



# LEGISLATIVE AGENDA

2021-2022 WISCONSIN LEGISLATIVE SESSION

# WMC LEGISLATIVE AGENDA

## 2021-2022

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Wisconsin enters the 2021-2022 legislative session facing unprecedented challenges, but tremendous opportunities.

The global pandemic hit Wisconsin businesses and families particularly hard in 2020, resulting in record levels of unemployment, and the closure of many businesses.

Wisconsin's economy proved comparatively resilient, however, and we are well on the road to recovery.

The economic challenges of 2020 underscore the importance of having the right policies in place to enable our state to weather an economic storm, and to maintain an environment where jobs and investment will thrive.

Wisconsin fared better economically than most states because we made the right policy choices to position ourselves for success. For example, the Legislature's disciplined budgeting and financial policies over the past decade have resulted in the largest budget reserves in state history, as well as the elimination of the GAAP deficit.

Despite many recent successes, the hard work is not over.

We must build on these pro-growth policies in order to position Wisconsin as the best state in the nation to live, work and raise a family. The items in this agenda represent some of the most important steps the Legislature and Executive Branch agencies can take to accomplish that goal.

Although all of the items in the WMC agenda are important to the business community and Wisconsin's economic competitiveness, we would like to place special emphasis on (1) enacting liability protections from frivolous and predatory COVID-19 lawsuits; (2) enacting policies to better-prepare students with the skillsets necessary to enter the workforce; and (3) helping struggling businesses by holding the line on taxes and cutting them where feasible.

There are many things the Legislature can do (and not do) to strategically position our economy for investment, and to enable Wisconsin families to prosper. Our team at WMC looks forward to working with the Legislature and the Governor to enact the policies that will make the Badger State the most competitive place in the nation to do business.



**SCOTT MANLEY**  
Executive Vice President, Government Relations







# WORKFORCE

*Employers continue to struggle to find enough workers with the right skill set. Given our state's demographics trends, this challenge is unlikely to be resolved in the near future. The WMC agenda on workforce will ensure our homegrown talent pipeline has the skills necessary for the jobs available in Wisconsin. At the same time, we support the state continuing its efforts to convince workers from outside of Wisconsin to move here with their families for career opportunities. Wisconsin has much to offer to workers and their families willing to move to the Badger State.*

## Market Career Opportunities In Wisconsin

The biggest issue facing employers is the lack of workers. Wisconsin must continue to tell our story and market the opportunities that exist here for workers and families through a continued and sustained marketing campaign in the Midwest, along with other similar regions of the country. A focus on UW System graduates and military personnel should also continue.

## Brain Drain & Brain Gain

In the past, too many college graduates left Wisconsin for job opportunities elsewhere. While that trend has slowed and by some reports reversed, we need to work to keep as many homegrown graduates as possible, while also working to draw recent graduates from around the country. To do so, the state should consider incentives such as tax relief to encourage recent graduates to stay in Wisconsin and to move here from other states.

## Oppose Minimum Wage Increase

Younger and low-skilled workers need the opportunity to begin their climb up the career ladder by gaining experience through entry level jobs. Raising the minimum wage will increase the cost of employing entry level workers, resulting in fewer job opportunities for workers entering the workforce who need to build skills and experience for their career.

## Upskill Workers For New Opportunities

The state has been collaborating with employers to upskill current employees for new and upcoming job opportunities. These efforts, such as the Wisconsin Fast Forward program, should continue and be improved upon to be reactive to the ever-changing needs of employers. Intertwined with this is the Labor Market Information System, which aims to better connect employers and job seekers based on skills. This should also be continued in order to better connect workers with available jobs in real time.

## Immigration Reform

Wisconsin is facing a worker shortage crisis. Immigration is one necessary piece of the workforce puzzle that needs to be solved. Although not a state issue, the business community believes we need smart and practical immigration reform that begins with securing our border, but also allows ample opportunities for the best and brightest who want to come to our country to work and be productive.

## Oppose Efforts To Repeal Right-To-Work

WMC successfully worked in recent years to make Wisconsin the 25th right-to-work state. We also supported the passage of other key employment law provisions, such as restricting local governments from enacting costly HR mandates on employers. Unfortunately efforts are underway in Madison and Washington, D.C. to undo those vital reforms. We oppose any efforts to repeal right-to-work and the other key employment law reforms enacted in Wisconsin in recent years.

## Registered Apprenticeship Expansion

Registered Apprenticeships started in Wisconsin in 1911, and provide real on-the-job training for employees while meeting the workforce needs of employers. While historically used primarily for construction, manufacturing and service sector jobs, in recent years Wisconsin expanded the program into healthcare and information technology. We should continue to expand the training model into new industries and encourage more employers to utilize the apprenticeship model.

