

WCA UPDATE

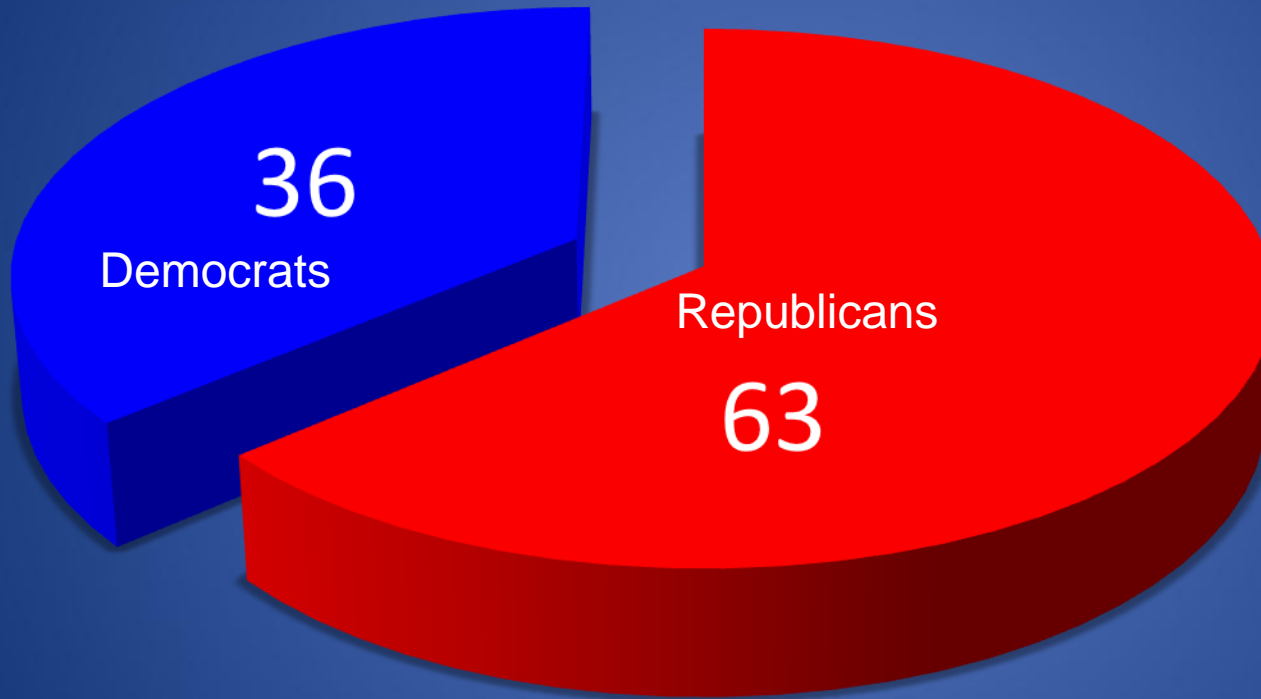


Overview

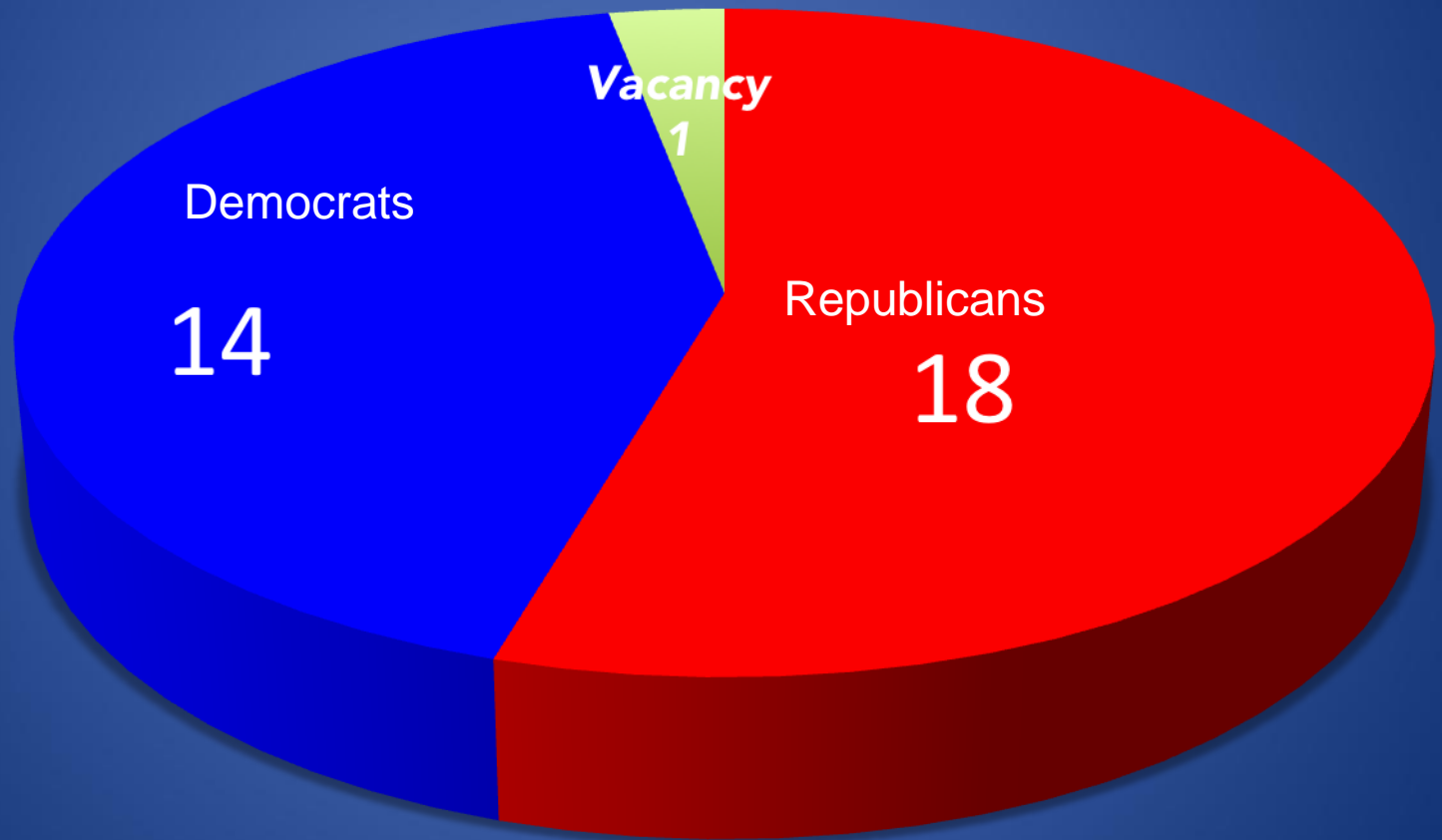
- Wisconsin State Legislature
- State's Budget Priorities
- State's Tax Structure
- Public's Attitudes Towards Government
- How a Bill Becomes a Law

