



# WMC

WISCONSIN'S BUSINESS VOICE

## ***Moving Wisconsin Forward***

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*A vision for economic renewal – creating better jobs and a brighter future for our families and our communities*

Moving Wisconsin Forward is an ambitious effort on the part of the entire Wisconsin business community to develop a vision for economic renewal and job creation for our state. The goal is to position Wisconsin to lead the way out of the current recession, creating a prosperous future for our families and our communities. The following set of proposals and ideas are a work in progress. They represent the best thinking of more than 700 business and community leaders from throughout Wisconsin. They were developed after dozens of meetings and discussions with local chamber of commerce, statewide business associations, political leaders, labor leaders and educators over a three month period.

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*WMC is a business association dedicated to making Wisconsin the most competitive state in the nation.*

# Moving Wisconsin Forward

## ***Investing In Our People***

For Wisconsin companies to successfully compete in a global economy, they must continually seek to “add value” to products and services through innovation and the application of higher level knowledge and skills. As a result, a resurgent Wisconsin economy depends on the availability and retention of an increasingly trained, educated and diverse workforce with the flexibility to creatively adapt to the changing needs of the economy. Policymakers should make investment in Wisconsin’s public educational institutions from the college and university level through technical colleges, the K-12 system and incumbent workforce training programs a key priority. To accomplish this objective, we seek to partner with the Governor and the Legislature on the following initiatives:

### **1. Enhance Educational Achievement**

To expand opportunity and develop the workforce of the future, we should work to enhance educational achievement in the K-12 system. This can be accomplished by:

- Focusing resources to develop strong curriculums in science, technology, engineering and math.
- Fostering the development of advanced placement programs with colleges, universities and technical schools.
- Supporting measurable evaluations and accountability standards for students, teachers and schools, and improve public access to evaluation data.
- Expanding educational options including the development of charter schools and public/private school choice programs in communities that desire them.

### **2. Encourage Personal Improvement**

The workforce of the future will need the higher level knowledge and skills provided by a robust post secondary public and private educational system. Wisconsin can expand opportunity and encourage personal improvement by:

- Ensuring that the University of Wisconsin has funding appropriate to, in a cost-effective manner, fulfill its mission of fostering a climate for economic growth through research, technological advancement and increasing levels of educational attainment.
- Ensuring that the Wisconsin Technical College System has funding appropriate to, in a cost-effective manner, fulfill its mission of training the next generation workforce.
- Providing greater flexibility to UW campuses and Wisconsin Technical Colleges in setting enrollment and tuition levels, and greater autonomy in managing capital construction projects and operations at individual institutions.
- Supporting Wisconsin’s public and private colleges and universities by enhancing student financial aid.
- Promoting business and education partnerships in research and training strategies as a means of advancing economic development.

### **3. Enhance Employment Training Opportunities**

In a rapidly changing and highly competitive global economy, there is a need for continuous workforce training and retraining directed by employers. Improvement can be facilitated by:

- Consolidating and rationalizing Wisconsin's numerous employment training programs to improve efficiency, effectiveness and responsiveness to specific employer needs.
- Establishing tax incentives to encourage the expansion of employer-sponsored education and training opportunities in the workplace, as well as in our colleges, universities and technical schools.

## ***Promoting Innovation and Job Creation***

A strategically focused economic development partnership will be necessary for Wisconsin to lead the economic recovery and create meaningful, well-paying jobs for our citizens. Focusing scarce public resources on incentives for research and development will spur innovation. Using the tax code to encourage investment in Wisconsin companies will create jobs. Aligning our diverse economic development programs and incentives to more effectively respond to the needs of companies looking to locate or expand here will help grow our economy. A cooperative public/private partnership focused on investing in innovation and job creation will lead to better jobs for our families, our communities and Wisconsin's future. To accomplish this objective we seek to partner with the Governor and the Legislature on the following initiatives:

### **1. Encourage Economic Development**

Consolidate and expand Wisconsin's various economic development programs to improve efficiency and effectiveness, align programs and strategies by establishing a single point of contact across all agencies for new business prospects, and encourage regional economic development strategies that build on a region's economic strength.

### **2. Enhance Tax Incentives**

Economic development tax credits should be transferable, tradable, and refundable to maximize their value, especially for start-up companies. We should also consider providing other incentives to attract new businesses and encourage existing business to expand in Wisconsin.

### **3. Encourage Research and Development**

Stimulate job creation through innovation by creating a property tax exemption for investment in research and development equipment and facilities, consistent with Governor Doyle's Grow Wisconsin Initiative.

### **4. Encourage Reinvestment in Wisconsin**

Grow existing businesses and create jobs by establishing a complete income tax exclusion for capital gains reinvested in Wisconsin companies, consistent with Governor Doyle's Grow Wisconsin Initiative.

## **5. Enhance Venture Capital Access**

Expand and revise Wisconsin's existing investor tax credits law (Act 255) to provide a larger pool of credits over time, increase dollar caps on eligible investments, expand current eligibility language, allow interchangeable angle and venture investment caps, allow credits to be applied toward insurance company gross premium taxes, allow limited transferability and leverage existing federal tax credit programs.