## Better Prepare High School Students For Work

Despite strong efforts in this area in recent years, too many students still do not have access to industrial arts/tech education in high school, and are instead still pushed toward college and four-year degrees. School districts should better educate students and parents of all career options, including entering careers in manufacturing and construction, by increasing access to coursework in the industrial arts/tech education, followed by hands-on learning through apprenticeships and internships. Connecting students to these pathways through career counselors, ensuring the public knows how schools are performing through the school report cards, and linking new school funding to these efforts are ways to ensure accountability and success.

## Oppose Legalization Of Recreational Marijuana

Employers take their obligation to ensure a safe workplace for both employees and customers very seriously. For many employers, maintaining a drug-free work environment is critical to ensuring the safety of their employees. WMC will oppose efforts to legalize the recreational use of marijuana because doing so will endanger the safety of workers.

# REGULATORY REFORM

*Wisconsin's regulatory climate and permitting burdens are often viewed as among the most aggressive in the country. Every dollar a business spends on regulations that are too costly, complex and cumbersome is a dollar that can't be spent to raise wages, hire additional workers or expand the business. The reforms enacted in 2011 Act 21 and the REINS Act are an important first step toward a better state regulatory climate, but additional reforms are necessary to ensure Wisconsin is a model for other states to follow.*

## **Harmonize State And Federal Regulations**

Align Wisconsin employment and environmental regulations with corresponding federal requirements to eliminate the additional cost and complexity of complying with overlapping and “Wisconsin-only” regulations.

## **Challenging Agency Rules**

Allow legal challenges to state agency rules to be brought like all other civil actions against the state – in the county selected by the Plaintiff. Current law treats litigation against state agency rules differently than all other litigation and requires it to be filed in the Plaintiff's home county. In addition, remove the statutory presumption that agencies followed all legal requirements when promulgating a rule, as most agencies cut corners and do not follow the law.

## **Protections For Small Businesses**

Current law requires special considerations with respect to the cost and regulatory burden of rules impacting small businesses. Unfortunately, the agency writing the rule decides whether their rule has a small business impact, rendering these protections largely useless. Strengthen the current protections to ensure all rules impacting small businesses are fully analyzed for impacts on small businesses.

## **Require Agencies To Promulgate Easily Understood Regulations**

Establish new criteria for agency regulations that require rules be written in simple and clear language, while considering the costs and benefits of the rule, and regulating in the least burdensome manner.

## **Ensure Bureaucrats And Agencies Are Held Accountable**

Promote a consistent, stable and transparent regulatory environment by holding state agencies accountable. When agencies and bureaucrats violate the law or exceed their regulatory authority, WMC will direct legal resources to push back.

## **Retroactively Review And Repeal Obsolete Regulations**

Improve our regulatory environment by regularly reviewing existing administrative rules to repeal or reform obsolete, costly or cumbersome regulations.

## **Oppose Policies And Regulations That Create An Unfavorable Business Climate**

Oppose regulations and policies that negatively impact Wisconsin's business climate. Oppose rules and policies that create uncertainty and are unnecessarily costly, complex or burdensome requirements on the regulated community. Support policies that incentivize investment and create an attractive business climate in Wisconsin so that our state continues to prosper.





# TRANSPORTATION & INFRASTRUCTURE

*Wisconsin is a national leader for manufacturing, tourism and agriculture. We need a safe, robust and reliable transportation infrastructure to support these key sectors of our economy. Unfortunately, we have a significant gap between existing transportation revenue streams and our highway, port and rail needs. The following items will help ensure that Wisconsin's transportation infrastructure is well positioned to meet the needs of businesses and consumers.*

## **Fund Necessary Road Improvement Projects**

Adequately fund mega and major road projects throughout the state to keep their completion schedules on time.

## **Enhance Wisconsin's Rail Network**

Clarify that Wisconsin's railroad related grant funds can be used as matching dollars for federal grants to fully leverage federal funds for railroad infrastructure development, including the establishment of intermodal container facilities and the protection of key freight rail corridors from abandonment.

## **Maintain Adequate Port And Airport Facilities**

Provide appropriate state and federal funding to keep our airports and ports on the Great Lakes and Mississippi open to commercial activity.

## **Ensure Efficient Use Of Available Transportation Resources**

Transportation revenue must be spent as wisely as possible. Identify areas where costs can be reduced in the construction, delivery or maintenance of state transportation facilities without compromising the safety of the traveling public. Federalize environmental exemptions for highway construction and adopt "practical design" standards.

## **Maintain Local Bridges And Roads**

Ensure there is adequate funding to continue to repair or rebuild economically vital bridges and roads.