Wisconsin State Legislature

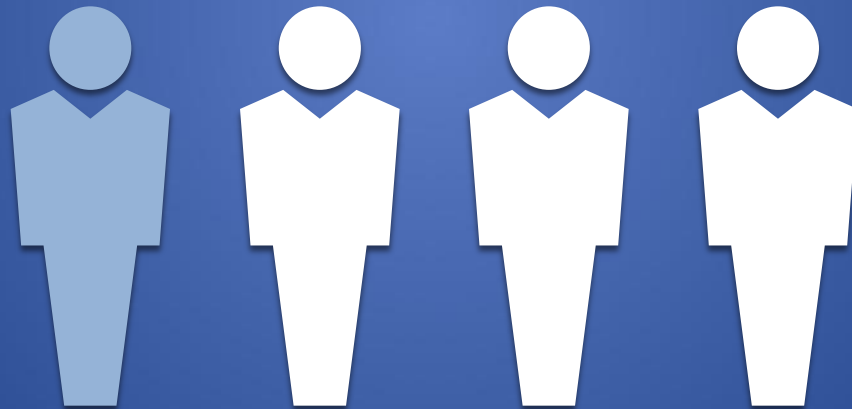
Wisconsin State Assembly



Wisconsin State Senate

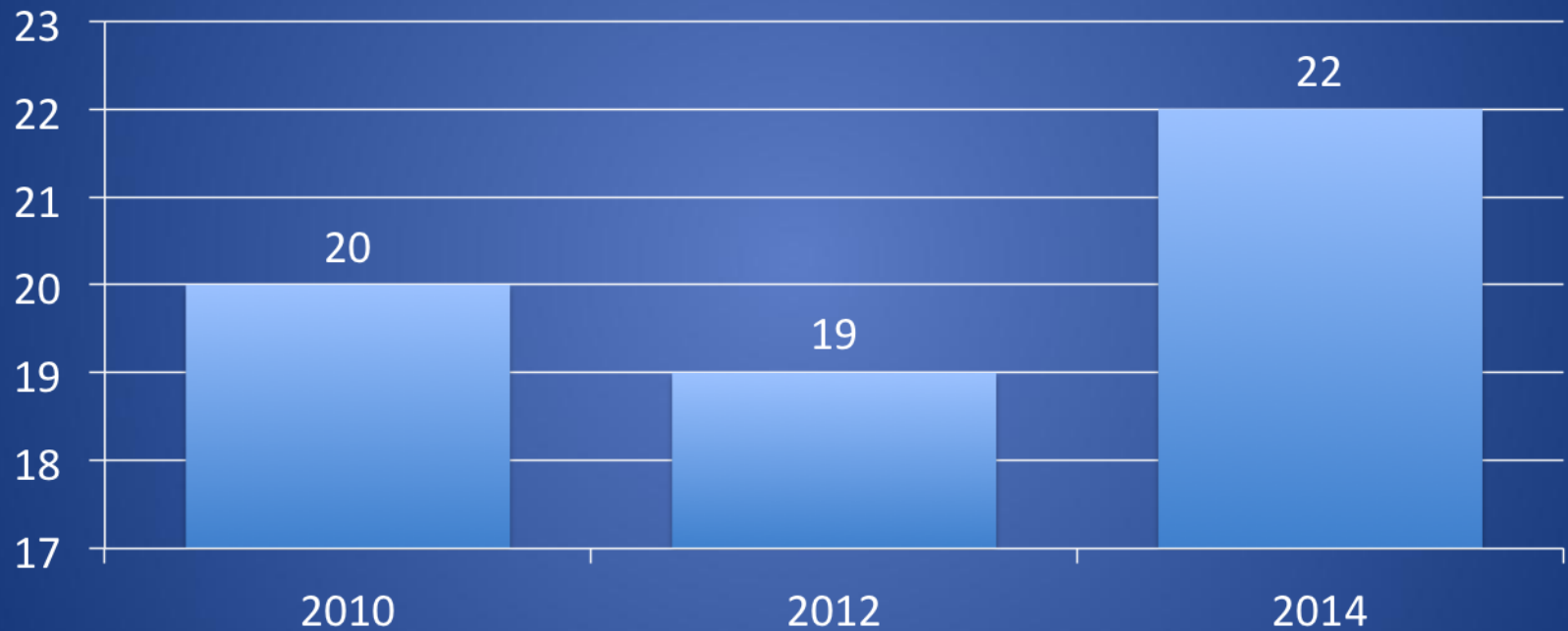


ONE IN FOUR LAWMAKERS DID
NOT SEEK RE-ELECTION TO THEIR
CURRENT OFFICE



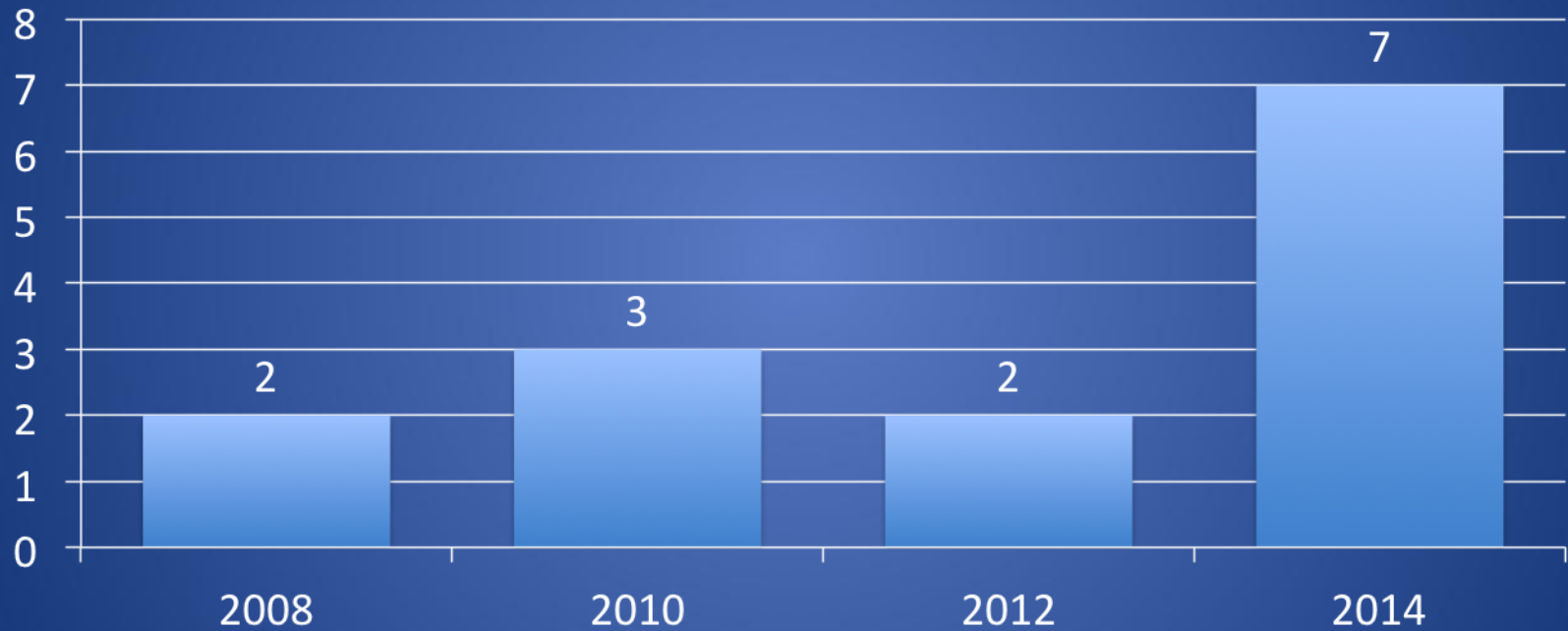
State Assembly Turnover

State Representatives Not Seeking Re-election



State Senate Turnover

State Senators Not Seeking Re-election



Takeaways

- **Unprecedented Legislative Turnover**

- The 2015-2016 Wisconsin Legislature is one of the least experienced in state history. Local governments must educate new and existing members early and often!