## ***Investing In Fundamentals***

A resurgent economy depends on the effective movement of goods, services and information to facilities and markets in other states, and around the world. To be competitive, Wisconsin businesses need: an efficient transportation network of roads, ports, rail lines, airports, and mass transit to move products and people; a robust communications infrastructure to move information and facilitate trade; and an adequate and affordable energy infrastructure to fuel economic growth. Government plays a fundamental and necessary role in improving and maintaining the critical infrastructures that undergird the economy. In order to position Wisconsin to lead the economic resurgence, we need to make investment in the fundamental infrastructure of our state a key priority for public resources. To accomplish this objective, we seek to partner with the Governor and the Legislature to promote the following initiatives:

### **1. Maintain and Improve Transportation Infrastructure**

To facilitate the efficient flow of goods and services, Wisconsin must maintain and improve its transportation infrastructure by drawing on dedicated revenue streams which should be devoted solely to this purpose. Sustainable revenue sources should be identified, including revenue streams that can continue to support infrastructure investment in the future as our reliance on traditional motor fuels declines.

### **2. Encourage Energy Efficiency and Clean Energy Technology**

A ready supply of clean, reliable, low-cost energy is essential to maintain a strong Wisconsin economy. We should promote energy efficiency, conservation, investment in biomass and other renewable energy with appropriate incentives, and encourage research and development of clean energy technology by providing tax credits, grants or other incentives. At the same time, we should explore the possibility of repealing the virtual moratorium on nuclear power plants so that nuclear power may be considered as a safe and clean energy option for the future.

### **3. Facilitate Regional Transportation Initiatives**

To improve efficiency and serve growing demand, Wisconsin should provide for the creation of regional transit governance organizations that ensure public transit services are well integrated to serve regional economies, and are supported with a dedicated funding mechanism specifically designed to ensure adequate, continuing support for the transit system and to require corresponding reductions in the local property tax burden.

### **4. Facilitate Electronic Commerce**

To foster economic development and e-commerce, as well as expand educational opportunities, Wisconsin should encourage the deployment of broadband services in underserved areas through the use of direct grant monies, bonding authority or other financial incentives.

## ***Fostering a Competitive Business Environment***

The current economic downturn is expected to stiffen global competition, as companies and nations strive to position themselves to lead the eventual economic recovery. To survive in this environment, Wisconsin businesses are working to develop new, innovative products and processes, improve quality, cut costs and increase productivity. Business leaders seek to partner with policymakers to build on past efforts and further strengthen our economic environment to promote investment in Wisconsin job creation. To accomplish this objective, we will work with the Governor and the Legislature on the following initiatives:

### **1. Foster a Competitive Regulatory Environment**

A consistent regulatory environment will allow Wisconsin businesses to compete on a level playing field with their counterparts in other states. To accomplish this goal, we should attempt to harmonize regulatory statutes and administrative rules with those imposed under federal law.

### **2. Promote Quality Health Care**

Health care costs are a major concern to everyone in Wisconsin. To address this issue, we should focus our efforts on improving the current private sector health care delivery system and controlling costs through wellness initiatives, disease prevention, and investment in health information technology systems that improve patient safety, drive quality and enable efficient delivery of health care. We also should help consumers make better health care decisions by improving the collection and analysis of health care outcome data, making quality transparent and encouraging consumers, business purchasers and insurance companies to direct resources to providers who demonstrate a commitment to patient safety, improving quality and reducing unnecessary or inappropriate treatment.

### **3. Enhance Fairness and Predictability in our Legal System**

We should attempt to harmonize Wisconsin's legal system with the system in other states in order to remain competitive and promote investment and job creation. Specifically, we should make the rules regarding expert testimony consistent with those of the majority of states and adopt comprehensive product liability reforms.

### **4. Ensure Uniform Employment Regulations**

Wisconsin's essential employment regulations governing issues such as wages and benefits should be applied fairly and consistently on a statewide basis. State law should preclude the adoption of a patchwork of confusing and conflicting employment regulations by local units of government.

### **5. Keep Wisconsin Competitive**

We should strive to maintain the progress the Governor and the Legislature have made in reducing Wisconsin's overall state and local tax burden to keep us competitive among the 50 states in terms of taxation.

## ***Improving Public Systems***

A stable and effective government is essential to the health of our economy, our communities, and our quality of life. We rely on government to provide needed community services, education, infrastructure, an appropriate regulatory framework, and to care for our neediest citizens. The challenge is to deliver these fundamentals at a reasonable cost – to keep our level of taxation fair and competitive. We should constantly look for ways to improve government efficiency and effectiveness to ensure that Wisconsin's cost of government is in line with other states. It is equally important to ensure that our level of business taxation does not make us uncompetitive or unattractive to new business investment and resulting job creation. To accomplish these objectives, we seek to partner with the Governor and the Legislature on the following initiatives:

**1. Encourage Balanced Budgeting**

Encourage balanced budgeting through adherence to generally accepted accounting principles, and adequately fund the budget-stabilization fund to address the problem of fluctuating state revenues.

**2. Control Property Taxes**

Control property taxes imposed by municipalities, counties, technical college districts and other special districts, allowing for reasonable growth while keeping Wisconsin competitive with other states.

**3. Encourage Efficiency**

Evaluate the potential for consolidation of local government units, and school districts. Encourage police, fire, utilities, and other government services to cooperate, collaborate and possibly consolidate to improve effectiveness and lower costs.

**4. Understand and Manage Benefit Costs**

Provide school districts and local governments with maximum flexibility in managing costs associated with health care and retirement plans, and encourage them to be competitive with the best plans available in the private sector.

**5. Reduce Cost Shifting**

Support sufficient reimbursement for hospitals and clinics under the existing Medicaid program, and the leveraging of the state's fair share of federal matching funds in order to reduce the cost shift that currently occurs to patients and private insurers because of underpayment in that program.