## **Establish Sustainable Transportation Revenues**

We cannot support our state transportation needs without the necessary levels of revenue to do so. WMC will support a gas tax increase of up to five cents per gallon and/or a modest passenger vehicle registration fee increase. WMC will oppose industry-specific tax/fee increases, a general toll program or toll pilot programs.

## **Explicitly Ban The Creation Of Local "Transportation Utilities"**

Local governments are illegally creating "transportation utilities" and charging "transportation utility fees" to circumvent property tax levy limits and further shift the tax burden onto businesses. Current law does not allow for the creation of such utilities, but the Legislature should act to clarify that local transportation utilities are illegal, and penalize local governments that illegally tax their residents.

## **Modernize Wisconsin Highway Weight Limits For Trucks**

Wisconsin has stricter weight limits than many of its Midwestern neighbors. Increasing the maximum weight limit beyond 80,000 pounds will help keep Wisconsin businesses competitive, reduce the number of trucks on Wisconsin roads, and ease the burdens imposed by the national driver shortage and electronic logging regulations.

## **Leverage The Private Sector**

Many aspects of transportation development and design can and should be done by private sector consultants and engineers. Reduce costs to state government by utilizing private businesses to do design, project management and construction work instead of government employees.

## **Expand Broadband Access**

To foster economic development and e-commerce, as well as expand educational opportunities, Wisconsin should encourage the deployment of broadband services in underserved areas without providing taxpayer subsidized competition against the private sector.



# TAXES & GOVERNMENT SPENDING

*Wisconsin is on the road to a more competitive tax climate. The manufacturing and agricultural tax credit is making Wisconsin even more attractive for investment in these two key drivers of our economy. Recent income tax reductions and reforms to the state Alternative Minimum Tax (AMT) have helped lessen the burden. However, Wisconsin remains among the highest-taxed states. WMC supports the following reforms to reduce the tax burden facing Wisconsin families and employers.*

## **Defend The Manufacturing And Agriculture Tax Credit (MAC)**

Protect the tax credit that has allowed two pillars of Wisconsin's economy, manufacturing and farming, to thrive. Since its implementation, the MAC is responsible for the creation of over 42,000 jobs (2017 numbers) and a higher manufacturing jobs growth rate than neighboring states.

## **Defeat Any Legislation That Would Shift Or Increase Property Taxes On Business Taxpayers**

Local governments have asked the Legislature to prohibit the use of physically comparable vacant properties as comparable sales to occupied properties for property tax assessment purposes. The result of this policy would allow tax collectors to more subjectively assess property value, and taxes, as well as to make it harder for businesses to challenge their tax bill.

## **Defeat Lease Taxing Legislation**

Local governments are attempting to make Wisconsin a national outlier in the way we assess property taxes by including the value of financing agreements, such as triple-net leases, as real property for property tax assessment purposes. This would lead to significant property tax increases on Wisconsin businesses and create a disincentive to create or expand businesses in the state.

## **Phase Out The Personal Property Tax**

This annual double tax on property is both costly for businesses to comply with and difficult for government to administer. The Legislature took the first step towards eliminating this tax during the 2017-19 budget. Finishing the job and phasing out or eliminating the tax will make Wisconsin a more competitive place to do business.

## **Lower The Personal And Corporate Income Tax Rates**

Repeal the 2009 tax hike that created the top individual income tax bracket of 7.65 percent. Reduce the 7.9 percent corporate income tax rate to keep Wisconsin's tax regime competitive for pass-through entities and corporations alike.

## **Cap The Top Individual Income Tax Rate In The State Constitution**

Follow the lead of pro-growth states and create certainty for taxpayers by capping the top individual income tax rate in the state constitution so the top rate can be cut but not raised.



## TAXES & GOVERNMENT SPENDING (CONT'D)

### **Place Property Tax Levy Limit In The State Constitution**

Limit the growth of Wisconsin's property tax burden, currently the fifth highest in the nation, by placing the current property tax levy limit standard in the state constitution, which limits the ability of local governments to increase property taxes while allowing for reasonable increases for new development.

### **Make The Research And Development (R&D) Tax Credit Fully Refundable**

Wisconsin's R&D credit has historically been used to incentivize high-tech, good-paying jobs to Wisconsin. However, it has lost its efficacy due to net operating losses carried or incurred by many companies during the great recession and an increasing number of states making their credit refundable. Making Wisconsin's R&D credit fully refundable will ensure our state can compete for these jobs in the future.

### **Enact Agricultural Building Tax Credit**

Enact an income tax credit that would partially offset property taxes paid on buildings used for agricultural production.