- **GOP Legislative Majorities Remain**

- Important for local governments to “frame” their priority issues in ways that relate to GOP priorities (e.g., economic development, tax cuts, government “reform”)

State Budget

Timeline

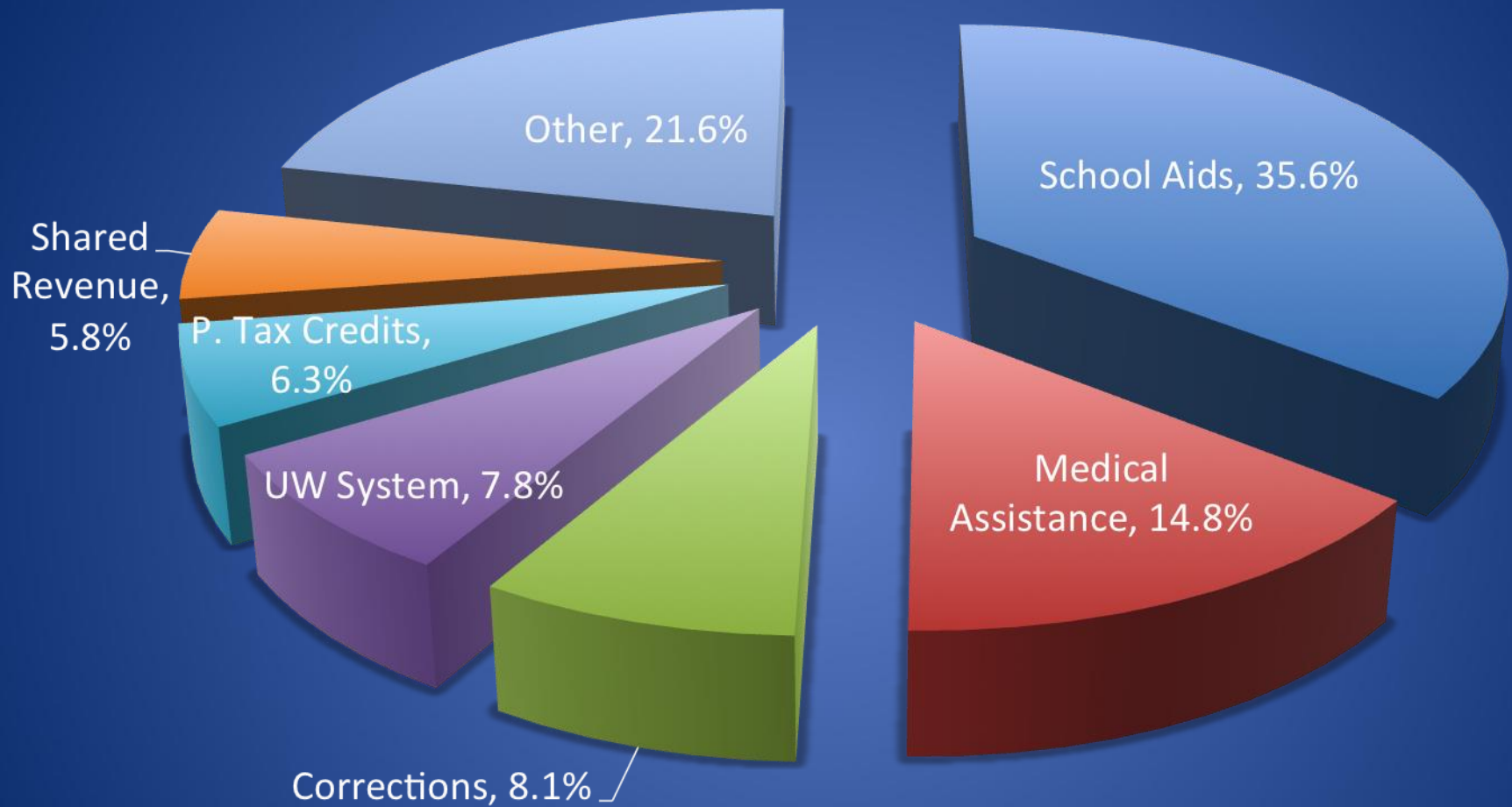
- July 2014: Governor Released Budget Instructions to Agencies.
- September 15: Agency Budget Requests Submitted.
- November 20: DOA Required to Publish Agency Requests; Preliminary Revenue Estimates Released.
- February 2015: Governor's Budget Introduced.
- March-May 2015: Legislative Budget Review (JCF).
- June 2015: Budget Finalized.

