



Introduction to the 2007-08 State Legislature

By: Jordan K. Lamb, DeWitt Ross & Stevens S.C.

The structure of the Wisconsin State Legislature changed dramatically on November 7, 2006 when the Democrats gained control of the State Senate. The State Senate was led by Republicans during the 2005-06 legislative session. The Senate Democrats, led by Senator Judy Robson (D-Beloit), began the 2007-08 legislative session with an 18-15 majority in that house.

In the Assembly, the Republicans maintained their majority after the November election, but they lost eight seats that were previously held by Republicans. The Democrats narrowed the Republican Assembly majority by winning two open seats and by defeating six Republican incumbents. Representative Mike Huebsch (R-West Salem) was elected Speaker of the new Assembly.

As a result the new majority in the State Senate, the ability of Wisconsin Republicans to pass a conservative agenda and the ability of Wisconsin Democrats to pass a liberal agenda has been tempered. The Republican majority in the Assembly and the new Democratic majority in the Senate will create tension, and will likely result in more moderate measures ultimately being approved by both houses. However, the Democrats in the Senate are now enabled to pass measures, such as universal health care, that will put pressure on the Assembly Republicans to deal with issues that they did not have to consider in previous sessions.

In addition, this session it will be easier for Governor Doyle to be Governor Doyle. The Democrats in the Senate can provide protection for his budget initiatives

and can also provide the first line of defense against conservative measures coming from the Assembly. The likely result will be that Governor Doyle will use his veto pen far less than he has in the last four years.

Finally, it is expected that there will be a conference committee between the Senate Democrats and the Assembly Republicans before the Legislature will pass the 2007-09 state budget bill. The conference committee will include representatives from leadership in each house who meet until they can reach a consensus between the different versions passed by the Senate and the Assembly. The houses must agree to send one version of the budget bill to the Governor for his consideration. ♦

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Governor Doyle's 2007-09 Biennial Budget Proposals

By: Jordan K. Lamb, DeWitt Ross & Stevens S.C.

Governor Jim Doyle outlined his 2007-09 biennial budget bill on February 13, 2007 when he delivered his budget address to the Legislature. The State Legislature will begin to amend his proposals this April.

Brief Overview of the Budget Process

The Joint Committee on Finance ("JFC") is the committee that will first review and propose amendments to the Governor's budget. The JFC is composed of 8 senators and 8 representatives and includes members from both the majority and minority parties in each house. Representative Kitty Rhoades (R-Hudson) and Senator Russ Decker (D-Weston) are the co-chairs of the JFC. Because there are different majority parties in each house of the legislature, the JFC has 8 Republican and 8 Democratic members. (Tie votes in this committee are failed votes.)

The JFC will begin its consideration of the budget with initial overview briefings by the Legislative Fiscal Bureau, followed by public hearings. When the JFC completes its work, its recommendations will become a substitute amendment to the Governor's original proposal. This new bill will then be debated, amended, passed by both houses and forwarded back to the Governor for his consideration and vetoes. It is expected that this process will take the next several months.

Finally, because there are different majority parties in each house of the Legislature (the Assembly has a Republican majority and the Senate has a Democratic majority), it is expected that before the budget bill is passed by both houses, there will be a conference committee. The conference committee will include representatives from leadership in each house who meet until they can reach a consensus between the different versions passed by

the Senate and the Assembly. The houses must agree to send one version of the budget bill to the Governor for his consideration.

Governor Doyle's Proposed Budget

As introduced, the Governor's budget contained the following proposals of interest to agricultural producers. (Please note that any of these proposals may be amended as the bill is reviewed by the JFC and by both houses of the Legislature.)

Reinstatement of the Public Intervenor. The Governor recommends creating an Office of Public Intervenor attached to the Department of Justice. His proposal requires the attorney general to appoint an assistant attorney general to serve as the public intervenor. The public intervenor is authorized to commence or intervene in court proceedings whenever necessary to protect public rights in water and other natural resources.

Soil and Water Resource Management. The Governor recommends providing \$12 million over the biennium for cost-share grants to farmers to develop nutrient management plans and other nonpoint source water pollution control practices and also recommends providing \$7 million in new general purpose revenue (GPR) supported general obligation bonds for grants to counties for implementation of land and water resource management plans, including cost-share grants to landowners. In addition, the Governor recommends providing \$75,000 in fiscal year 2008 and \$40,000 in fiscal year 2009 to establish and operate a manure management advisory system to provide information to assist farmers and manure applicators in identifying the least risky fields and times to apply manure.

Agricultural Chemical Pollution Prevention. The Governor recommends providing funding to help businesses install agricultural chemical pollution prevention practices to protect the environment and public health and reduce the need for future remediation. He recommends increasing the maximum lifetime agricultural chemical cleanup award a business may receive to a cleanup reimbursement maximum of \$400,000 and a combined cleanup and pollution prevention maximum of \$500,000 and further recommends providing funding to establish a lead and arsenic contaminated soils program to inform the public about the dangers of exposure to lead and arsenic contaminated residues in soil.