### **Tax Administration Reforms**

Update the manufacturing property classification list, prohibit the state from contracting with third-party auditors, conform unclaimed property laws to national best practices, provide clearer guidelines for sales tax reporting, modernize the dividends received deduction, and eliminate the disparity between interest paid on underpayment of taxes and tax refunds.

### **Federalize Treatment Of Bonus Depreciation And Deduction For Pass-Through Business Income**

Federal tax reform incentivized businesses to invest in capital improvements and provided tax relief to pass-through entities. Conforming Wisconsin's tax code to these federal provisions will incentivize capital investment in the state.

### **Prohibit Taxpayer Funded Lobbying**

With local governments spending millions on lobbying expenses in the 2019-20 session and an unknown amount on issue advocacy, the Wisconsin state legislature should enact measures to prohibit such abuse of taxpayer dollars. Using taxpayer money to lobby in favor of higher taxes is inappropriate, and is an abuse of local governments' responsibility to use finite resources wisely.

### **Oppose Any Tax Hikes Or Administrative Changes That Make Wisconsin A Worse Place To Do Business**

A competitive tax climate is a necessary component to promoting a strong economy. WMC will oppose any increases in tax rates or burdensome tax regulations that make Wisconsin's business climate less competitive.

### **Encourage Balanced Budgeting And Leverage The Private Sector**

The size and scope of government should be limited to avoid unsustainable spending that often drives future tax increases. Our state budget should avoid raids on dedicated funds, maintain a healthy reserve and budget stabilization fund, and dedicate surplus revenues to tax relief for the taxpayers to whom it rightfully belongs. The state should outsource those functions which can be accomplished more cheaply and efficiently by the private sector, and eliminate instances where taxpayers subsidize competition against private sector businesses.

# EDUCATION

*Despite record spending on education, we continue to have unacceptably high percentages of students who are not proficient in math and reading. The widening achievement gap is leaving students behind on the path to career success. We also have far too many students that do not have opportunities for hands-on learning in industrial arts. The following reforms will help address our state's education challenges, help students develop the "soft skills" to advance their career, and better prepare students to successfully enter the workforce.*

## **New Funding Requirements**

Public education currently receives more state funding than ever before. New state education funding should be tied to reforms that address the achievement gap, improve proficiencies in math and reading, and ensure that students have broad career opportunities presented to them, including industrial arts classes, dual enrollment, having a career counselor on staff, etc.

## **Career Counselors On Staff**

Too often we hear of guidance counselors overwhelmed by a multitude of tasks, leaving little to no time to help students and parents make career decisions. Having dedicated career counselors on staff would ensure that school districts are able to help students sift through career options and make class choices accordingly.

## **Career Plan Curriculum Flexibility**

Once a student has identified a career through the Academic & Career Planning process, districts should have flexibility with respect to breadth requirements in order to allow students to place a greater focus on classes directly related to their career preparation.

## **Career Development Report Cards**

Add criteria to existing school report cards that measure how well a school prepares students for career development, including having access to industrial arts and technical education classes, STEM curriculum tracks, dual enrollment opportunities, apprenticeships/internships as part of their coursework, career counselors on staff, etc.

## **Support School Choice And Charter Schools**

In 1990, Wisconsin led the nation by creating the parental school choice program in Milwaukee to bring education options to low-income students stuck in failing public schools. Since then, it has been expanded statewide so that students anywhere have the ability to get a great education. Moving forward, Wisconsin should continue to lead and innovate in this area by removing enrollment caps, expanding eligibility criteria, expanding authorizers of public charter schools, and exploring education savings accounts for students.

## **Civics Education**

Too few students today have a strong knowledge of the American founding principles, nor do they understand the idea of American exceptionalism. These principles are key to having a vibrant democracy well into the future. Local schools should teach the founding principles and American exceptionalism as part of a strong civics education throughout K-12. The United States' continued success depends on future generations rightfully understanding those ideals.

## **Apprenticeship & Internship Opportunities**

Apprenticeships and internships give students hands-on experiences that lead to meaningful job opportunities. Students with an apprenticeship or internship are also more likely to stay with an employer long term. We need to do more to give students practical work experience while they are in high school. Wisconsin should incentivize schools to partner with their local employers to offer students these important real-world career experiences as part of their high school coursework. At the university level, all UW System graduates should be required to have an internship in their field as part of their coursework.

## **Expand Dual Enrollment**

Wisconsin should continue to expand dual enrollment opportunities so that more high school students can earn college credits through the UW System or private colleges and universities, or make progress toward a degree or certificate through the Wisconsin Technical College System, while they are in high school.