Joint Committee on Finance

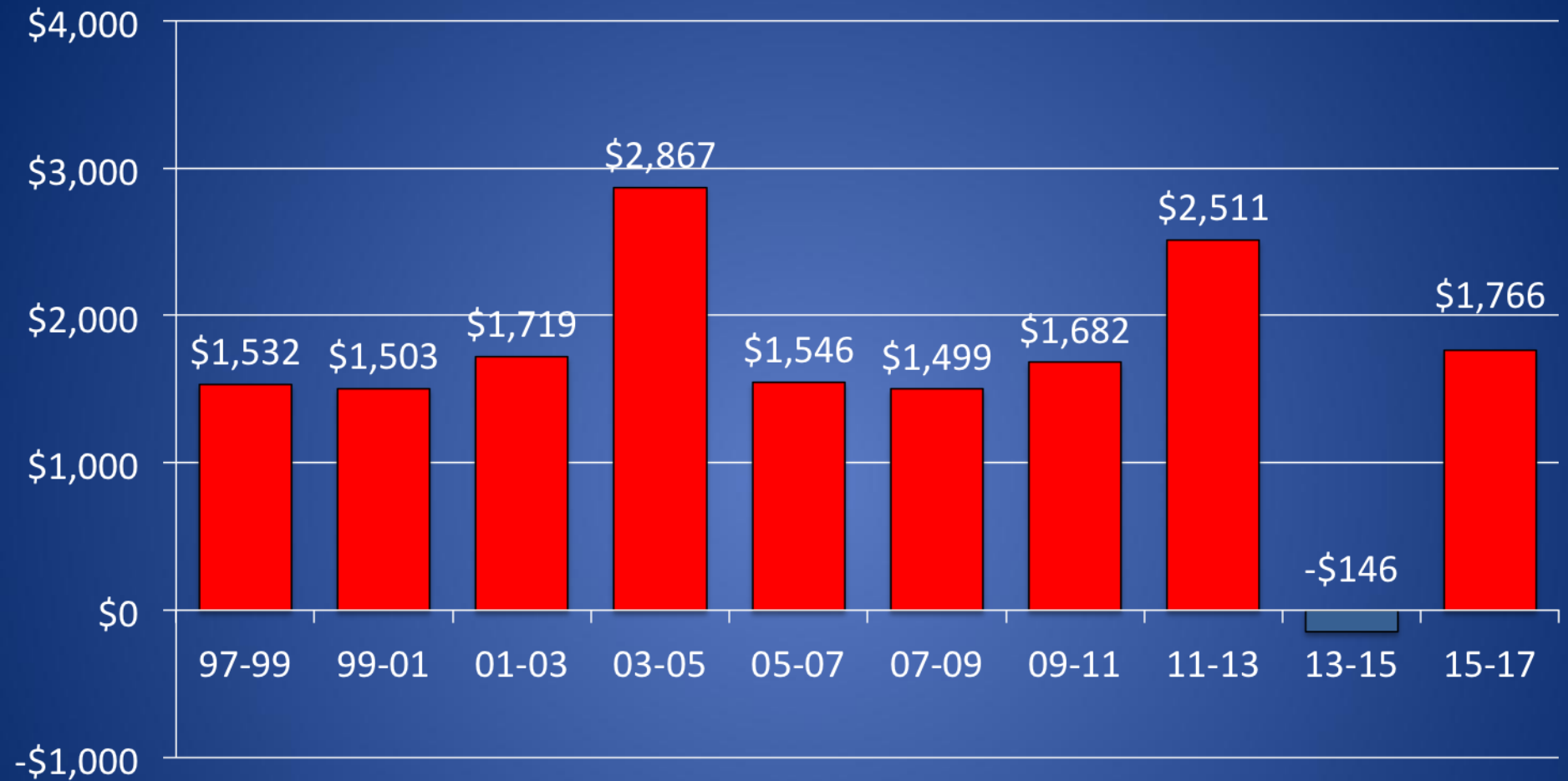
- Rep. John Nygren (R-Marinette) Co-Chair
- Rep. Dale Kooyenga (R-Brookfield)
- Rep. Dean Knudson (R-Hudson)
- Rep. Mary Czaja (R-Irma)
- Rep. Michael Schraa (R-Oshkosh)
- Rep. Amy Loudenberg (R-Clinton)
- Rep. Chris Taylor (D-Madison)
- Rep. Gordon Hintz (D-Oshkosh)
- Sen. Alberta Darling (R-River Hills) Co-Chair
- Sen. Luther Olsen (R-Ripon)
- Sen. Sheila Harsdorf (R-River Falls)
- Sen. Tom Tiffany (R-Hazelhurst)
- Sen. Leah Vukmir (R-Wauwatosa)
- Sen. Howard Marklein (R-Spring Green)
- Sen. Lena Taylor (D-Milwaukee)
- Sen. Jon Erpenbach (D-Middleton)

