

Senate passes \$76 billion biennial budget 19-14

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The state Senate put the final touches Friday on a nearly \$76 billion state budget that would pump an additional \$649 million into K-12 education over the next two years after a handful of holdout GOP senators received assurances from the gov's office on a package of vetoes.

The budget, delayed by more than two months, came down to the wire Friday as Majority Leader Scott Fitzgerald, R-Juneau, tried to persuade three of his Senate colleagues to support the two-year spending plan.

GOP Sens. Chris Kapenga, of Delafield; Steve Nass, of Whitewater; and Duey Stroebel, of Saukville, ended up joining most of their Republican colleagues as the budget cleared the Senate 19-14 without any amendments to the plan the Assembly approved earlier this week. Sen. Dave Craig, R-Big Bend, was the only Republican to join all Dems in voting against the bill.

That clears the way for the budget to head to Gov. Scott Walker, who the three Republicans said promised to a series of vetoes to win their support.

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JFC Co-chair Alberta Darling, R-River Hills, said at the start of the debate it was "one of the best budgets" she's worked on.

But Democrats said it would hurt working families while giving special treatment to the rich, while also decrying the Legislature's passage this week of a \$3 billion incentive package for Foxconn.

"We took our dreams and our hopes for the future and we gave them to Taiwan," said Sen. Janet Bewley, D-Ashland.

Sen. Jon Erpenbach, D-Middleton, also took issue with the public not knowing the details of the veto agreement senators made with the gov's office.

"Why can't we know what the governor has agreed to veto?" he asked.

After the budget cleared the Senate, the three Republican lawmakers [released six vetoes they said Walker promised them](#) in exchange for their support. That includes immediately moving up a repeal of the prevailing wage on state projects and cut off school districts from an exemption to spending caps for energy efficiency projects.

The other votes the lawmakers detailed include:

- *a full veto of changes to the Public Financing Authority that included expanded powers such as eminent domain.

- *using his partial veto to restrict school district referendums to only regular scheduled primary and general election days. The veto would nix the option of doing referendums through special elections in November of odd-numbered years.

- *a partial veto of the requirement DOT study swapping state money for federal funds on some projects to avoid federal requirements and giving the agency flexibility to exchange the funds administratively.

- *a partial veto to remove changes to the Transportation Projects Commission.

"The budget process must continually strive to deliver effective and efficient government without encroaching on our freedoms and liberties," Stroebel said. "I am proud to have impacted the final budget product in a way that continues to advance these cherished principals."

Additionally, [Walker's office said](#) he will veto a study of implementing tolling in Wisconsin, \$1 million Joint Finance set aside for renovations to the Capitol basement and language that would restrict local regulations on quarries that produce aggregate for road and construction projects. Walker's office said he believes changes of that magnitude should be considered in separate legislation.

Beyond the infusion of cash for K-12 education, the centerpiece of the budget, the final document also maintains two of Walker's key priorities: no increase in the gas tax or registration fee, and the property tax bill on a median-valued home that will

be sent out in December 2018 is projected to be smaller in the one mailed in 2014.

Walker touted the K-12 investment, calling it a “historic” increase while lowering property taxes.

“This budget proves you can do both, and I look forward to signing it into law soon. We are working and winning for Wisconsin,” Walker said, echoing a theme he used when introducing the budget in February.

But lawmakers put their own imprint on the document, tweaking how the additional K-12 money would be divvied up and adding a new exemption to the personal property tax that businesses pay. They also rejected a series of tax cuts Walker wanted, including a \$203.5 million income tax cut. That freed up money for other legislative priorities and allowed lawmakers to boost the budget’s cash reserve to \$196 million in case revenue collections over the next two years come in below expectations.

Senate Majority Leader Scott Fitzgerald, R-Juneau, said that would help because lawmakers have heard that the economy might slow nationally in the coming months.

“We didn’t want to find ourselves in a position like Iowa,” Fitzgerald said, saying Iowa needs to revisit its budget because of reduced revenues.

They also reduced the \$500 million Walker wanted to borrow for roads. Under the Legislature’s plan, the state would issue \$150 million in transportation-supported bonds in 2017-19. That would be on top of the \$252.4 million in borrowing for I-94 north-south in the Foxconn incentive bill, though that bonding would be re-paid through the general fund.

By the end of the biennium about 21 cents of every dollar in the transportation fund would go to pay off debt under the GOP motion, according to the Legislative Fiscal Bureau. In 2006-07, debt payments accounted for a little more than 10 cents of every dollar.

Republicans shot down 17 Dem amendments dealing with everything from lead water pipes to boosting the state’s investment in broadband expansion grants and directing more state money to local governments to pay for the services they provide residents.