## **Continue Growing Industrial And Technical Education Opportunities**

The state has made good progress in recent years to reintroduce students to technical education and the skilled trades through hands-on learning, but more must be done. Too many students still do not have an opportunity to explore technical education or receive hands-on training in our schools, despite the desperate need for these vanishing skillsets from our workforce. School districts should continue working to bring these important classes back to expose all students to these broad career options.







# CIVIL JUSTICE & LEGAL REFORM

*The Wisconsin Legislature has an opportunity to build upon award-winning legal reforms enacted in our state over the past several years. We can add even more fairness, transparency and predictability to our legal system with the following reforms.*

## **Create A Liability Shield To Protect Responsible Businesses From Frivolous COVID-19 Lawsuits**

As the COVID-19 pandemic rages on, responsible Wisconsin businesses need protection from frivolous lawsuits. Enact a meaningful, easy-to-access, liability shield that protects responsible businesses.

## **Prevent Plaintiffs From Recovering Phantom Damages**

Allow juries to review the amount billed and the amount actually paid for medical costs in personal injury cases when deciding how to assess damages.

## **Place Reasonable Limitations On Lawsuit Lending**

Lawsuit lending interferes with the administration of justice in our court system because the interest of the lenders often supersedes the interest of the parties to the lawsuit themselves. In addition, lawsuit lending is currently unregulated in Wisconsin. The legislature should place a cap on the interest lawsuit lenders can charge to ensure that the rights of the borrower are protected.

## **Pre-Empt Local Employment Discrimination Ordinances**

Employers need consistency and certainty in the employment laws they must follow. As it has done for many other areas of employment law, the state should recognize discrimination law as an area of statewide concern and prohibit local units of government from establishing employment discrimination classes that differ from state law.

## **Oppose Civil Justice Changes That Negatively Impact Job Creators**

Oppose proposals that would unfairly increase liability of employers or restrict their access to the court system.

## **Eliminate The Judicial Council**

The Wisconsin Judicial Council is an unelected body of attorneys that the state has granted administrative and policy making authorities. The Council has used this authority to undermine duly enacted laws. Eliminating this Council will reinvest this authority where it belongs, within offices of government accountable to the people of Wisconsin: the Legislature, Wisconsin Courts and Governor.

## **Prohibit Privately Funded State Attorneys**

There is a nationwide trend of private interests funding assistant attorneys general and other legal positions that have regulatory authority over businesses. These positions are less accountable to the public. Prohibit the attorney general or district attorneys from accepting funding from private citizens, businesses or non-profit organizations to pay for employees who have a role in regulation, litigation or policymaking related to environmental, energy, labor or taxation.

## **Legislative Oversight Of Sue & Settle Lawsuits**

Third party interest groups have been known to sue businesses, and then in turn to ask the Attorney General to coerce businesses into agreeing to a favorable financial settlement for the interest group. This is highly unethical. The Attorney General must be prohibited from engaging in settlement discussions involving private parties where the state government is not a party to the litigation.

## **Remove Felons As A Protected Class Under The Fair Employment Act**

Allow employers to terminate or refuse to employ someone convicted of a felony. Require uniform enforcement at the state, county and municipal levels, pre-empting local governments from treating felons as a protected class.

# ENVIRONMENT & ENERGY

*Wisconsin employers face an increasingly costly environmental regulatory climate. Many environmental regulations in Wisconsin are more stringent than what is necessary to protect the environment, and more stringent than what is required by other states. In addition, federal regulations on the electric power sector are driving significant increases in the cost of electricity. Wisconsin employers need affordable and reliable energy, and relief from costly and burdensome environmental regulations. The following initiatives will help level the playing field by making Wisconsin's environmental and energy cost structures more competitive.*

## **Oppose Burdensome EPA Rules**

Continue to work with national partners to ensure federal environmental standards are fair, transparent, cost-effective, and based upon sound science. Work with WMC's national partners and within the legal system to oppose the imposition of costly new federal environmental regulations.

## **Preempt Duplicative And Burdensome Local Regulations**

Environmental regulations and permits are issued by the state DNR. Additional layers of local environmental regulations and permitting add cost and confusion for businesses. Prohibit local governments from establishing or imposing environmental standards or permits, and thereby reinforce the DNR as the sole environmental regulator in Wisconsin.

## **Regulations Must Be Cost-Effective And Science-Based**

Businesses support clean air and water as much as anyone, and recognize the need for sensible environmental regulations. Regulators must recognize, however, that regulatory requirements come with a cost that can be substantial. Regulations should therefore be based upon sound peer-reviewed science, and an evaluation of the cost to businesses and consumers in relation to any benefit to determine whether the regulation is appropriate.