Black = new committee member

State GPR Expenditures (FY 13)



Structural Deficit (\$ Millions)



Outlook

- State general fund facing a \$1.76 billion structural deficit heading into 2015-17 state budget.
- State transportation fund faces a deficit approaching \$900 million heading into 2015-17 state budget.
- State Medicaid budget has \$700-\$800 million “cost to continue”

Major Budget Priorities

- Tax Reform
- Transportation Funding
- Workforce Development
- Economic Development
- Government “Reform”

Takeaways

- **Significant Dollars Needed for Transportation and Medicaid**
 - Nearly all “new” revenue growth likely to be devoted to Medicaid
 - Governor and legislature have indicated a desire to “fix” Wisconsin transportation funding
- **Majority Party Priorities Remain the Same as Last Session**
 - GOP will continue to focus on reducing income and property taxes (i.e., tax reform)
 - Has promised to limit spending growth

Wisconsin's Tax Structure

State-Local Tax Mix

State and Local Tax Collections (FY13)

Property taxes	\$10,469.9	39.7%
Income taxes	7,496.9	28.3
Sales taxes	4,707.7	17.8
Motor vehicle taxes (incl. gas tax & vehicle registration fees)	1,396.1	5.3
Corporate income taxes	925.4	3.5
Other (incl. unemp comp tax, cig & other excise taxes, utility, ins premium,)	1,425.1	5.4
Total	\$26,393.8	100%

Source: Wisconsin Department of Revenue

State Tax Mix

FY 13 GPR Tax Collections (Total \$14 Billion)



Source: Wisconsin Department of Revenue

Tax Rankings

State and local revenue for 2010-11

	Wis % of pers inc	U.S. % of pers inc	Wis rank	Amt above nat'l avg
Total tax collections	11.8	10.9	10	+ 9%
Property taxes	4.5	3.6	10	+ 26
Indiv income taxes	3.0	2.3	12	+ 28
General sales taxes	2.0	2.4	35	- 16
Corp inc taxes	0.4	0.4	18	--
Fees/charges	3.4	3.5	30	- 3
Taxes and fees	15.2%	14.4%	14	+ 6%

Source: Wisconsin Department of Revenue, United States Census Bureau

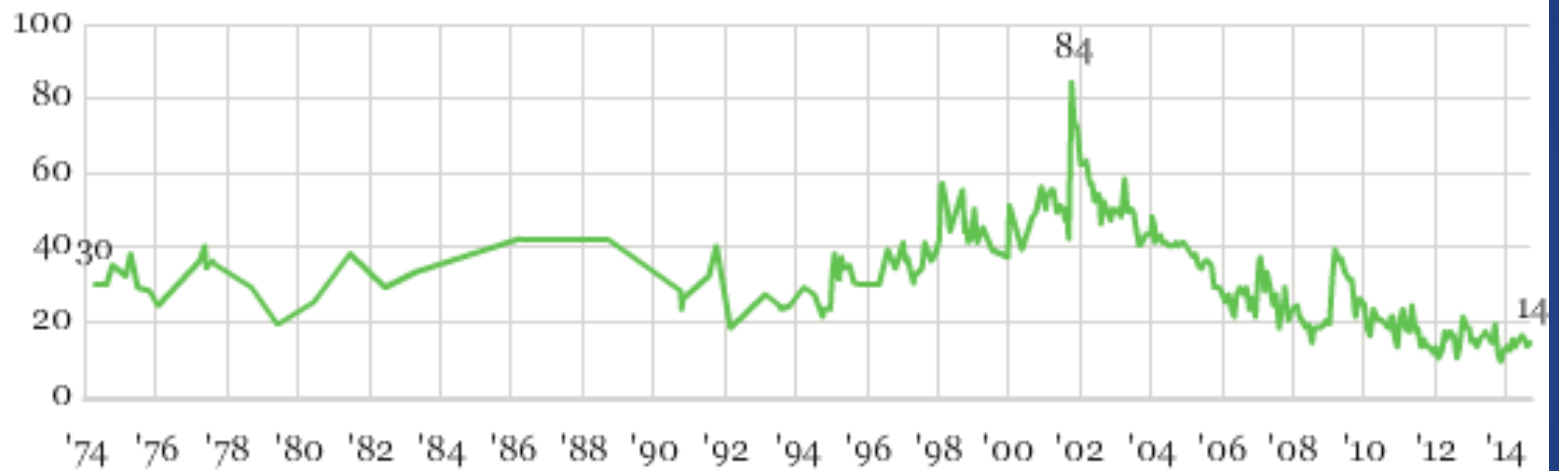
Takeaways

- **“Unbalanced” Tax System**
 - Wisconsin has very high income and property tax, but is below average on sales tax and fees
- **Locals Rely on “Dying” Tax**
 - » Local governments have few revenue options at their disposal. Locals primarily rely on property taxes, which are most disliked and do not reflect wealth