Wisconsin Clean Sweep Program. The Governor recommends increasing funding for the Wisconsin Clean Sweep Program to bring total funding to \$1 million annually.

Anaerobic Digester Research. The Governor recommends providing funding for research and development of anaerobic digesters at farms participating in the discovery farms program under the Wisconsin agricultural stewardship initiative.

Bioindustry Grants. The Governor recommends consolidating grant and loan programs for companies and researchers to develop and commercialize renewable fuel and energy technologies in the Department of Commerce and providing funding to the Wisconsin development fund for the purpose of providing such grants and loans. The funding would be supported by a \$3 increase in the recycling tipping fee. Grants for this purpose may not exceed 50 percent of the cost of an eligible project.

The Governor also recommends providing grants totaling \$5 million for construction of a cellulosic ethanol plant in Wisconsin. The Governor further recommends requiring the Department of Commerce to consult with

the DATCP, DNR and Public Service Commission in developing administrative rules for this program.

The Governor also recommends creating an income tax credit in the amount of 25 percent of the cost to install or retrofit pumps that dispense fuel which contains at least 85 percent ethanol or 20 percent biodiesel. The maximum amount a person may claim under this credit is \$5,000 per pump, and total credits are capped at \$1 million annually and will sunset on December 31, 2017.

Farmland Preservation Streamlining. The Governor recommends allowing the DATCP, rather than the Land and Water Conservation Board, to certify county farmland preservation plans and zoning ordinances, and allowing county self-certification. The Governor also recommends restructuring payback requirements when land is rezoned out of a preservation area by eliminating the requirement that the landowner repay farmland preservation tax credits received and instead require the landowner to pay a \$100 per acre conversion fee to counties to support preservation planning and monitoring activities.

Invasive Species Violation Penalties. The Governor recommends increasing the maximum allowable penalties for violating nursery and quarantine laws from \$200 to \$1,000 for a first offense and \$5,000 for any subsequent offense, and creating civil forfeiture and criminal penalty options for such violations. This change will align penalty levels with other states and help to combat the threat of invasive species such as the emerald ash borer.

Transfers from Agricultural Chemical Cleanup Fund. The Governor recommends transferring \$250,000 in fiscal year 2008 and \$100,000 in fiscal year 2009 from the agricultural chemical cleanup fund to the food regulation appropriation, and \$125,000 in each year to the animal health inspection, testing and enforcement appropriation to address projected deficits in the program revenue appropriations. ♦

WFC Launches Cooperative Care Health Insurance for Farmers

On February 19, 2007, the Wisconsin Federation of Cooperatives (WFC) launched the Farmers' Health Cooperative of Wisconsin (FHCW), which was created under Wisconsin's "Co-op Care" law. This program is designed to assist farmers and other small employers gain leverage in the health insurance market.

According to Bill Oemichen, WFC President and CEO, the FHCW will provide members with "a choice of six products, the freedom to choose their own doctors and

hospitals, first dollar coverage of preventive care and a comprehensive benefit package most farmers can't access today."

The FHCW is contracting with Aetna to underwrite the insurance for cooperative members.

For more information about the FHCW, call (800) 539-9370 or go to www.farmershealthcooperative.com on the Internet. ♦

DNR Proposes to Revise NR 151

On October 15, 2006, the DNR issued a scope statement in the Wisconsin Administrative Register indicating the Department's intent to revise administrative rules related to nutrient management performance standards, including NR 151, the nutrient management performance standards adopted under Wisconsin's nonpoint source pollution statute.

According to the scope statement, the Department proposes to "develop an agricultural buffer or equivalent performance standard and a performance standard to address manure runoff from smaller, non-permitted farms..." In addition, the Department "proposes to create a performance standard to provide adequate control of sediment, manure and other runoff from small or medium-sized, non-permitted farms that may cause water pollution and fish kills."

The scope statement indicates that research conducted by the University of Wisconsin on agricultural riparian buffers will serve as an informational guide to the development of this standard and that information from

the Wisconsin Buffer Initiative Report of 2005 will be utilized.

It is anticipated that a draft of the revised rule will be available in May and will go to public hearing in August.

(For additional background information, see DNR's NR 151 fact sheet available online at <http://dnr.wi.gov/org/water/wm/nps/pdf/rules/NR151SubIIAgFactSheet.pdf>) ♦

In The Next Issue

In the next issue of PDPW *Capitol Link*, look for updates on the State budget process as well as information on other recently introduced legislation and administrative rules, including NR 445, health care reform proposals and the Farm Bill.

If there is a legislative or administrative rule topic that you would like to know more about, email PDPW at mail@pdpw.org and put "PDPW Capitol Link" in the subject line. ♦



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