## **Reasonable PFAS Regulations**

Any state standards regulating PFAS compounds must be fair, cost effective, and based upon sound peer-reviewed science. Wisconsin PFAS standards should be consistent with, and no more stringent than, corresponding federal standards to protect consumers from the cost of expensive "Wisconsin only" regulatory mandates.

## **Align State And Federal Environmental Standards**

Remove the cost and complexity of existing "Wisconsin only" environmental regulations, and work to ensure that newly promulgated rules are no more stringent than federal requirements.

## **Streamline Air Permitting**

Build upon existing permit streamlining tools to further exempt small facilities from operations permits, and ease compliance demonstration and reporting requirements for all permitted facilities, while maintaining adequate oversight. In addition, increase the availability of streamlined/abbreviated permitting tools like registration permits and general permits.

## **Provide Relief For Non-Attainment Areas Affected By Out-Of-State Pollutants**

Support an amendment to the Clean Air Act to include provisions providing relief to non-attainment areas in Wisconsin that violate air quality standards due to out-of-state emissions. The vast majority of pollutants triggering air quality violations in Wisconsin originate from outside our borders, and Wisconsin businesses and communities should not be punished for pollution from other states.

## **Ensure Predictability In Groundwater Permitting**

Maintain a fair and predictable permitting framework for high capacity well approvals that allow for growth among existing businesses and farms.

## **Avoid Expensive Energy Mandates, Subsidies And Taxes**

Wisconsin should focus energy policy on the delivery of the most affordable and reliable energy to customers, regardless of the generation source. Energy markets, which reflect changes in the cost-effectiveness and reliability of various generation technologies, should be the overarching factor. Policymakers should allow energy markets to dictate investment decisions as opposed to government picking winners and losers by targeting mandates, subsidies, or taxes at individual technologies.

## **Define The Limits And Boundaries Of The Public Trust**

Statutorily define the limits and boundaries of the public trust for Wisconsin waterways. Currently, there is no clear directive from the legislature regarding which waters fall into the public trust, nor the DNR's public trust regulatory authority. Leaving these critical questions as subject to interpretation by the courts and DNR staff creates uncertainty and leads to costly and burdensome overregulation.



# AFFORDABLE HEALTH CARE

*While we have high quality health care in Wisconsin, rising health care costs continue to be a top business concern. Offering health insurance has never been more expensive for employers. WMC believes Wisconsin should enact policies to help contain the cost of health care without damaging the high quality we enjoy.*

## **Maintain An Employer-Based System**

The employer-based health insurance system we currently have is in everyone's best interest. When it becomes too expensive for employers to provide coverage, workers are often shifted to costly government programs, increasing the financial burden on taxpayers and further threatening provider reimbursements.

## **Promote Consumer-Driven Health Care And Access To Cost And Quality Data**

Informed health care consumers create a competitive market. Wisconsin should continue down the path of providing access to transparent and easily understood medical cost and quality data to all consumers and payers, enabling informed health care decisions.

## **Promote Consumer-Empowering Options**

Health Savings Accounts, Direct Primary Care and other options allow health care consumers to truly utilize available health care cost and health care quality data in order to make informed choices. The state, private employers and individuals should be encouraged to utilize insurance plans that empower consumers to make decisions based on cost and quality.

## **Oppose Medicaid Expansion**

The state should oppose efforts to expand Medicaid, and thereby increase the number of Wisconsinites receiving taxpayer-subsidized health insurance. Federal Medicaid dollars will decline over time, leaving state taxpayers responsible to pay for a large unfunded entitlement.

## **Avoid Mandates That Increase Insurance Costs**

Although often well-intended, mandating specific items that health insurance plans must cover increases insurance costs and should be avoided.

## **Health Care Workforce Initiative**

Like many industries, the health care industry is facing workforce shortages that will only get worse in the coming years. If not addressed, the quality of care in our state could suffer. As Wisconsin addresses the overall worker shortage and skills gap, attention needs to be given to health care fields to ensure a continuing pipeline of talent.

## **Scope Of Practice**

Allow health care providers to practice at the top of their scope, giving cost effective options for consumers. Highly trained providers, like advanced practice nurses and physician assistants, face statutory barriers that do not allow them to practice to the top of their training. Removing unnecessary barriers will allow these providers to do more work across the state, especially in rural areas where we face physician shortages.

## **Telemedicine**

COVID has taught us that telemedicine is a very successful way to provide health care to patients across the state. The state should continue to encourage the use of telemedicine, but should leave the price point of telemedicine to the marketplace.