Public Attitudes Towards Government

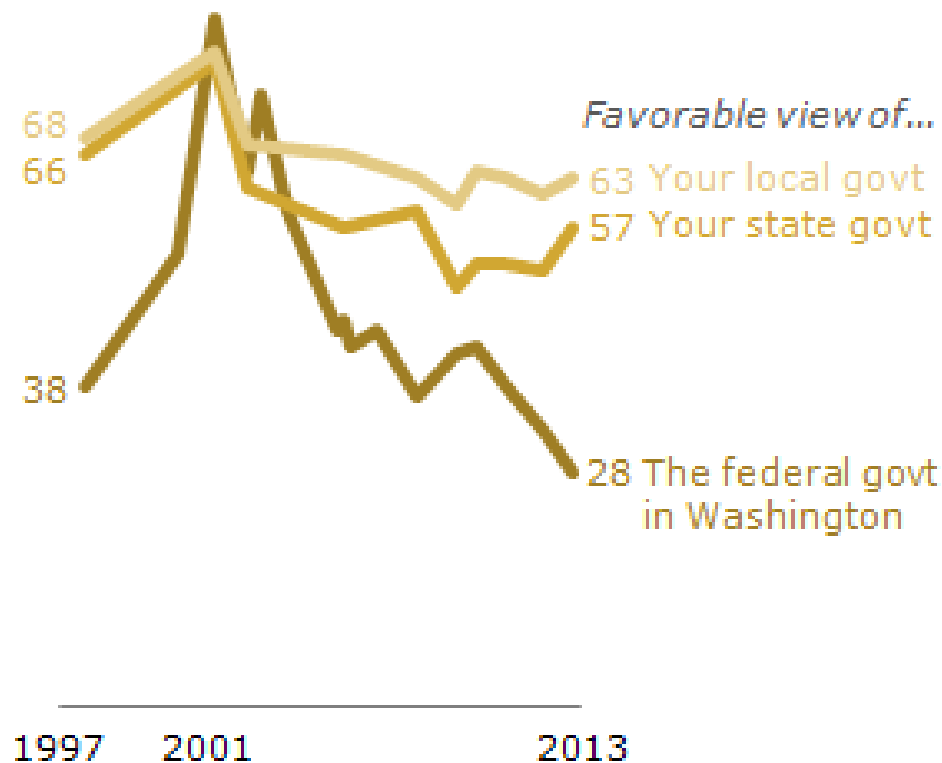
Congressional Job Approval Ratings Trend (1974-Present)

■ % Approve



GALLUP

Widening Gap in Views of Federal, State and Local Governments



PEW RESEARCH CENTER March 13-17, 2013.

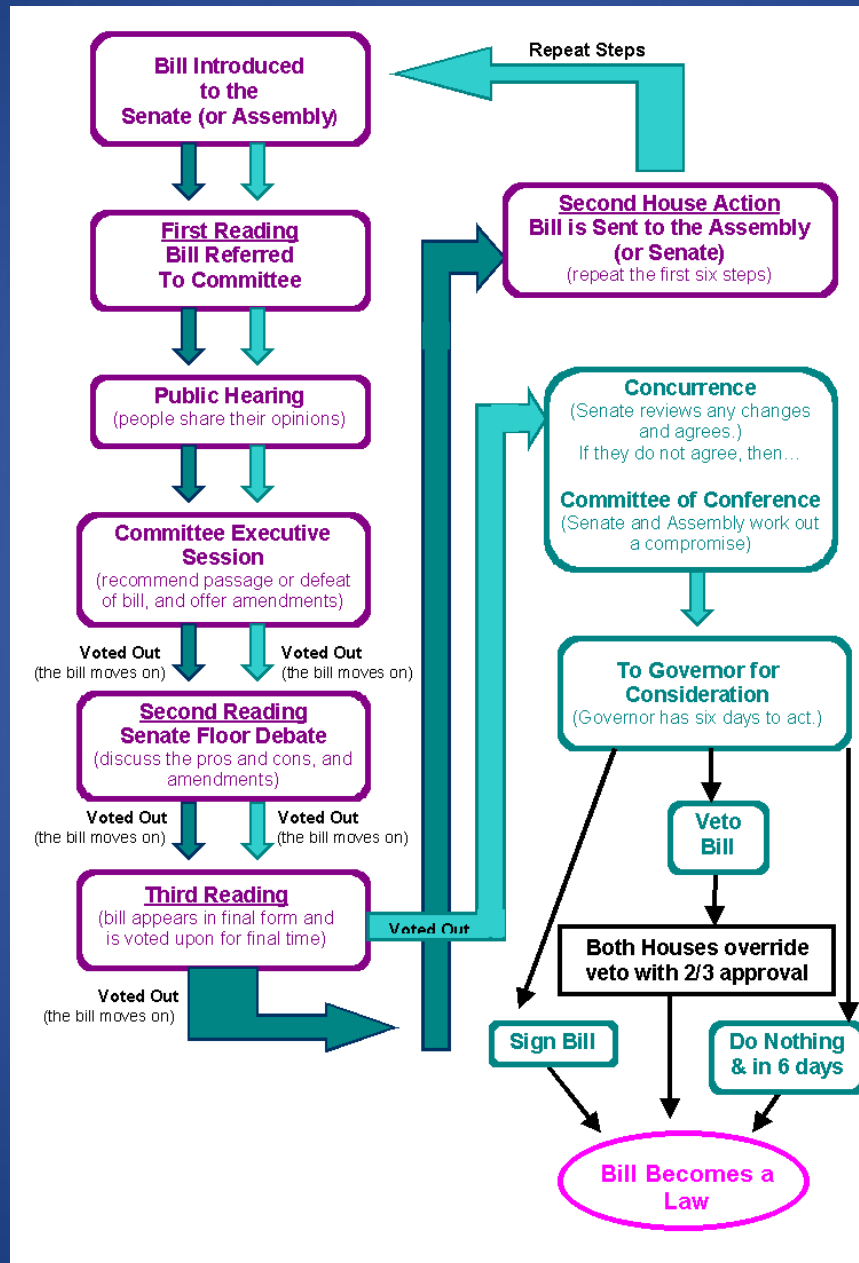
Takeaways

- **Government Generally Not Popular**
 - Congressional Approval Ratings Near Record Low. Opinion of local government significantly more positive than federal government
- **Use Local Government Popularity to Your Advantage**
 - Remind state and federal delegates of your influence at the local level

How a Bill Becomes a Law and How You Can Get Involved

How Does a Bill Become a Law?

Technically Speaking . . .



In Reality . . .

