocate to allow for some flexibility.

– We are working with several GOP Assembly members to allow municipalities to carry forward any unused levy capacity from one year to the next.
Budget Analysis

• Property Tax Assessment

  – Proposal to change the property tax assessment process from municipality-based system to a county-based system with an opt-out for the ~18 cities over 39,000 population.

  – Changes begin in 2016 and are completed by 2017.

  – The League recommended this in the 1950’s
Budget Analysis

• Transportation

- Governor fully funds the 4 percent increase for general transportation aids approved in the 2013-15 budget.

- Repeals the requirement that DOT must construct bicycle and pedestrian facilities on new highway construction.

- Prohibits DOT from funding Community Sensitive Design on state highway projects. This prohibition would not prevent local governments from funding CSD costs if they choose to do so.

- However, we are very concerned about the funding mechanism for transportation needs within the State Budget. The 1.3 billion in borrowing is not a viable long-term solution for the shortfall in the Transportation Fund.
Budget Analysis

• Clean Water Fund
  – Eligibility for certain additional projects
  – A Use-it-or-Lose-it provision
  – Complex changes, watch for more clarifications
Budget Analysis

• Recycling Grant Program

  – The proposed budget reduces the funding level from $19 million to $15 million in the first year of the biennium. In the second year of the biennium the Governor is recommending that the funding level be restored back to $19 million.

  – The Governor also recommends retaining the $1 million bonus grant for cooperating responsible units in both years of the budget.

  – In 2008 the funding for this grant program was at $32 million.
Budget Analysis

• Economic Development

  – Forward Wisconsin Development Authority (WEDC and WHEDA).
    • $55 million in fiscal year 2016-17 to fund reforms to economic development lending programs by directing the authority to create a regional revolving loan fund program.

  – $6 million of new funding from the Universal Service Fund cash balance to the Broadband Expansion Grant Program.

  – Historic rehabilitation tax credit will be limited to $10 million annually. The credits will be awarded on a competitive basis.
Budget Analysis

• Natural Resources

– Moratorium on Stewardship Fund to make land acquisition purchases until the level of debt service is no greater than $1 for every $8 in overall land acquisition costs.

– The program will continue to fund property development, including repair and maintenance of roads and boat access sites.

– Modification to the urban forestry grant program to provide only catastrophic story grants and expansion of eligibility
Budget Analysis

• Local government property insurance
  – Proposal to close the local government property insurance fund to new policies and not renew existing policies.
  – The fund was created to ensure local governments had access to affordable property insurance.
  – The Office of Insurance Commissioner will continue to operate the fund until all existing policyholders have terminated coverage.
  – Property insurance rates for local government will increase.
Overall Analysis

• The 2015-2017 State Budget contains several items that will positively impact cities and villages.

• This is not a perfect budget, but contains more gains than losses in a tough budget environment.

• We look forward to partnering with the Governor and members of the Wisconsin Legislature as we continue through the budget process to offer idea and solutions.
Next Steps

• Stay informed, Sign Up to receive the Legislative Bulletin and Capitol Buzz

• If you haven’t already, Sign Up for Lobby Day on Feb. 18!
  – Contact Gail Sumi for more information [gsumi@lwm-info.org](mailto:gsumi@lwm-info.org)