# HUMAN RESOURCES & EMPLOYMENT LAW

*The cost of complying with human resources and employment regulations is significant for all employers. We need to ensure Wisconsin remains competitive with other states by streamlining employment regulations, addressing the growing medical costs associated with Worker's Compensation, and ensuring a level playing field in our labor laws.*

## **Contain Worker's Compensation Medical Costs**

Wisconsin's work comp medical costs are significantly higher than the national average, making our employers less competitive. WMC supports curbing these costs, as 45 other states have already done, by implementing a fee schedule for maximum-allowed medical charges. WMC also supports allowing employers to utilize medical providers that have the best outcomes, establishment of enforceable treatment guidelines to ensure appropriate care, and administrative efficiencies throughout the system to reduce transaction costs.

## **Maintain Worker's Compensation As Exclusive Remedy**

Since 1911, worker's compensation has been the exclusive remedy for workplace injuries. This grand bargain ensures that injured workers get the treatment they need and deserve, while employers are protected from lawsuits. In recent years, some have advocated for doing away with the exclusive remedy by declaring that certain injuries are workplace related without requiring proof of the injury having occurred on the job. WMC believes the grand bargain must be upheld.

## **Keep Unemployment Insurance Taxes Low**

WMC engages with the Department of Workforce Development and lawmakers on potential changes to the Unemployment Insurance system each legislative session. Our priorities must focus on policies that will maintain the integrity of the unemployment system, ensure workers who truly are out of work through no fault of their own are eligible for benefits while searching for new work, and to keep unemployment insurance taxes low for employers.

## **Connect Unemployment Benefits To Unemployment Rate**

The state should acknowledge that the unemployment rate has a direct impact on unemployed workers' ability to find new work by connecting the number of weeks of unemployment benefits to the unemployment rate. As the unemployment rate increases or decreases, so does the availability of jobs. The number of weeks of unemployment benefits should also increase or decrease accordingly.

## **Independent Contractor Uniformity**

Worker's Compensation, Unemployment Insurance and the Department of Revenue each have their own criteria for determining if someone is an employee or an independent contractor. This causes great confusion for all involved, especially with the expanding gig economy. Wisconsin should streamline the classification of independent contractors and make the definitions and criteria used uniform across state government.





## HUMAN RESOURCES & EMPLOYMENT LAW (CONT'D)

### **Reform Wisconsin's Family And Medical Leave Act (FMLA)**

Governor Thompson signed Wisconsin's FMLA in 1988. President Clinton signed the federal FMLA in 1993. A harmonization of our state law and federal law has never taken place, leaving Wisconsin companies to deal with two sets of rules. Exempting employers who must follow federal regulations from the state law would remove the burden of complying with both laws, and remove confusion resulting from compliance with two overlapping and conflicting leave laws.

### **Federalize Wage And Hour Standards**

Like FMLA, state and federal law differs when it comes to wage and hour standards. Items like how lunch breaks are treated, travel time, changing clothes and overtime should be federalized so that workers and employers have one set of rules to follow instead of two.

### **Define Hours Worked To Provide Flexibility**

Workers today demand flexibility, and many employers are meeting that demand by allowing flexible schedules to hourly and salaried workers alike. In doing so, many hourly workers are now given employer-provided smart devices. Wisconsin should ensure that preliminary activities, such as de minimis time spent checking emails and calendars on smart devices, do not count toward compensable hours worked.

### **Property Protection For Employers**

Employers face an increased risk of corporate espionage with the ever-increasing use of technology. Wisconsin should ensure that it is illegal for employees to remove an employer's data, records, etc. without consent, and hold anyone who assists in such efforts as jointly liable.

### **Strengthen Restrictive Covenant Protections**

Restrictive covenants protect the intellectual and proprietary information of employers from misuse by former employees. Wisconsin judges often must nullify these employment contracts in their entirety if one part of the contract is found to be too broad or restrictive. Judges should be given the ability to strike or reduce a clause they find to be invalid while still reserving the remainder of the contract, giving employers certainty that their intellectual property will be protected by the courts.

### **Pre-Empt Local Employment Discrimination Ordinances**

Employers need consistency and certainty in the employment laws they must follow. As it has done for many other areas of employment law, the state should recognize discrimination law as an area of statewide concern and prohibit local units of government from establishing employment discrimination classes that differ from state law.

### **Oppose Employment Mandates That Increase The Cost Of Doing Business**

Politicians often believe they can force employers to do what the politicians believe to be right by using the heavy hand of government to mandate decisions on hiring, wages, etc. Government, be it the state or a local unit, should not be in the business of micro-managing decisions employers make regarding their operations.