LOBBYING



Navigating the Legislative Process

Step One

- Find a legislator to draft a bill
 - Important to find a legislator who is able to lead the bill through the process
 - Many times, the group requesting the bill provides a legislator with “drafting instructions”

Step Two

- Find a legislator in the opposite house (e.g. Senate or Assembly) to introduce a “companion” or identical bill
 - This allows the bill to work through the two houses simultaneously
 - If there is only one bill and one author, there is no one in the other chamber to lead the bill through their respective house

Step Three

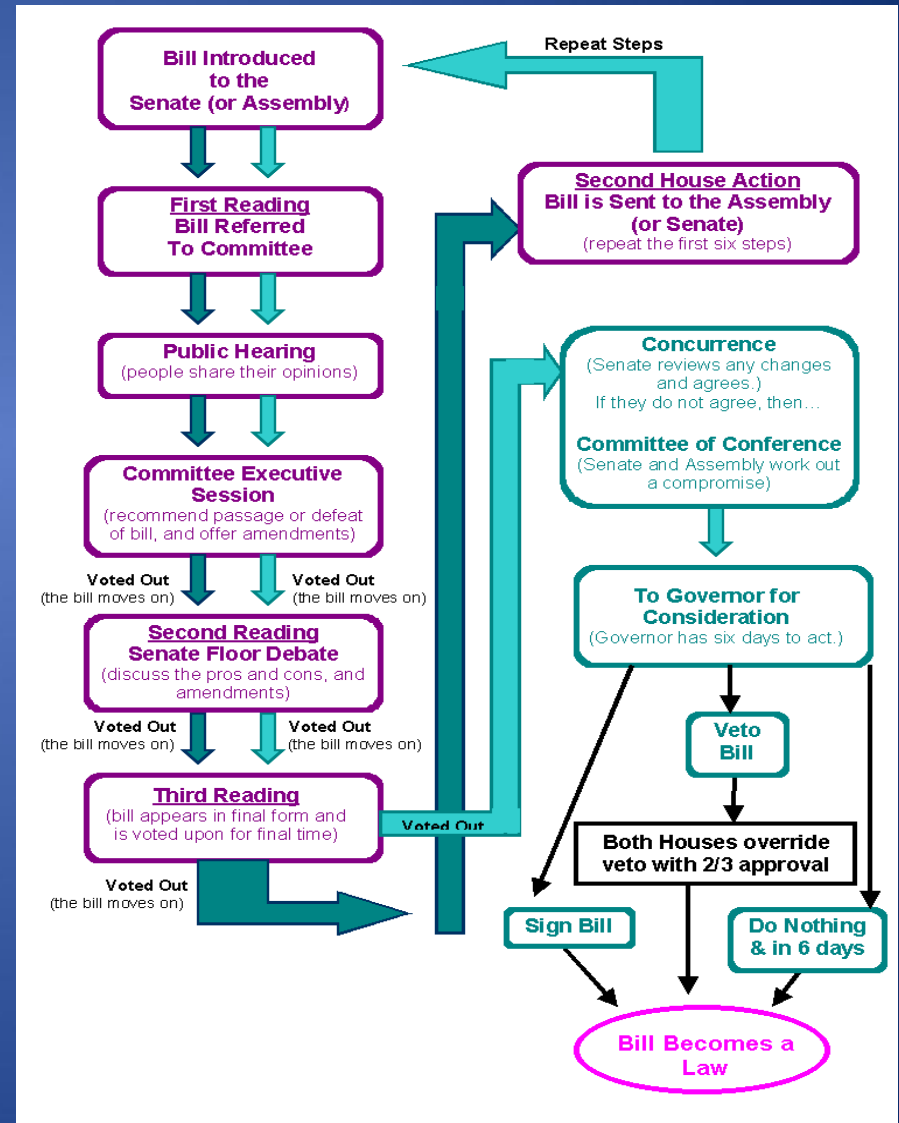
- Identify co-sponsors for the bill
 - Before a bill is introduced, it typically goes through a co-sponsorship period
 - During this time, legislators can add their names to the bill
 - Co-sponsors lend credibility to the bill and increase the likelihood of passage

Step Four

- Find a “friendly” committee for the bill to be referred
 - It is important to work with legislative leadership to send the bill to the appropriate committee
 - Committee chairs are powerful in that they determine whether a bill receives a public hearing and executive session
 - Count Votes!! If you don’t have support in a particular committee, don’t refer the bill there!

Step Five

- Bill is introduced
 - This is Step One on the diagram, but Step Five in reality



Step Six

- Public Hearing
 - Once a bill is introduced and referred, the next step is to have a public hearing
 - At the public hearing, committees members will entertain testimony from supporters and opponents of the bill

Step Seven

- Executive Session
 - An executive session is when a committee votes on the bill
 - Many bills never receive an executive session; they simply die in committee
 - If passed from committee, the bill is available for floor scheduling