### **Oppose State Mandated Retirement Accounts**

Some states, like Illinois, California, and Oregon, have started mandating that employers provide employees with access to a state-created retirement savings account. Some even mandate that employees must automatically put money into these accounts. These plans do not have the federal protections of traditional retirement accounts for participants, and employers are prohibited from making matching contributions, limiting the potential savings power of the accounts for workers. Instead, private sector banking solutions should be encouraged. We believe that employers and workers, not the government, should determine benefit packages.

# WMC POLICY EXPERTS



## **SCOTT MANLEY**

**EXECUTIVE VICE PRESIDENT, GOVERNMENT RELATIONS**

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# BENCHMARKING COMPETITIVENESS

## Comparing Wisconsin to Highly Competitive States

(For Rankings, 1 = Best, 50 = Worst)

	TEXAS	FLORIDA	NEVADA	TENNESSEE	INDIANA	WISCONSIN
<b>Business Climate Ranking <sup>1</sup></b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>15</b>
<b>2018 Median Household Income <sup>2</sup> (Dollars/Rank)</b>	\$60,629 / 25	\$55,462 / 38	\$58,646 / 30	\$52,375 / 42	\$55,746 / 35	<b>\$60,773 / 24</b>
<b>Unemployment Rate <sup>3</sup> (Percent/Rank)</b>	8.1% / 43	6.4% / 31	10.1% / 49	5.3% / 20	5.0% / 15	<b>5.0% / 15</b>
<b>Union Membership Rate <sup>4</sup> (Percent/Rank)</b>	4.0% / 3	6.2% / 14	14.6% / 43	4.6% / 7	8.3% / 22	<b>8.1% / 21</b>
<b>State and Local Taxes <sup>5</sup> (Percent of Income/Rank)</b>	8.7% / 16	7.6% / 3	9.6% / 27	7.6% / 3	8.6% / 14	<b>9.9% / 32</b>
<b>Individual Income Taxes <sup>6</sup> (Dollars Per Capita/Rank)</b>	\$0 / 1	\$0 / 1	\$0 / 1	\$36 / 8	\$869 / 17	<b>\$1,402 / 39</b>
<b>Corporate Income Taxes <sup>7</sup> (Per Capita/Rank)</b>	\$0 / 1	\$114 / 22	\$0 / 1	\$243 / 44	\$104 / 18	<b>\$157 / 33</b>
<b>Avg. Industrial Electric Rate <sup>8</sup> (Cents Per kWh/Rank)</b>	5.19 / 4	7.74 / 37	2.88 / 1	5.08 / 3	6.74 / 28	<b>7.26 / 33</b>
<b>Lawsuit Climate Ranking <sup>9</sup> (Score/Rank)</b>	67.1 / 38	62.3 / 46	69.5 / 29	68.3 / 34	68.9 / 31	<b>71.2 / 13</b>
<b>Per Capita Venture Capital <sup>10</sup> (\$ Investment/Rank)</b>	\$36.71 / 18	\$59.65 / 11	\$0.32 / 43	\$49.95 / 14	\$9.31 / 31	<b>\$16.79 / 25</b>
<b>Regulatory Environment <sup>11</sup> (Rank)</b>	21	7	14	4	5	<b>10</b>
<b>Health Insurance Premiums <sup>12</sup> (Cost Per Employee/Rank)</b>	\$19,460 / 31	\$18,934 / 21	\$18,357 / 14	\$17,663 / 4	\$19,551 / 33	<b>\$19,555 / 34</b>
<b>Manufacturing Share of Nonfarm Employment <sup>13</sup> (Percent/Rank)</b>	7.02% / 32	4.41% / 42	4.39% / 44	10.83% / 13	16.23% / 2	<b>16.7% / 1</b>

<sup>1</sup> CEO Magazine 2020 Best States for Business

<sup>2</sup> U.S. Census Bureau, 2018

<sup>3</sup> Bureau of Labor Statistics, November 2020

<sup>4</sup> Bureau of Labor Statistics, 2020

<sup>5</sup> U.S. Census Bureau, 2017

<sup>6</sup> U.S. Census Bureau, 2018 data

<sup>7</sup> U.S. Census Bureau, 2018 data

<sup>8</sup> U.S. Department of Energy, October 2020 data

<sup>9</sup> U.S. Chamber Institute for Legal Reform, 2019

<sup>10</sup> PricewaterhouseCoopers/CB Insights, 2020 Q4

<sup>11</sup> Forbes Best States for Business 2019

<sup>12</sup> U.S. Department of HHS, 2018 data for family coverage

<sup>13</sup> U.S. DOL Bureau of Labor Statistics, November 2020

# WMC

Wisconsin's Chamber

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## WMC MISSION STATEMENT:

WMC is dedicated to making Wisconsin the most competitive state in the nation in which to do business.



## WMC LEGISLATIVE AGENDA ■ 2021-2022