Step Eight

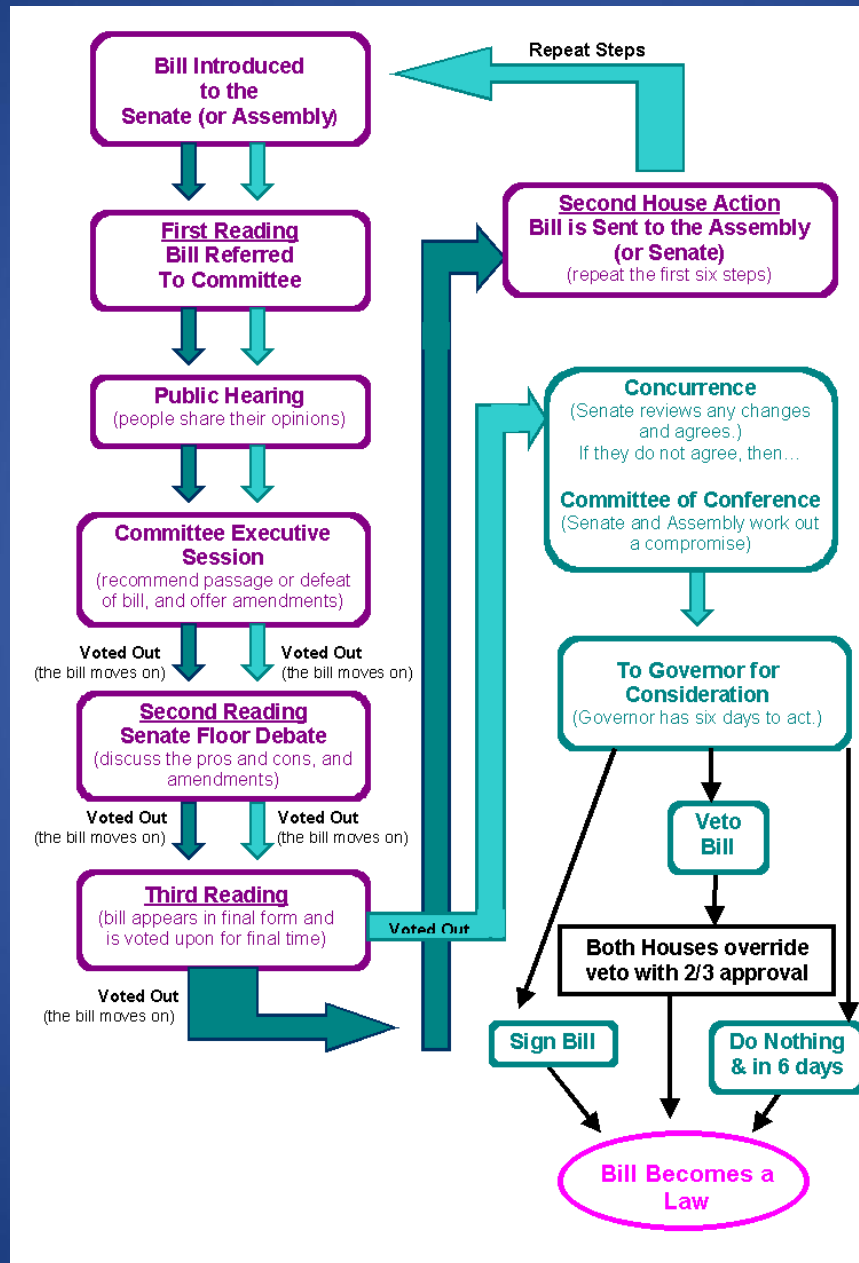
- Floor Session
 - If the bill is going to pass after leaving committee, it needs to be approved on floor
 - This vote involves all members of the Assembly or Senate
 - Many bills pass committee, but are never scheduled for a floor vote

Step Eight

- Bill Must Pass Opposite House
 - If a companion bill has been introduced and has been passed out of committee, the bill is eligible for final passage in both houses

Step Nine

- Bill Sent to the Governor
 - Once identical bills pass both the Senate and Assembly, they are sent to the Governor for signature, veto, or partial veto
 - Veto can be overridden by 2/3's vote in both houses
 - One signed into law, the bill becomes an act
 - E.g., Assembly Bill 400 becomes 2014 Wisconsin Act 196



It's important for you to get involved

In 2014, there were 674 registered lobbyists representing 739 lobbying principals in Wisconsin. Lobbyists are employed to protect the interests of their associations or clients.

While it is important Legislators hear from lobbying organizations, it is also important they hear from their constituents. If a matter of local concern is not brought to the Legislators attention, they may not be aware that a concern or problem exists. Many pieces of legislation come directly from a constituent reaching out to their Legislator.

Advocacy Basics

Lobbying: to solicit or try to influence the votes of members of a legislative body.

Things to Remember . . .

What motivates elected officials?

- People run for office to make a difference – they desire to make the world a better place
- They enter office with the best of intentions
- They wish to be liked
- They want to be respected

Who are elected officials?

- They are a product of their life experiences
- They may bring bias with them to office
- They are a cross-section of the state
 - Variety of personalities and skills
 - Introverts and extroverts
 - Detail people and big picture people
 - Leaders and followers
- There is no typical elected official

What is their job like?

- It involves a lot of conflict (resolution)
- Long hours during session
- Time away from home and family
- They are expected to be knowledgeable about a variety of issues
- Elections in particular can be a humbling experience – people are candid

Elected officials face demands from many directions

- Local activists and supporters
- Political leadership/caucus
- Constituents
- Family
- Personal goals and aspirations
- Lobbyists
- Media

How do you break through the clutter of
competing interests?

By building relationships!

Ideas for building relationships

- The Golden Rule
 - Treat your legislator the way you like to be treated
 - With respect and courtesy
- Always introduce yourself
 - They may not always remember your name
- Treat their time as valuable
 - Many people place demands on their time

Ideas for building relationships

- Make a point of talking with them at least four times a year.
 - During election cycle
 - Parades, fundraisers, etc.
 - After they win
 - Congratulate them
 - Note, e-mail, phone call, office visit

Ideas for building relationships

- Make a point of talking with them at least four times a year.
 - In the district
 - Invite them to your event
 - Attend an event they are attending
 - At the Capitol
 - Attend a legislative hearing or session day when they are debating a issue that impacts you or your business
 - Any time (be prepared to walk and talk)

Ideas for building relationships

- When discussing an issue (lobbying)
 - Be pleasant
 - Be clear
 - Be concise
 - Be accurate
 - Be firm but not argumentative
 - Ask for a commitment (when appropriate)

Ideas for building relationships

- Be Reasonable
 - If your legislator agrees with you 80% of the time, you have a good advocate, don't beat them up over the 20%
 - They don't even agree with their own staff 100% of the time

Ideas for building relationships

- Treat staff respectfully
 - They are the gatekeepers
 - They often can influence the decision of their boss
 - Some go to work for agencies and can be helpful
 - Some choose to run for future public office

Ideas for building relationships

- Reward “good” behavior
 - Thank them for listening to your views
 - Thank them for voting your way
 - Acknowledge them in public
 - Public forums
 - Newsletters
 - Plaques/Awards
 - Local Newspaper Editorials
 - Social Media (e.g., Facebook, Twitter, Etc.)

Questions? Comments?

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